



**LIKELY EFFECTS OF RECENT DOE
DECLASSIFICATIONS ON ADVANCED
NURSING DEGREES AND HOW
COMPETENCY-BASED EDUCATION
CAN HELP**

EXECUTIVE SUMMARY

In 2025, the U.S. Department of Education (DoE) reclassified graduate nursing degrees, excluding them as professional degrees, which subjects them to a lower federal loan cap of \$100,000.¹ While the DoE estimates 95% of students borrow within this cap, higher education data shows that many DNP and CRNA programs exceed it.¹ This disproportionately affects low-income, first-generation, and non-traditional learners who rely heavily on federal aid, potentially limiting nursing students' future career opportunities.² This paper outlines how institutions can respond with competency-based education (CBE) and simulation-based learning, flexible strategies that reduce cost while preserving access and quality.



INTRODUCTION

In November 2025, the DoE reclassified graduate programs for federal student lending, keeping only fields like medicine, dentistry, and law eligible for the \$200,000 loan cap, while graduate nursing programs, such as MSN, DNP, CRNA, and NP degrees, were excluded and are now capped at \$100,000. The DoE noted that 95% of nursing students borrow below this cap and would not be affected.¹ However, nursing educators and professional organizations are concerned that the DoE's revision of professional degrees significantly limits loan access, especially as graduate nursing programs average \$30,000 per year, exceeding the proposed annual cap of \$20,500.^{3,4,5} This shift may affect career pathways, student access, and workforce capacity.

IMPACT

Program Affordability, Access, & Faculty Constraints

The loan cap reduction creates significant challenges for students pursuing expensive graduate nursing degrees, such as DNP and CRNA programs. The average cost of DNP programs exceeds \$60,000 per year, while CRNA programs can surpass \$200,000 in total, which is well above the \$100,000 loan cap.^{5,6} Students say the lower loan cap could determine whether they pursue this path.⁶

Physician anesthesiologists are increasingly leaving the field, with 30% departing by 2033, driven by immense burnout.^{15,16} While physicians are leaving, the CRNA population is projected to grow by 9% by 2034.⁶ The demand for CRNAs will continue to grow, especially in rural and underserved areas, as CRNAs often serve as the sole anesthesia provider.⁶ The loan cap may disproportionately impact underrepresented and second-career students, who tend to rely largely on federal aid.⁷

These financial pressures bleed into academics as well. As of 2023, nearly 2,000 nursing faculty positions remain unfilled due to an insufficient number of nurses holding graduate degrees.^{8,9} This shortage led to 65,000+ qualified applicants being turned away from programs in one year due to limited faculty and clinical placement capacity.⁹ DNP programs are increasingly required for academic roles, but the cost of many of these programs now exceeds federal borrowing limits, creating a barrier to entry for future faculty. The aging nursing workforce adds to this issue because, in 2024, the median age of an RN was 46, and over ¼ are expected to retire or leave the profession within five years, while many experienced nurses are choosing higher-paying clinical roles over academia.^{10,11}

Workforce Effects

Advanced practice registered nurses (APRNs), such as NPs, midwives, and CRNAs, are essential to the U.S. healthcare system, especially in rural and underserved areas where the number of primary care physicians is declining.¹³ Any financial deterrent to entering APRN programs, such as the lowered federal loan cap, could additionally strain provider shortages, further limiting access to care in underserved communities. The demand for APRNs will only continue to grow due to the aging healthcare workforce, chronic illness, and workforce attrition. Before the reclassification, graduate nursing programs were an accessible path for nursing students. Now, that stable path feels less certain, posing a broader public health issue.



Career Advancement

Graduate nursing education is key to career progression. Advanced degrees not only prepare nurses for specialized capabilities but also open doors to nursing education and to leadership roles in healthcare. Many in healthcare believe it is essential to build a nursing workforce that reflects the diversity of the communities the profession serves. The federal loan cap restrictions will, to some extent, limit upward mobility for nurses from underrepresented and economically disadvantaged backgrounds, typically most reliant on federal funding. Without adequate financial support, this policy risks reducing diversity in nursing leadership and widening existing gaps, narrowing the range of perspectives shaping the future of nursing.¹⁴



SCHOOL CONSIDERATIONS

In response to the new federal loan caps, schools and their accreditors might consider strategies to reduce the cost of graduate nursing education without compromising quality. This change offers schools the chance to alter how graduate programs are structured, particularly for non-traditional student populations.

