

**Memo on the PSLF Implications of a Revised Definition of a Professional Degree**  
Submitted to the RISE Negotiated Rulemaking Committee  
From: Alex Holt and Andrew Gillen (Taxpayers and the Public Interest Constituency)  
October 2, 2025

An important question for policymakers related to the definition of a professional degree is its implications for the costs of the student loan program. As most of the fields under consideration (under proposals from either the Department or from negotiators) are relatively higher-earning, the primary consideration for the cost implications is in whether the programs will significantly increase eligibility for Public Service Loan Forgiveness (PSLF) relative to considering them graduate programs, where they will be able to accrue less federal debt. That is, almost all of the potential costs of adding high-earning fields to the definition of professional degree come from borrowers who will receive PSLF. In fact, non-PSLF loans are highly likely to actually generate revenue for the government.<sup>1</sup> **Therefore, it is essential to understand the potential amounts of additional PSLF forgiveness if these programs qualify for professional loan limits.**

While we have not had the opportunity to produce a full cost estimate, we did pull some descriptive data that are instructive about the potential for added costs, and have determined that **the proposed definition of a professional program that we submitted would almost certainly carry only limited additional costs relative to ED's exhaustive list of 10 professions.**

Specifically, we accessed data from the Census Bureau's 2019-2023 American Community Survey (ACS) via the IPUMS (Integrated Public Use Microdata Series)<sup>2</sup> system that show the share of public sector employment<sup>3</sup> by occupation among 25- to 35-year-olds. We aligned those occupational categories with the fields of study under consideration for the definition of a professional degree (i.e., Table 2 of our September 30 memo, attached as an appendix for reference), and estimated the number of PSLF-eligible recipients by multiplying the share of workers in each occupation who are in PSLF-eligible employment by the number of doctoral-professional degrees awarded. We then assumed \$100,000 in *additional* federal loan debt forgiven for each PSLF-eligible borrower.<sup>4</sup> This is likely an overestimate, because we are using the maximum possible difference between professional and graduate loan borrowing limits.

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<sup>1</sup> These non-PSLF loans bear a negative subsidy rate -- i.e., the government generates revenue from the loans -- because of higher expected rates of repayment under the Repayment Assistance Plan and the longer time to forgiveness.

<sup>2</sup> IPUMS USA, University of Minnesota, <https://usa.ipums.org/usa/>

<sup>3</sup> Includes employment in the nonprofit sector or in federal, state, or local government.

<sup>4</sup> The aggregate maximum for graduate degrees is \$100,000, while the aggregate maximum for professional degrees is \$200,000. There this is the absolute maximum additional amount of debt that could be forgiven if a program is considered professional versus graduate. The actual number is likely quite a bit lower for certain professions being analyzed.

In total, we find that **PSLF amounts in the professional degree fields already named in the Department's regulations<sup>5</sup> dwarf the amounts in the other fields that would be added.** Specifically, we find that, of approximately \$4.6 billion in nominal additional forgiveness based on roughly estimated PSLF eligibility for professional programs, \$3.6 billion of that is in the 10 fields named in the current regulations and proposed as the only fields under the Department's proposal. Keep in mind that professional loans that are *not* in PSLF bear a negative subsidy rate, meaning overall any cost of expanding to our additional proposed degrees would not add significant costs and may bear no cost at all. As a function of about \$40 billion disbursed to graduate borrowers *every year* under the current program, the added costs are marginal at worst. In fact, we expect the costs of the Department's proposal -- namely, its proposed one-year transition period that would allow thousands of graduate programs to access more than twice the annual loan limits established by Congress than would be permitted in subsequent years -- could exceed the costs of our own proposal and is very unlikely to be significantly lower than our proposal.

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<sup>5</sup> Pharmacy, Dentistry, Veterinary Medicine, Chiropractic, Law, Medicine, Optometry, Osteopathic Medicine, Podiatry, and Theology

