



# The Changing Landscape: State and Federal Insights on Education and Workforce

Kentucky Council on Postsecondary  
Education: Healthcare Workforce  
Collaboratory

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December 9, 2025

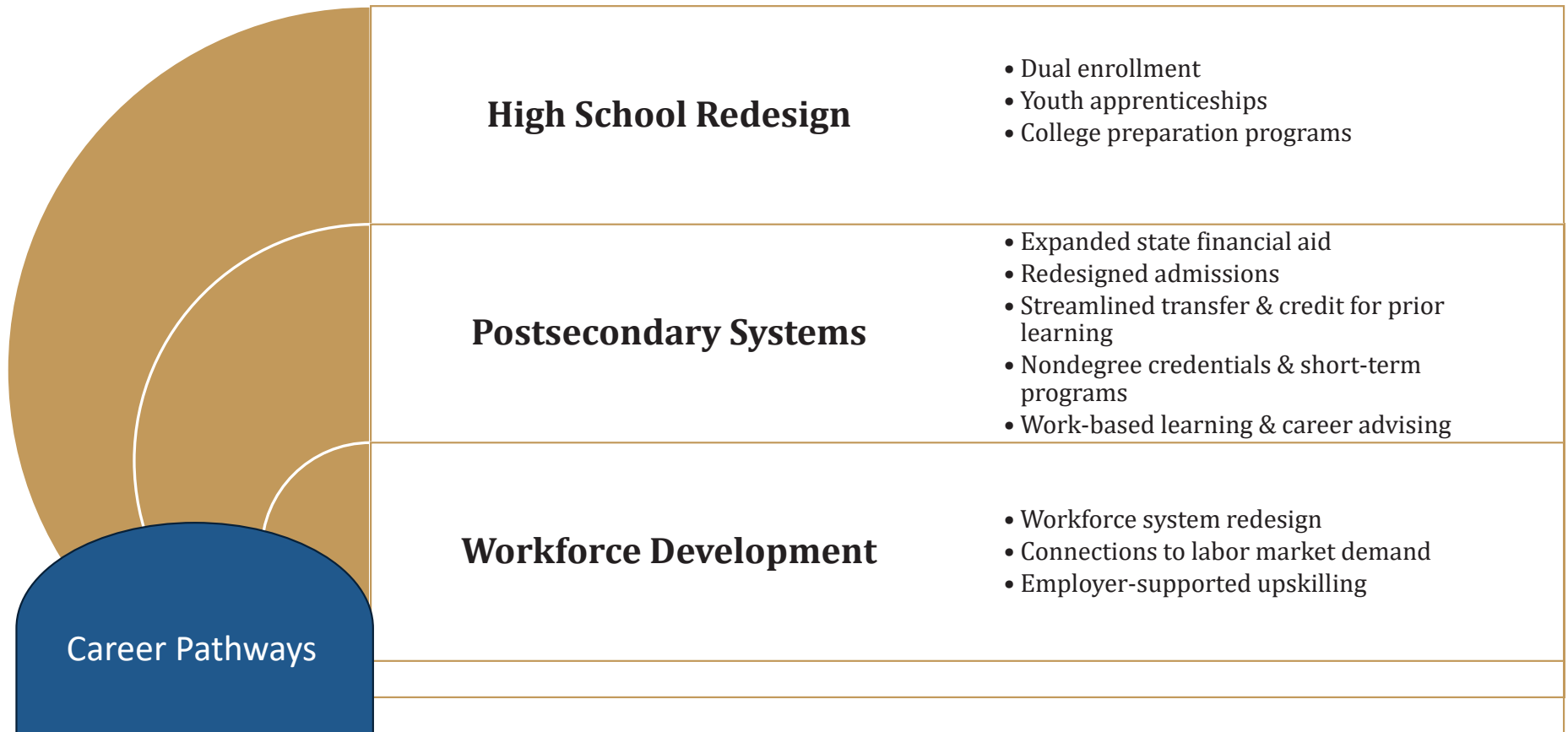




# State Education and Workforce Trends

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# STATE POLICY: CAREER PATHWAYS



