MEMO *Published June 17, 2026 · 9 minute read*

NURSE Grants

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It's impossible to talk about the new graduate loan limits without talking about nurses. Under the new caps, different graduate degree programs will have different federal borrowing allowances. Advanced nursing degrees are classified as "graduate" programs, meaning they can borrow $20,500 annually and $100,000 overall. Programs classified as "professional" will have access to higher limits of $50,000 annually and $200,000 overall.

Nursing associations have pushed hard for reclassification of the field, arguing that terminal degrees in the field, like the Doctor of Nursing Practice (DNP), are functionally professional degrees and deserve equivalent treatment. The argument has value—nursing is a crucial profession, and nurses with advanced training serve community health care needs in a variety of settings. While understandable, the reclassification fight is mismatched to the actual financial barriers nurses face. Most master's and doctoral programs in nursing fall well within the new federal caps, meaning that few students will hit a borrowing ceiling.

The energy behind this debate illuminates a legitimate frustration. Nurses make up the largest segment of the health care workforce; punch above their weight in filling needed practitioner roles in low-income, urban, and rural communities; and yet student financing frameworks are often designed with other professions in mind. The argument for reclassification grows out of exactly the right instincts—that federal policy should do more to make advanced nursing degrees attainable and address nursing workforce shortages—but higher borrowing limits alone won't solve the problem. Targeted fixes, like front-end grant support tied to service in shortage areas, can address immediate financing needs while elevating the profession (and without simply saddling nurses with more debt).

The Problem

The nursing field has a genuine shortage—and it's worse in rural areas.

Nurses fulfill a vital role in the health care workforce, even more so in areas where physicians and comprehensive health centers are scarce. The Bureau of Labor Statistics reports a notable 35% growth rate—much faster than average—for nurse anesthetists, nurse midwives, and nurse practitioners—fields that require a master's degree or equivalent-level training. Rural areas, which account for higher rates of chronic disease and fewer options for care, face acute shortages: only 16% of registered nurses practice in rural communities. Any barriers to entry that affect access to nursing credentials and advancement within the profession will, in turn, have outsize impacts on rural communities.

It’s hard to quickly reduce the cost of nursing programs.

Ideally, the new loan caps will lead to lower costs of graduate training over time, by incentivizing institutions to trim unnecessary expenses, fundraise for additional need-based aid, or establish new partnerships with employers to offset tuition or equipment costs. Still, lowering costs quickly can be a challenge, particularly for clinical programs with fixed overhead costs—qualified faculty, lab equipment, preceptorship placement coordination—that cannot be easily cut without compromising program quality, risking accreditation, or leaving students ineligible for licensure.

Nurses feel their profession is being minimized by recent policy decisions.

Despite their essential role in the healthcare system, many nurses feel undervalued, a sentiment that has reached a tipping point in recent years. The COVID-19 pandemic pushed many into burnout and exposed long-simmering frustrations.[1] The nursing profession has also received mixed signals from Congress that include fluctuating promises of things like hazard pay and student debt relief, followed by legislative inaction. At the same time, confusion or distrust surrounding American public health infrastructure placed frontline workers in the position of enforcing and explaining rapidly shifting guidelines, while bearing the brunt of the public’s frustration. Debates by the Department of Education over the distinction between “professional” and “graduate” education reopened old wounds and elevated additional concerns related to gender bias (the nursing workforce has historically been made up of more women than men) and persistent misconceptions about nurses’ roles in relation to other medical professionals. These frustrations are not without merit. Nursing is a physically and mentally exhausting job, and the cumulative weight of these conditions on top of status quo issues like unsafe staffing levels makes nurses’ feelings of being undervalued both understandable and justified.

The Solution

America needs more nurses. Instead of strengthening access to the profession through uncapped loans, policymakers should focus on supplementing available grant aid and targeting it to shortage areas and fields. One way for Congress to do this would be to create NURSE Grants—**N**ursing **U**pskilling for **R**egional **S**hortages in **E**ssential fields. The program could be formed through the *Higher Education Act* and function similarly to the TEACH Grant program, which provides aspiring teachers with upfront grant aid that conditionally converts to a loan if service requirements in a high-need school are not met.