## Share and Amount of PSLF Estimated, by Professional Field of Study

CIP Code	CIP Description	Total Doctoral Degrees Awarded, IPEDS (#)	Share of Doctoral Degrees Reported as Professional, IPEDS (%)	Number of Doctoral Degrees Reported as Professional, IPEDS (#)	Percentage PSLF-Eligible in the Corresponding Occupation, ACS	Number of Doctoral Awards Eligible for PSLF (Est., #)	PSLF Amount (Assumes \$100,000 in Debt Forgiven)	Included in the Department's Proposed Professional Degree Definition (After Year 1)
22.0101	Law	35,647	99.90%	35,611	30.30%	10,790	\$ 1,079,023,996	1
51.1201	Medicine	20,725	100.00%	20,725	63.60%	13,181	\$ 1,318,110,000	1
51.2001	Pharmacy	12,938	100.00%	12,938	32.20%	4,166	\$ 416,603,600	1
51.2308	Physical Therapy/Therapist	13,307	90.10%	11,990	29.90%	3,585	\$ 358,489,249	
51.1202	Osteopathic Medicine/Osteopathy*	7,884	100.00%	7,884	63.60%	5,014	\$ 501,422,400	1
51.0401	Dentistry	6,928	99.90%	6,921	17.70%	1,225	\$ 122,502,974	1
51.3818	Nursing Practice*	7,474	76.60%	5,725	41.80%	2,393	\$ 239,308,511	
01.8001	Veterinary Medicine	3,466	100.00%	3,466	13.00%	451	\$ 45,058,000	1
51.2306	Occupational Therapy/Therapist	3,503	77.30%	2,708	40.90%	1,107	\$ 110,749,797	
51.0101	Chiropractic	2,698	98.20%	2,649	3.80%	101	\$ 10,067,857	1
51.1701	Optometry	1,780	100.00%	1,780	10.70%	190	\$ 19,046,000	1
42.2801	Clinical Psychology	2,470	57.80%	1,428	58.60%	837	\$ 83,660,876	
51.3804	Nurse Anesthetist*	1,403	71.70%	1,006	41.80%	420	\$ 42,048,752	
51.3301	Acupuncture and Oriental Medicine*	716	87.60%	627	63.60%	399	\$ 39,890,938	
51.1203	Podiatric Medicine/Podiatry	559	100.00%	559	30.70%	172	\$ 17,161,300	1
51.0202	Audiology/Audiologist	672	73.20%	492	48.20%	237	\$ 23,709,773	
51.3805	Family Practice Nurse/Nursing*	683	71.90%	491	41.80%	205	\$ 20,527,019	
51.3802	Nursing Administration*	725	60.00%	435	41.80%	182	\$ 18,183,000	

CIP Code	CIP Description	Total Doctoral Degrees Awarded, IPEDS (#)	Share of Doctoral Degrees Reported as Professional, IPEDS (%)	Number of Doctoral Degrees Reported as Professional, IPEDS (#)	Percentage PSLF-Eligible in the Corresponding Occupation, ACS	Number of Doctoral Awards Eligible for PSLF (Est., #)	PSLF Amount (Assumes \$100,000 in Debt Forgiven)	Included in the Department's Proposed Professional Degree Definition (After Year 1)
39.0602	Divinity/Ministry	720	56.80%	409	96.40%	394	\$ 39,423,744	1
51.0912	Physician Assistant*†	510	74.90%	382	36.30%	139	\$ 13,866,237	
51.3899	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing, Other*	339	90.00%	305	41.80%	128	\$ 12,753,180	
51.3303	Naturopathic Medicine/Naturopathy*	254	100.00%	254	63.60%	162	\$ 16,154,400	
22.0201	Advanced Legal Research/Studies, General	272	77.60%	211	Unknown	Unknown	Unknown	
51.0204	Audiology/Audiologist and Speech-Language Pathology/Pathologist	243	72.80%	177	48.20%	85	\$ 8,526,773	
51.3810	Psychiatric/Mental Health Nurse/Nursing*	193	74.60%	144	41.80%	60	\$ 6,018,280	
51.1401	Medical Science/Scientist	183	63.90%	117	Unknown	Unknown	Unknown	
51.3203	Nursing Education	114	50.90%	58	Unknown	Unknown	Unknown	
* Approximation based on available Census professions								
† Most P.A.s hold master's degrees, but some hold doctorates; this shows only the small number enrolled in doctorate programs.								

**APPENDIX: [Previously Submitted]**

**Memo on the Proposed Definition of a Professional Degree**

Submitted to the RISE Negotiated Rulemaking Committee

From: Alex Holt and Andrew Gillen (Taxpayers and the Public Interest Constituency)

September 30, 2025

In the One Big Beautiful Bill Act (OBBBA), Congress sought to codify a definition of “professional student” from the regulations.

“(ii) Professional student.—In this paragraph, the term ‘professional student’ means a student enrolled in a program of study that awards a professional degree, as defined under section 668.2 of title 34, Code of Federal Regulations (as in effect on the date of enactment of this paragraph), upon completion of the program.

The definition from the regulations on the date of enactment reads as follows:

*Professional degree:* A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

Recognizing that this has caused some confusion among negotiators, we put forward a proposal below that seeks to balance the narrow definition that Congress intended for professional programs (eligible for up to \$50,000 per year in loans) with the need for some programs not included in the already-named examples to have their status clarified.