# 2025 Higher Education Legislation

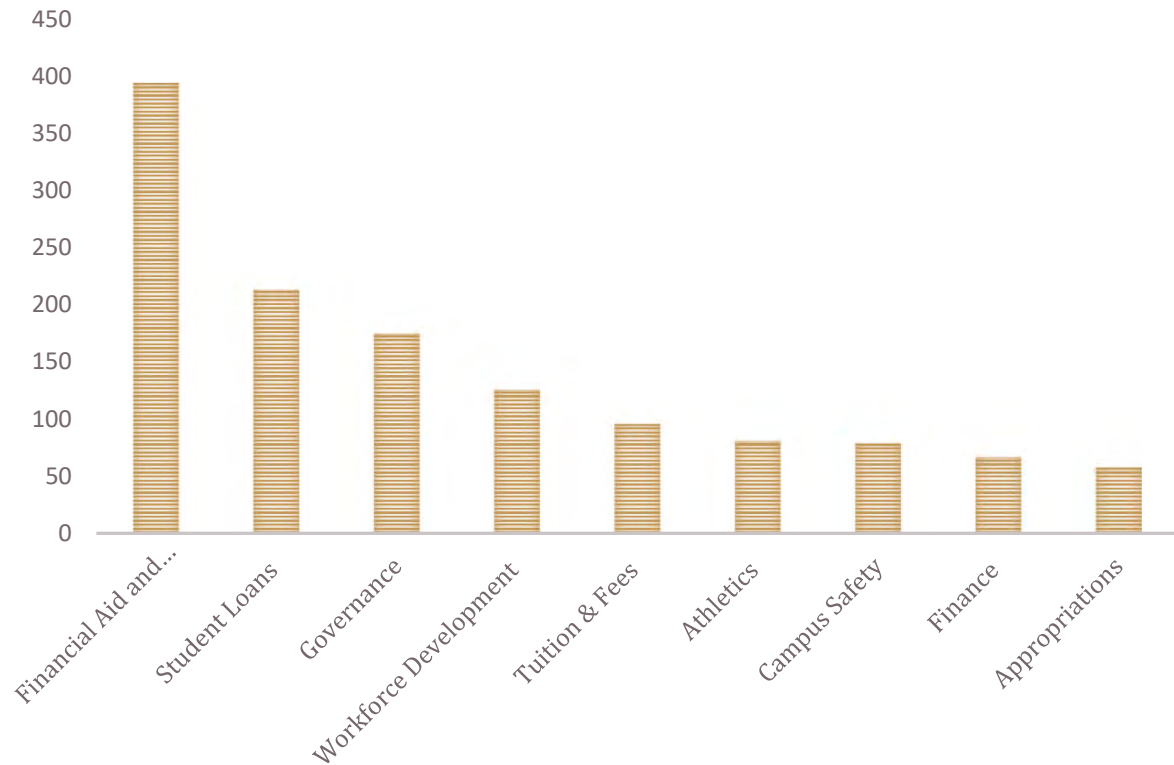
**1,885**

Bills related to  
postsecondary  
education  
tracked by NCSL  
in 2025

**444**

Bills enacted  
into law

## 2025 POSTSECONDARY LEGISLATION



Source: NCSL Legislative Tracking



# State Actions : State Financial Aid & Affordability

## ❖ Targeted scholarship programs

- ❖ *Workforce Focused:* In-demand occupations, short-term programs
- ❖ *Population Focused:* Adults & returning learners, incarcerated individuals

