

Reclassification of Counseling, Social Work Degrees Adds Pressure to Behavioral Health Shortages

By [Ashleigh Hollowell](#) | November 25, 2025

Social work and some counseling degrees may no longer be classified as “professional” programs under a [proposed change](#) by the Department of Education, which would limit loan amounts and access for graduate students pursuing these fields.

Loan amounts would be reduced to \$20,500 per year and capped at \$100,000 over a lifetime for graduate students pursuing degrees not recognized as “professional.” The changes would only affect future borrowing, not loans that have already been disbursed. It could also complicate eligibility for public service loan forgiveness.

Research published by [American University](#) estimates that the changes could impact 370,000 students and chop access to \$8 million in federal loans.

“Social Workers are the largest providers of behavioral health services in the country,” John Puls, adjunct professor in the School of Social Work at Florida Atlantic University, told Behavioral Health Business. “This ranges from clinical, case management and administrative positions. Along with social work, this impacts all counseling professions, with the exception of clinical psychologists.”

Previously, students pursuing advanced degrees in social work or counseling were considered “professional students” alongside graduate degrees in medicine, dentistry and law. But the Department’s [revised definition](#) of what constitutes a professional degree now limits the \$50,000 per year, \$200,000 total loan cap to a much narrower list, excluding social work, several counseling and nursing degrees.

“The reclassification of these degrees will limit access to educational loans for future members of these professions and may ultimately contribute to the already dire shortage of qualified behavioral healthcare providers,” Dr. Pete Vernig, vice president of mental health services at Recovery Centers of America, a provider of substance use treatment and mental health care across six states, told BHB.

The Department of Education’s loan adjustments are part of federal student loan changes imposed by the [One Big Beautiful Bill Act](#). As part of this, in July, the Department of Education created a committee to prepare proposed regulations under the new law and streamline changes in postsecondary education.

The law also eliminates the Graduate PLUS loan program, which has historically been used to help working adults, people of color and women access financing options to pursue advanced degrees in training-intensive fields.

“Excluding social work from professional degree eligibility, combined with the OBBBA’s proposed elimination of Graduate PLUS loans, could make it more difficult for students to pursue graduate education in critical service professions,” a [statement](#) from the Council on Social Work Education reads.

The mental health profession is already staring down staffing challenges and the changes could make tuition and access unattainable for some, further reducing the staffing pipeline.

“If we want a sustainable mental health system, we have to support the people doing the work,” Whitney Coleman, owner and founder of Jade Clinical Services, told BHB. “That starts with recognizing social work and counseling as professional careers and making it possible for people to continue entering these fields.”

Jade Clinical Services is a provider of virtual counseling for women of color.

While the reductions from the Trump administration aim to reduce costs and force programs to do the same, some see it as a double-edged sword that could cut the profession more deeply than expected.

“It’s a chess move to force programs to reduce their costs,” Kelley Kingsley, admissions director and associate therapist at Horizon Recovery, told BHB. “The gamble is that it won’t reduce the costs and will add to the growing strain of limited individuals in these much-needed spaces.”

Horizon Recovery is an Arizona-based provider of adolescent mental health and addiction treatment care.

Under the proposed rule, loan reductions may not fully cover the cost of some programs – such as a master’s in social work or doctoral programs – compelling students to take on private loans that are not eligible for loan forgiveness.

“It could lead to declines in enrollment in social work educational programs, especially among first-generation, low-income, and BIPOC students,” a [statement](#) from the Florida chapter of the National Association of Social Work reads. “This proposal affects the future pipeline of social workers and the strength and diversity of our profession.”

While the loan changes do not affect students who have already borrowed loans and will be applied toward future borrowing as of July 2026, Puls noted there is growing concern among students pursuing graduate degrees that have now been declassified as “professional” fields.

“I believe that this reclassification will discourage people from entering into these professions,” Puls said. “Specifically, there is concern about the invalidation of their degrees that they will spend years and lots of money trying to earn. As a result, I believe there will be a decrease in students entering into this profession and create a significant shortage of providers to fulfill these roles.”

Ryan Culkin, chief counseling officer at Thriveworks, a provider of online and in-person psychiatry services, echoed Puls’ comments about the devaluation of services the proposal signals for the profession.

“We’re in wait-and-see mode until the rule is finalized, but will be watching closely and are very interested in potential impacts,” Culkin told BHB. “From my experience working closely with and employing social workers, I think it’s important to underscore just how rigorous these programs actually are. An MSW is not a casual graduate degree. It’s an incredibly demanding professional training pathway that after completion, often requires working for low compensation for years.”

Occupational therapy and speech-language pathology fields, two critical professions overlapping with the autism care sector, will also be impacted by the change and have been removed as “professional degrees” under the new definition.

The American Speech-Language-Hearing Association has [called for](#) the Department of Education “to adopt a more detailed and updated definition that explicitly includes audiology and speech-language pathology programs.”

The American Council on Education previously wrote a [letter](#) to the Office of Postsecondary Education advocating for the inclusion of social work among other programs in the Department’s classification of “professional degrees.”

Much of the initial backlash to the Department of Education’s proposal has centered around the reclassification of nursing degrees, which the Trump administration responded to in a [Nov. 24 statement](#) claiming that the effect would not be as drastic as some have made it seem.

“Department of Education data indicates that 95% of nursing students borrow below the annual loan limit and therefore are not affected by the new caps,” the press release states. “Further, placing a cap on loans will push the remaining graduate nursing programs to reduce their program costs, ensuring that nurses will not be saddled with unmanageable student loan debt.”

The Department did not address concerns about social work or counseling programs and loans in its update.

The Department of Education is expected to issue a final rule in January, followed by a 30-day public comment period. If the rule remains unchanged, new loan limits will apply to amounts borrowed by students enrolled on or after July 1, 2026. Existing loan limits will remain in place for students who are already enrolled in a program as of June 30, 2026.