Specifically, we propose a three-part test:

1. **Is the program already named in the regulations?** We assume that, because these programs exist in the current definition of a professional degree, they are consistent with what Congress assumed a professional degree would include and with how the regulations were in effect as of the date of enactment.
2. **Is the program in an adjacent field to the programs named in the regulation and of similar length (at least three years)?** We assume that these programs are consistent with the “include but are not limited to” language in the current regulatory definition of a professional degree.
  - a. *Adjacent field:* We propose to define the adjacent field as other programs within the same two-digit [Classification of Institutional Programs \(CIP\) code](#) as the programs

named in the regulatory definition. All of the named programs fall within one of just four two-digit CIP codes: agriculture, legal professions, theology, and health.

- b. Program length:* We propose to incorporate program length as part of the definition because it is an important part of how graduate and professional programs have typically been differentiated. All programs currently included on the professional program list, with the exception of an M.H.L., are typically at least three or four years.

Extending to other programs within the CIP code will provide additional clarity for the field, and identify an operationalizable approach to assessing fields beyond those in the regulations for the Department. For instance, there are many subspecialties within Pharmacy (such as pharmaceuticals and drug design, or clinical and industrial drug development) that may operate similarly to the credentials named in the regulation as professional.

Any extension of the definition of professional programs should be narrow, within the scope of programs similar to those named in the current regulations, and easily defined for clarity of students, institutions, and the Department of Education. We believe the use of the 2-digit CIP code to broaden out adjacent fields will accomplish those goals.

**TABLE 1: CIP Codes of Currently Defined Professional Fields**

<b>Program of Study</b>	<b>CIP Code (6-digit)</b>	<b>CIP Code (2-digit)</b>
Pharmacy	51.2001	51 (Health Professions and Related Clinical Sciences)
Dentistry	51.0401	51 (Health Professions and Related Clinical Sciences)
Veterinary Medicine	01.8001	01 (Agriculture, Agriculture Operations, and Related Sciences)
Chiropractic	51.0101	51 (Health Professions and Related Clinical Sciences)
Law	22.0101	22 (Legal Professions and Studies)
Medicine	51.1201	51 (Health Professions and Related Clinical Sciences)
Optometry	51.1701	51 (Health Professions and Related Clinical Sciences)

Osteopathic Medicine	51.1202	51 (Health Professions and Related Clinical Sciences)
Podiatry	51.1203	51 (Health Professions and Related Clinical Sciences)
Theology	39.0601	39 (Theology and Religious Vocations)

3. **Did the OBBBA language and corresponding regulatory definition, as of the date of enactment, indicate any exceptions to the above tests?** A deeper data-driven analysis can provide additional information to the negotiating committee about other programs that may warrant a closer look. We explored data from IPEDS regarding the number of credentials awarded by each field of study (6-digit CIP code), and examined the share of credentials awarded as doctoral-research programs, doctoral-professional programs, and doctoral-other.<sup>6</sup> We narrowed this analysis to fields in which at least 100 credentials are awarded each year, since we do not think Congress would have been considering cases where only a handful of credentials are awarded each year as qualifying as professional programs.

Among those remaining fields, there are 27 six-digit CIP codes that report most -- i.e., at least half -- of their doctoral degrees awarded as professional doctoral degrees (see Table 2). Of those, just one falls outside of the four two-digit CIPs that would already be covered by our second test: Clinical Psychology (57.8% of doctoral degrees awarded are reported as professional).

Given that, we believe that a very narrow, data-driven exception is warranted to add Clinical Psychology to the regulatory definition because there is a strong case that it was understood as a professional degree as of the date of enactment.

**TABLE 2: Share of Doctoral Degrees Awarded and Reported As Research, Professional, and Other in IPEDS**

CIP Code	CIP Description	Total # of Doctoral Degrees Awarded	Doctor's Degree - Research/Scholarshi p (%)	Doctor's Degree - Professional Practice (%)	Doctor's Degree - Other (%)
01.8001	Veterinary Medicine	3,466	0.0%	100.0%	0.0%

<sup>6</sup> This is an extension of the analysis discussed here: <https://www.aei.org/education/beware-graduate-programs-masquerading-as-professional-to-increase-student-debt/>.