## ❖ FAFSA completion and promotion initiatives

## ❖ Aid flexibility

- ❖ Part-time student eligibility, summer courses

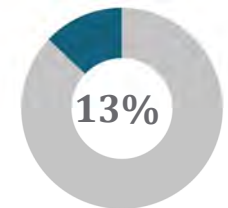
## ❖ Completion/Emergency Aid

## ❖ College savings (529 accounts)

- ❖ Tax deductions & matching programs

# \$18.6

Billion in state-funded student financial aid in 2023 school year



of total state support for higher education is spent on financial aid

Source: NASSGAP, SHEEO

# State Actions : Nondegree Credentials

## ❖ Evaluating Quality

- ❖ Requiring state review of credential programs
- ❖ Publishing in-demand lists
- ❖ Structures to review and incorporate labor market data

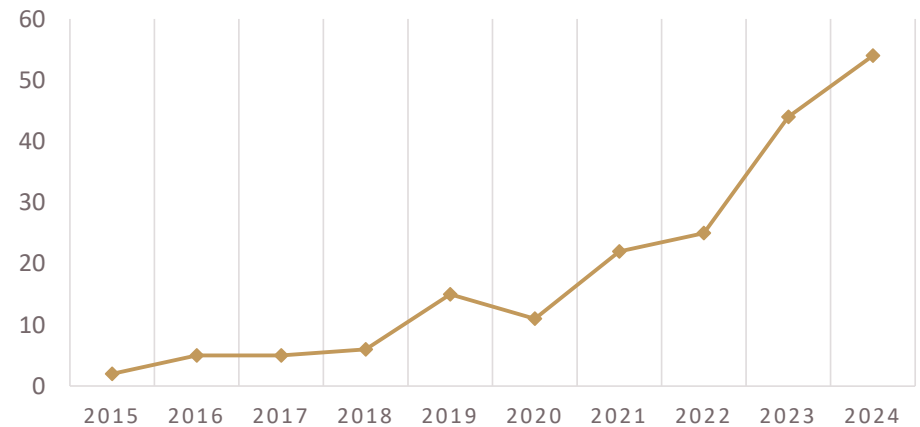
## ❖ Funding & Affordability

- ❖ Targeted financial aid programs
- ❖ Adult reconnect and employer upskilling programs
- ❖ Comprehensive student supports

## ❖ Promotion & Alignment

- ❖ Inclusion in state attainment goals
- ❖ Funding to support expanded course offerings
- ❖ Creation of ROI and value metrics
- ❖ Elimination of degree requirements

### STATE LEGISLATION RELATED TO NONDEGREE CREDENTIALS



Source: NCSL Legislative Tracking

# Nondegree Credentials Landscape & Wage Gains

1.1 million

Unique credentials offered by  
more than

59,000

Providers in the U.S. in 2024

**Table 2. Wage Gains After One Year Compared to Counterfactual, by Field**

	Overall	Data Science	Marketing	Accounting	Leadership	Project Management	Real Estate	Nursing
<b>Top Decile</b>	\$4,700	\$5,500	\$5,700	\$4,410	\$4,700	\$4,890	\$4,080	\$14,150
<b>Top Quartile</b>	\$3,000	\$3,600	\$4,000	\$2,650	\$3,350	\$3,400	\$2,125	\$7,925
<b>Median</b>	\$1,400	\$2,200	\$2,600	\$850	\$1,800	\$2,000	\$700	\$3,000
<b>Bottom Quartile</b>	\$0	\$800	\$1,050	\$0	\$750	\$200	\$0	\$1,400
<b>Bottom Decile</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150

