

Memorandum

Date: January 9, 2025
To: ASCE Members and Stakeholders
From: Carlos Condarco
RE: Department of Education Proposed Revised Definition of “Professional Degrees” for Purposes of Federal Graduate Student Loans

In recent weeks, there has been considerable discussion among members of various professions about a new administrative rule being developed at the U.S. Department of Education (ED) that would redefine what it considers to be a “professional degree.”

The following is an analysis of the draft rule and the impact it may have as it relates to the civil engineering profession.

BACKGROUND

On July 4, 2025, President Donald Trump signed into law the *One Big Beautiful Bill Act*¹ (OBBA), a sweeping legislative package that permanently extends the 2017 tax cuts passed under the first Trump administration and enacts hundreds of provisions impacting U.S. domestic policy with the aim of lowering the cost of living for American families and energizing the economy.

Among Congress’s policy goals in drafting OBBA was identifying ways to lower the cost of higher education. These goals are addressed in OBBA through its significant amendments to the *Higher Education Act of 1965* (HEA; 20 U.S.C. 1087, as amended) the legislation that forms the basis of the existing federal student loan model.

In Section 81001, OBBA amends the HEA by establishing new loan limits for graduate and professional students and parent borrowers, as well as terminating the Graduate and Professional Plus Loan programs. **As of July 1, 2026, OBBA sets the maximum annual borrowing limit for students pursuing professional degrees at \$50,000 with an overall limit of \$200,000. Students pursuing non-professional graduate degrees are limited to borrowing no more than \$20,500 per year and \$100,000 in total.** The law stipulates that professional students are those “student[s] enrolled in a program of study that awards a professional degree” as defined in Title 34, Section 668.2 of the U.S. Code of Federal Regulations (34 CFR § 668.2²).

In response to the passage of OBBA, ED began convening a negotiated rulemaking committee in September 2025 to develop proposed regulations for the implementation of OBBA’s changes to student loans and other programs. In November 2025, the negotiated

¹ H.R. 1, To provide for reconciliation pursuant to title II of H. Con. Res. 14. (“One Big Beautiful Bill Act)

<https://www.congress.gov/bill/119th-congress/house-bill/1/text>

² U.S. Code of Federal Regulations, Title 34, Section 668.2 <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-A/section-668.2>

rulemaking committee concluded its activities and published its draft consensus language for proposed regulations, including new definitions for “professional degree.”

ANALYSIS

Currently, federal regulations define a “professional degree” as:

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.). (See 34 CFR § 668.2).

This definition was added to 34 CFR § 668.2 in 2007³ to harmonize and consolidate the definitions of graduate and professional students found throughout the Higher Education Act.

Though not yet published in the Federal Register for public comment, the final draft consensus language⁴ released by the negotiated rulemaking committee in November 2025 redefines “professional degree” in a way that would significantly narrow the professions and postgraduate fields of study qualifying for higher annual and overall borrowing thresholds.

If adopted by ED as drafted, professional degrees would be defined as follows:

- (1) A professional degree is a degree that:
 - (i) 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;
 - (ii) 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;
 - (iii) Generally requires professional licensure to begin practice; and
 - (iv) Includes a four-digit program CIP code, as assigned by the institution or determined by the Secretary, in the same intermediate group as the fields listed in paragraph (2)(i) of this definition.
- (2) A professional degree may be awarded in the following fields
 - (i) 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

³ Federal Register Volume 72, Issue 211 (November 1, 2007) <https://www.govinfo.gov/app/details/FR-2007-11-01/E7-21083>

⁴ Reimagining and Improving Student Education (RISE) Negotiated Rulemaking - Session 2, November 3 through 7, 2025 #4 Proposed Draft Regulations Section 685.102 Definitions <https://www.ed.gov/media/document/rise-section-685102-definitions-november-5-2025-112658.pdf>

(O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), Theology (M.Div., or M.H.L.), and Clinical Psychology (Psy.D. or Ph.D.).

The new proposed definition deviates most notably from the current definition by removing the language stating that “[e]xamples of a professional degree include but are not limited to...” which now allows for engineering students and others not specifically listed to borrow up to the higher amounts listed for professional degrees.