Competency-Based Education (CBE)

Competency-based education is a method where students progress in demonstrating mastery of specific competencies, rather than *just* achieving course credit requirements.¹⁷ CBE is central to the American Association of Colleges of Nursing's (AACN) vision for the future of nursing.¹⁸ CBE's goal is to provide a nursing education that matches the evolving complexity of healthcare.

Additionally, CBE offers affordability and flexibility by allowing students to progress at their own pace, reducing the time to degree completion, and lowering tuition costs, particularly for those with prior healthcare experience. As schools begin to adapt graduate nursing programs under a lower federal loan cap, CBE provides a way to maintain quality education while broadening access and reducing cost barriers.

Stimulation-Based Learning

Simulation-based learning is another strategy for reducing clinical education costs while maintaining the quality of nursing education. According to the National Council of State Boards of Nursing (NCSBN) 2014 prelicensure study, replacing up to 50% of traditional clinical hours with simulation learning resulted in no significant differences in NCLEX pass rates or clinical performance, compared to students who completed more traditional clinical hours.¹⁹ Additionally, those with 50% of simulations reported having the most self-confidence and feeling more prepared compared to the groups that received more traditional clinical hours.¹⁹ While this study included prelicensure, undergraduate nursing students, it demonstrates that simulations are effective in nursing education and suggests that graduate programs would do well to explore their expanded use.

Simulations offer a controlled environment where students can work on their skills without the stress of real-life clinical situations. Simulations offer more flexibility than traditional clinical hours, allowing non-traditional learners and second-career students to continue working and fulfilling their normal responsibilities. Schools can use simulations to lower the costs of clinical sites and faculty supervision hours without compromising quality.



Supporting a Growing Student Demographic

CBE and simulation-based learning models are well-suited to support on-traditional and second-career students, whose backgrounds and needs are diverse. While still in the minority, a growing number of prelicensure nursing students are over the age of 25, and 72% of MSN students and 92% of doctoral students are 26 years old or older.²⁰ As the rate of non-traditional and second-career nursing students continues to grow, schools must adapt.

CBE provides opportunities for students to move at their own pace and apply prior experience to accelerate time to degree completion. Simulation-based learning provides an accessible alternative to rigid clinical schedules, offering flexibility for students who are challenged by traditional clinical rotations due to work or caregiving responsibilities. Together, CBE and simulation-based learning provide a more inclusive pathway for non-traditional students, and can play an important role in managing operating costs in nursing education. This recognition is especially important as schools contend with the lower federal loan cap and strive to increase enrollment.

CALL TO ACTION

Nursing programs, especially those serving non-traditional student and federal aid-reliant populations would do well to consider how they can implement or expand elements of CBE and simulation; practices that help to manage operational costs and improve student experience. Doing so will help to clarify value propositions and grow enrollment.



MGT Experience

MGT's Higher Education experts have proven experience supporting healthcare-focused institutions and nursing programs with marketplace strategy and implementation, including work in competency-based education and healthcare simulation. Through extensive primary and secondary research, stakeholder engagement, and skillful project management, MGT has helped institutions to improve processes, fine-tune messaging to communicate unique value propositions, expand into new markets, and grow enrollment.



How MGT Can Support Your Institution

- **Stakeholder Alignment:** Iterative research to understand perspectives of current students, alumni, prospective students, employers, and others with the aim of better aligning program offerings with the needs of stakeholders
- **Data-Informed Marketing Campaigns:** Expertly crafted market research to develop insights that will inform marketing of programs generally, and specifically how to position and message CBE and/or Simulation in a given program's unique (competitive) market
- **Pricing Studies:** Quantitative research to inform pricing and discounting strategy, plus other key features for a given program
- **Business Model Design:** Generate new resources to allow for reinvestment across the organization, create new resource allocation and investment models, pro forma models to test new program and service initiatives, strategic sourcing and shared service models.

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