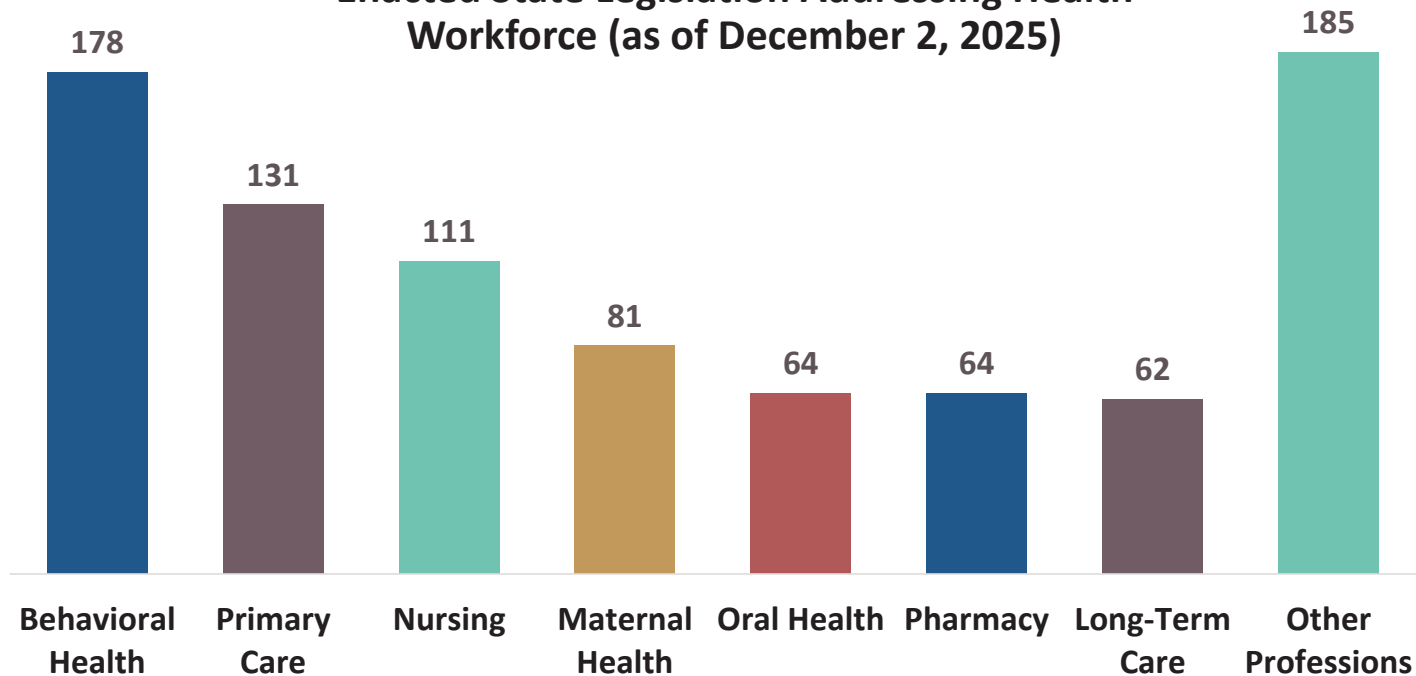
Source: Burning Glass Institute analysis.

*Source: Credential Engine, Burning Glass & AEI*

# Health Workforce Trends: State Legislation

**NCSL Resource:**  
[Health Workforce Legislation Database](#) (Ongoing)

**Enacted State Legislation Addressing Health Workforce (as of December 2, 2025)**



Source: NCSL (2025)

## Types of interventions:

- Licensure and certification (347 bills)
- Scope of practice (202 bills)
- Recruitment and retention (175 bills)
- Education and training (115 bills)



# State Trends: Financial Incentives

## SCHOLARSHIPS

- **Kentucky** [HB 305](#) establishes scholarships for PAs, dietitians, nutritionists and RNs.
- **Maryland** [SB 597](#) establishes a graduate professional scholarship program.
- **Minnesota** [SB 1](#) appropriates funding for rural physician programs.
- **North Dakota** [SB 2221](#) creates a skilled workforce scholarship program.

## LOAN REPAYMENT

- **Alabama** [HB 288](#) establishes athletic trainer loan forgiveness.
- **Mississippi** [HB 1127](#) creates a skilled nursing facility and hospital nurses loan repayment program.
- **Nebraska** [LB 312](#) expands rural health professional loan program.
- **Nevada** [SB 266](#) provides loan repayment for providers in underserved communities.