The potential for lower annual and overall borrowing limits for engineering graduate students is not welcome news, but its negative effects may be limited in practice by how post graduate study in civil engineering and its related disciplines are structured in the United States.

Most civil engineering master’s degree programs require 30- 36 credits to complete and accept part-time enrollees, allowing students to work while pursuing their studies and spreading the cost of attendance over a longer period. Many master’s degree programs also have online options that provide greater flexibility and opportunities for students to save on some of the costs associated with in-person instruction (commuting, housing, living expenses, etc.).

For individuals pursuing doctoral degrees in engineering, they benefit from most PhD programs providing robust tuition assistance and the common practice of academic institutions providing stipends and other financial assistance for doctoral students to help cover living expenses and the non-tuition costs of attendance. Assistance is so widespread that the 2024 Survey of Earned Doctorates⁵, an annual census of research doctorate recipients at U.S. colleges and universities conducted by National Center for Science and Engineering Statistics found that only 9.2 percent of all engineering doctorate recipients used loans of any kind as their primary source of financial support. Furthermore, 73.8 percent⁶ of all engineering doctorate recipients graduated with no education-related debt in 2024 and only 6 percent of all U.S.⁷ citizen or permanent resident engineering doctorate recipients had debt exceeding \$30,000 related to their education.

While most engineering postgraduate degree seekers will likely still be able to cover most if not all the cost of attendance at a program of their choice, the proposed definition may have a chilling effect on students who are seeking enrollment in a full-time master’s program or those unfamiliar with navigating graduate loan programs.

⁵ NCSES, Survey of Earned Doctorates (2024) Table 4-1 <https://nces.ed.gov/surveys/earned-doctorates/2024#tableCtr14508>

⁶ *Id.* Table 4-4, <https://nces.ed.gov/surveys/earned-doctorates/2024#tableCtr14485>

⁷ *Id.* Table 4-6, <https://nces.ed.gov/surveys/earned-doctorates/2024#tableCtr14508>

Licensure

Though the new proposed definition may not be completely impracticable to those seeking federal student loan support for their engineering graduate studies, enshrining it into the code of federal regulations could have negative spillover effect on the licensure of professional engineers.

For years, there has been a growing trend at the state level to deregulate or erode the standards and bodies that protect and govern the Professional Engineer (P.E.) license by eliminating continuing education requirements, shrinking or consolidating boards of professional engineers, and other similar actions. If the federal government were to explicitly exclude engineering degrees from a list of recognized professions, the exclusion could be used as supporting evidence by deregulators to help bolster arguments in favor of dismantling the existing PE licensure paradigm.

CONGRESSIONAL AND ORGANIZATIONAL RESPONSE

The possible detrimental effects of the proposed rule change have not been lost on Congress or at ASCE.

Several members of the U.S. House of Representatives have introduced legislation (H.R. 6677⁸, H.R. 6718⁹, H.R. and H.R. 6574¹⁰) to prevent or blunt the effects of what a narrower definition for “professional degree” may have on engineering and similarly situated professions. The introduced legislation offers solutions ranging from repealing all student loan borrowing limits for postgraduate students under the OBBBA, to giving all postgraduate students access to the higher “professional degree” limits stipulated under OBBBA, or codifying in statute a list of professions currently excluded from the new definition being drafted at ED. ASCE is in contact with congressional offices looking to address this issue and is working with other professional associations whose members could be affected by the revised definition.

Additionally, ED is expected to notice the proposed rule in the Federal Register public comment in the coming weeks. ASCE plans to submit a comment to express its strong reservations about codifying the new definition as drafted by the negotiated rulemaking committee.

⁸ H.R. 6677, Professional Degree Access Restoration Act” <https://www.congress.gov/bill/119th-congress/house-bill/6677/text>

⁹ H.R. 6718, Professional Student Degree Act. <https://www.congress.gov/bill/119th-congress/house-bill/6718/text>

¹⁰ H.R. 6574, Loan Equity for Advanced Professionals Act <https://www.congress.gov/bill/119th-congress/house-bill/6574/text>