Students who have earned bachelor's degrees and are accepted to eligible graduate-level nursing programs could receive up to $10,000 in annual grant funding, renewable for up to two years, if they commit to five years of service in qualifying nursing roles or specialties in areas of high need after completion.

Eligible programs should be at non-profit institutions with active national accreditation. To be able to receive graduated forgiveness of their NURSE Grant, recipients would be required to serve a health professional shortage area, a medically underserved area, or a medically underserved population. The Health Resources and Services Administration (HRSA) within the US Department of Health and Human Services regularly updates these designations, which are also used to identify eligibility for participation in programs like the National Health Service Corps, Nurse Corps, and Pediatric Specialty Loan Repayment Program.

The graduated forgiveness structure should improve upon the weaknesses of TEACH Grants, which are functionally "all or nothing." For each year of service in a qualifying role, NURSE Grants recipients should receive 20% forgiveness of their grant, such that after five years of service, the grant will be fully vested. Partial years of service (more than six months) should count as a full year of service, and a reasonable gap of up to two or three years could be allowed to pause the clock on the forgiveness, without resetting it. Part-time employees should also be eligible for a portion of the vesting rate rather than receiving no benefit.

If the recipient does not complete their five years of service, the grant would convert to a Direct Unsubsidized Loan, with standard and income-driven repayment options available. Interest would accrue retroactively from the date of disbursement only on the unvested portion, not on grant amounts earned through fulfilled years of service.

Critiques and Responses

There are already federal grant and loan policies focused on the nursing workforce.

Yes, there are multiple levers designed to support training for the health care workforce, including the Nurse Corps—which has both a scholarship program and a loan repayment program. The scholarship program is generous, covering full tuition and fees for eligible programs, but it is highly competitive, only accepting about 13% of applicants. It is also not specifically targeted toward offsetting the higher costs of advanced nursing degrees. The loan repayment program fulfills a separate backend purpose but does not help aspiring nurses who cannot afford to pursue a graduate-level credential in the first place or are reluctant to take on high levels of debt to do so. NURSE Grants could address this upfront

pipeline problem for advanced specialties, and by placing the program within the jurisdiction of the Department of Education, would establish the nursing profession as a national education priority. To prevent the use of the Nurse Corps repayment program to forgive a NURSE Grant that failed to fully vest, legislation should prohibit simultaneous participation in both programs.

This is modeled after the TEACH Grant program—doesn't that have its own set of problems?

It does. Two major critiques of the TEACH Grant program are its "all or nothing" approach to forgiveness and the steep penalty incurred when grants convert to loans. TEACH Grant recipients who do not complete the service requirement lose credit for all years of service and are charged retroactive interest on the full award amount. A graduated forgiveness mechanism would ensure that partial service does not lead to similarly harsh penalization for NURSE Grant recipients. While a portion of the NURSE Grant would also convert to a loan if service requirements were not fully met, each incremental year of service would reduce the amount owed, and no retroactive interest would accrue on vested service years.

Nursing students have plenty of options to get advanced degrees that do not cost $200,000.

They do! The American Enterprise Institute crunched the numbers on 140 advanced nursing programs and found that at 115 of them, median student debt was below the $100,000 limit. Among the 387 nursing master's programs with median debt levels reported in the College Scorecard, none report typical debt loads exceeding $200,000, and only 23 exceed $100,000. Most nursing students are not borrowing at levels that would require access to higher loan limits, but that doesn't mean they're not experiencing financial challenges or that tuition costs disincentivize entry into the profession. Both are reasons why focusing on conditional grant aid with a service requirement makes more sense as a targeted policy solution.

Why just nurses? There are other fields with workforce shortages that require graduate degrees.

Absolutely! While nursing has risen to the forefront of the conversation, this model is customizable to any number of high-skill, in-demand fields or to the health care field more broadly.

Conclusion

Nurses' frustration over the classification of professional and graduate training programs is not merely a semantic debate; it is the visible symptom of a deeper wound. Working in chronically understaffed, shortage fields is physically exhausting, mentally taxing, and can be emotionally traumatizing. Rather than dismissing this frustration as misplaced, policymakers should recognize that nurses are not simply asking to borrow more loans—they are asking to be valued. The NURSE Grant proposal offers front-end grant aid tied to service in shortage areas and addresses the financial barriers to advanced degrees. It also makes clear that the nation is willing to invest in nurses, not just rely on their dedication.