## TAX INCENTIVES

- **Georgia** [HB 144](#) expands tax credits for medical preceptor rotations.
- **Idaho** [HB 242](#) provides primary care preceptor tax credit.
- **Vermont** [SB 51](#) creates unpaid caregiver tax credit .

# State Trends: Rural Health Workforce

## ARKANSAS [SB 504](#)

Establishes a rural preceptorship program to expand residencies in clinics, hospitals, FQHCs and other facilities.

## GEORGIA [HR 753](#)

Establishes a house study committee on access to internal medicine in rural areas.

## IDAHO [HB 242](#)

Provides continuing medical education credits for certain primary care preceptors.

## IOWA [HF 972](#)

Creates a hub-and-spoke partnership funding model, pending approval from CMS.

## SOUTH DAKOTA [HB 1047](#)

Appropriates \$1.6 million to reimburse family physicians participating in the [rural recruitment assistance program](#).

## TEXAS [HB 18](#)


Establishes a financial stabilization grant program to improve the financial stability of rural hospitals, districts and authorities.



## Federal Policy Update: What's Happening in Washington?

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# Big Picture: Federal Policy Developments

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- **Higher Education**
    - Graduate Loan Limits
    - Program-level Accountability for Loan Access
    - Student Loan Repayment Reform
    - Workforce Pell
  - **Workforce**
    - Goal of 1 Million Apprentices
  - **Healthcare**
    - Significant Changes to Medicaid
    - Rural Health Transformation Program
    - Ongoing debate over extension of expired ACA tax credits
  - **Federal Funding**
    - Gov't funded thru Jan. 31- FY26 funding levels TBD.

# Federal Student Loan Limits

Changes via H.R. 1, chart by Preston Cooper, American Enterprise Institute

**Table 1: Federal Student Loan Limits Under Previous Law and OBBB**

Category of Borrower	Loan Limits Under Previous Law	Loan Limits Under OBBB
Undergraduate Students	\$5,500 to \$12,500 annually; \$31,000 to \$57,500 in aggregate	\$5,500 to \$12,500 annually; \$31,000 to \$57,500 in aggregate
Nonprofessional Graduate Students	Cost of attendance (as defined by the institution)	\$20,500 annually; \$100,000 in aggregate
Professional Graduate Students	Cost of attendance (as defined by the institution)	\$50,000 annually; \$200,000 in aggregate
Parents of Undergraduates	Cost of attendance (as defined by the institution)	\$20,000 annually; \$65,000 in aggregate (per child)

Source: US Department of Education, Federal Student Aid, <https://studentaid.gov/help-center/answers/article/how-much-money-can-i-borrow-federal-student-loans>; and One Big Beautiful Bill Act, H.R. 1, 119th Cong. (2025).



# Graduate Loan Limits: Negotiated Rulemaking

An arcane process goes viral!



- **Negotiated Rulemaking (Neg Reg)**
  - Reimagining and Improving Student Education Committee (RISE Committee).
    - Broadly covered loan limits, loan repayment provisions.
    - Met Sept. 29-Oct. 3, Nov. 3-7 (authorized to meet during shutdown).
  - Big question: which programs will be defined as “professional” degrees?
    - Department proposed an existing definition of 10 “professional” degrees.
      - Referenced in limited definition in statute.
    - Neg reg committee accepted proposal, but added Clinical Psychology.
      - Some negotiators argued to include Doctor of Nursing Practice (DNP).
- **Post Neg Reg Timeline**
  - Department notices proposed rule in early 2026, likely offers 30-day comment window.
  - Final rules likely go into effect on July 1, 2026.

# “Professional” Degrees: As Defined to Determine Loan Limits

- Existing federal definition of “professional degree” (CFR 668.2)
  - “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.).”