51.1201	Medicine	20,725	0.0%	100.0%	0.0%
51.1202	Osteopathic Medicine/Osteopathy	7,884	0.0%	100.0%	0.0%
51.1203	Podiatric Medicine/Podiatry	559	0.0%	100.0%	0.0%
51.1701	Optometry	1,780	0.0%	100.0%	0.0%
51.2001	Pharmacy	12,938	0.0%	100.0%	0.0%
51.3303	Naturopathic Medicine/Naturopathy	254	0.0%	100.0%	0.0%
22.0101	Law	35,647	0.1%	99.9%	0.0%
51.0401	Dentistry	6,928	0.1%	99.9%	0.0%
51.0101	Chiropractic	2,698	1.8%	98.2%	0.0%
51.2308	Physical Therapy/Therapist	13,307	7.3%	90.1%	2.6%
51.3899	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing, Other	339	10.0%	90.0%	0.0%
51.3301	Acupuncture and Oriental Medicine	716	1.4%	87.6%	11.0%
22.0201	Advanced Legal Research/Studies, General	272	22.4%	77.6%	0.0%
51.2306	Occupational Therapy/Therapist	3,503	20.6%	77.3%	2.1%

51.3818	Nursing Practice	7,474	20.2%	76.6%	3.2%
51.0912	Physician Assistant	510	25.1%	74.9%	0.0%
51.3810	Psychiatric/Mental Health Nurse/Nursing	193	25.4%	74.6%	0.0%
51.0202	Audiology/Audiologist	672	20.5%	73.2%	6.3%
51.0204	Audiology/Audiologist and Speech-Language Pathology/Pathologist	243	27.2%	72.8%	0.0%
51.3805	Family Practice Nurse/Nursing	683	25.5%	71.9%	2.6%
51.3804	Nurse Anesthetist	1,403	26.3%	71.7%	2.0%
51.1401	Medical Science/Scientist	183	36.1%	63.9%	0.0%
51.3802	Nursing Administration	725	38.3%	60.0%	1.7%
42.2801	Clinical Psychology	2,470	39.8%	57.8%	2.4%
39.0602	Divinity/Ministry	720	25.4%	56.8%	17.8%
51.3203	Nursing Education	114	49.1%	50.9%	0.0%

### Cost Estimate

We also think a relevant part of this discussion should be whether the policy adopted here increases the costs of the provision relative to the estimate that the Congressional Budget Office (CBO) provided to policymakers and the public. That is an important reflection of what Congress intended with respect to this provision.

We believe that the above proposal would be consistent with the CBO estimates. The RAP plan significantly increases the likelihood that professional degree borrowers will repay loan amounts at or under \$200,000 (the professional limit), especially relative to previous IBR plans. For example, a borrower entering repayment with \$200,000 in debt who goes on to earn the median income for a physical therapist with a doctorate will generate a small negative to neutral subsidy, according to our calculations. That is, the government will generate a small amount of revenue or no revenue at all from this borrower, and disbursing the loan will not be a cost to the government. This is because the RAP plan extends the number of years in repayment and also increases the percentage of income that borrowers pay in later years. Since most physical therapists are unlikely to qualify for Public Service Loan Forgiveness (PSLF), this will not generate a cost. This is less true for clinical psychology doctorates, as many psychologists appear to be employed in the public sector. However, we believe that clinical psychology clearly falls within the rubric of a professional degree on the date of enactment, and the number of doctoral degrees granted in this field is relatively small. Therefore, we believe the cost increase associated with clinical psychology is acceptable. In fact, a quick analysis suggests that, overall, the narrow increase in the definition of professional degrees proposed in this memo could possibly generate additional *revenue* for the federal government. In any case, we do not anticipate an economically significant increase in costs.

The three-year requirement is also essential in maintaining a fiscally responsible definition. Since the advent of the graduate PLUS program, higher education has seen an explosion of high-cost master's-level degrees that [did not necessarily](#) correspond with high enough earnings for borrowers to pay off their loans. This problem is exacerbated by the interaction of income-driven repayment programs (including RAP) with PSLF. We were particularly concerned about degrees with large numbers of borrowers such as teaching/education, social work, and counseling. For these degrees, allowing students to take out the additional *marginal* dollar per year from a higher loan limit could cost the government money because that marginal dollar is much more likely to be forgiven. The below definition excludes all of these costly degrees.

Given the public data limitations and compressed timeline of this analysis, we cannot state any point-estimate for costs/savings, but we believe that this narrow expansion is unlikely to lead to an economically significant increase in costs to the federal government.

#### **Proposed Language:**

- *Professional degree*: A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. ~~Examples of a professional degrees include but are not limited to~~ Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.); ~~any program of at least the full-time equivalent of three years in length and within the same two-digit CIP code as any of the professional degrees~~

named above; and any program of at least the full-time equivalent of three years in length in Clinical Psychology (Psy.D.).