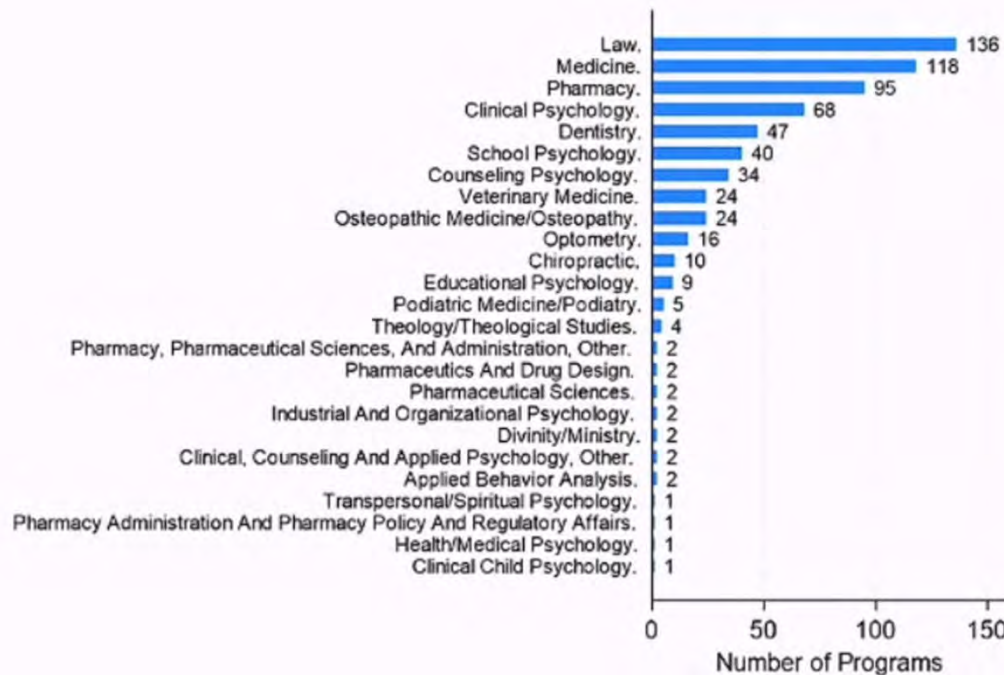
# “Professional” Degrees: As Defined to Determine Loan Limits

- Department of Education’s accepted proposal to define professional degrees:
  - 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;
  - Is generally at the doctoral level, and that requires at least six academic years of postsecondary education coursework for completion, including at least two years of post-baccalaureate level coursework; and
  - Generally requires professional licensure to begin practice.
  - Share same 4-digit Classification of Instructional Programs (CIP) code as programs in existing definition.

# Programs that Would Qualify as “Professional” Degrees

chart by Office of Chief Economist, U.S. Department of Education

## 650+ Programs in ED’s Proposal Lead to Licensure



# Debt and Earnings for “Professional” Programs

chart by Robert Kelchen, University of Tennessee

Debt and earnings for "professional" programs.					
Program (CIP)	Debt (\$)	N	Debt >\$100k	Debt >\$200k	Earnings (5-yr, \$)
<b>"Professional"</b>					
Medicine (51.12)	202,467	143	137	64	164,586
Pharmacy (51.20)	152,564	113	89	32	141,764
Dentistry (51.04)	266,146	63	63	49	158,584
Optometry (51.17)	192,488	18	18	7	118,212
Law (22.01)	114,860	195	111	4	109,743
Vet med (1.80/51.24)	172,552	26	26	4	118,955
Chiropractic (51.01)	195,118	14	14	6	59,519
Theology (39.06)	46,030	64	1	0	62,631
Clinical psych (42.28)	147,134	44	33	8	91,311
<b>Not "professional"</b>					
Education (13.01)	74,069	17	3	0	93,889
Educational admin (13.04)	59,220	71	5	0	100,438
Rehabilitation (51.23)	97,593	174	64	1	83,119
Nursing (51.38)	69,885	73	10	0	142,980
Business admin (52.02)	99,436	14	6	0	121,465
Note: No data were available for osteopathic medicine and podiatry programs.					
Source: College Scorecard (2019 debt, 5-year earnings measured in 2020)					



# Graduate Borrowing by Program Type

chart by Jordan Matsudaira, Postsecondary Education & Economics Research Center

**Table 1. Annual Total and Grad PLUS Loan Disbursements, Number and Share of Borrowers, and Share of Total Graduate Loan Volume for the Top 25 Programs by Annual Loan Volume, 2020–2023**

Field	Credential Level	Annual Number of Borrowers	Share of All Borrowers	Avg. Annual Disbursements	90th Percentile Ann. Disbursements	Share of Annual Disbursements
Medicine	Professional	56,293	4.1%	57,137	91,662	8.9%
Law	Professional	64,917	4.7%	41,406	73,246	7.4%
Business Administration and Management	Master's	102,459	7.5%	18,234	32,028	5.1%
Dentistry	Professional	17,020	1.2%	79,887	126,602	3.7%
Osteopathy	Professional	20,001	1.5%	67,831	94,342	3.7%
Social Work	Master's	59,065	4.3%	21,415	38,876	3.5%
Pharmacy	Professional	26,177	1.9%	43,118	69,457	3.1%
Physician Associate/Assistant	Master's	23,392	1.7%	44,981	78,948	2.9%
Registered Nursing	Master's	50,990	3.7%	18,434	33,632	2.6%
Physical Therapy	Doctoral	20,770	1.5%	37,095	69,090	2.1%
Veterinary Medicine	Professional	11,543	0.8%	54,649	84,077	1.7%

# Graduate Borrowing by Program Type

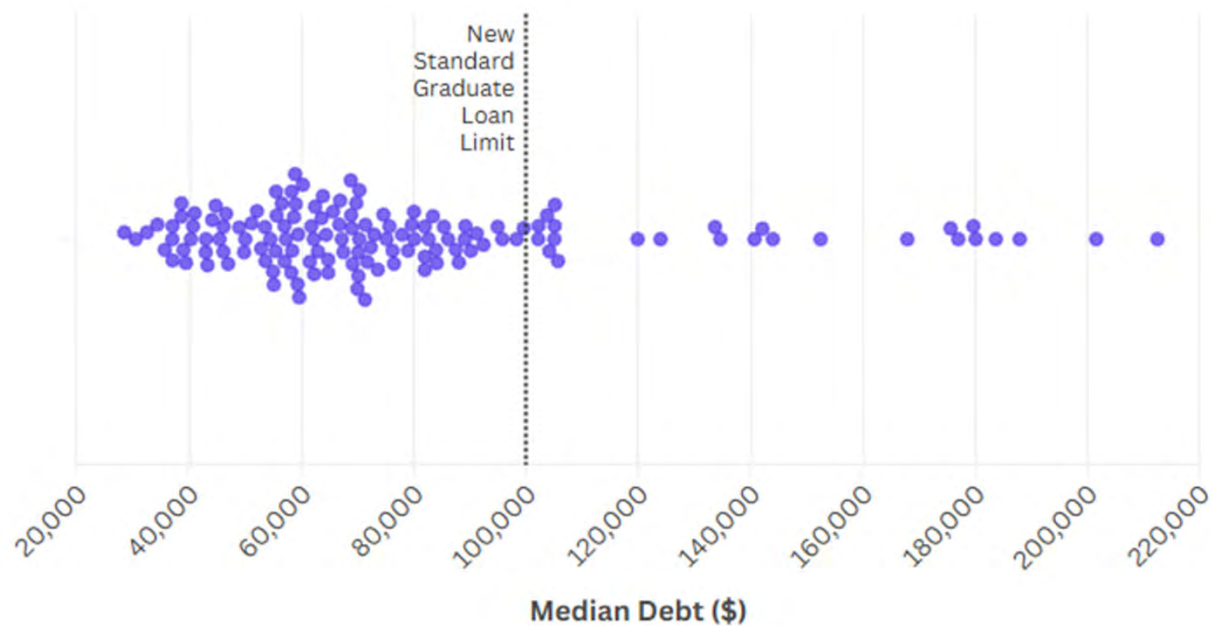
chart by Jordan Matsudaira, Postsecondary Education & Economics Research Center

Pharmacy	Doctoral	9,810	0.7%	50,561	80,600	1.4%
Counseling Psychology	Master's	23,033	1.7%	20,575	39,148	1.3%
Osteopathy	Doctoral	5,997	0.4%	71,948	108,571	1.2%
Chiropractic	Professional	8,690	0.6%	49,042	78,615	1.2%
Medicine	Doctoral	7,907	0.6%	52,353	83,743	1.1%
Family Practice Nurse/Nursing	Master's	22,651	1.7%	17,962	30,750	1.1%
Counselor Education	Master's	22,308	1.6%	17,091	26,500	1.0%
Law	Doctoral	9,764	0.7%	38,891	68,981	1.0%
Mental Health Counseling	Master's	20,036	1.5%	18,565	30,500	1.0%
Occupational Therapy	Master's	11,470	0.8%	29,937	59,109	0.9%
Clinical Psychology	Doctoral	8,178	0.6%	38,709	71,238	0.9%
Public Health, General	Master's	14,574	1.1%	21,612	40,500	0.9%
Dentistry	Doctoral	3,002	0.2%	100,826	139,516	0.8%
Special Education and Teaching	Master's	21,262	1.6%	14,200	20,500	0.8%

# Median Cumulative Debt for Advanced Nursing Degrees

chart by Preston Cooper, American Enterprise Institute

Median cumulative debt by institution for advanced\* degrees in nursing, classes of 2019 and 2020



Source: College Scorecard

\*Advanced degrees are defined as those currently self-reported as doctoral or professional degrees, which include credentials such as the Doctor of Nursing Practice (DNP).

# Workforce Pell Grant: The Basics



- Expands Pell eligibility to short-term programs.
  - 8-14 weeks
  - 150 to 599 clock hours
- Programs must be offered by accredited, Title IV institutions.
- Programs must confer a recognized credential.
  - Must stack into longer-term certificates or degrees.
- Programs must have operated for at least one year.
- Programs must meet federal performance thresholds.
  - 70% completion
  - 70% job placement within 180 days
  - Positive value-added earnings three years after completion

**Program goes into effect on July 1, 2026- quick turnaround for states!**



# Workforce Pell Grant: The State Role



- **First time states have a formal role in Pell Grant program administration.**
  - States now determine initial program eligibility before ED verifies.
- Governors & state workforce boards designate eligible programs.
- Verify whether programs prepare students for in-demand or high-wage jobs.
- Confirm that programs confer recognized credentials that stack into longer-term education or training.
- Confirm that programs have operated for at least one year.
- May define or refine key terms where definitions vary across statutes.
  - In-demand industry
  - High-skill, high-wage
  - Recognized postsecondary credential
- States submit approved program information to ED for federal verification.



# Workforce Pell Rulemaking Timeline



- **Negotiated Rulemaking (Neg Reg)**
  - Accountability in Higher Education Access through Demand-driven Workforce Pell (AHEAD Committee)
    - Covers Workforce Pell, accountability provisions.
    - Timeline for Regulations:
      - **Rulemaking committee meets Dec. 8-12, Jan. 5-9**
      - Post Neg Reg: Department writes regulations
        - Where cmte finds consensus, rules should reflect cmte decision
        - Where cmte does not agree, Dept writes own rules
      - Then: Department proposes rules, likely allows 30 days of comment
      - Finally: Department processes comments, then finalizes rules.
    - **Final rules likely go into effect on July 1, 2026.**

# Federal Changes: Rural Health Transformation Program

- **All 50 states applied for RHTP funding.**
- **Addressing workforce shortages was a universal priority.**
  - Training pipelines.
  - Residencies.
  - Apprenticeships.
  - Mobile simulation labs.
  - Retention incentives.
- **Most states identify education, labor and health care partnerships.**

