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NEWS FOR IMMEDIATE RELEASE

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Wisconsin DOJ Sues U.S. Department of Education Over Student Loan Rule Limiting Access to Student Loans for Professional Degree Programs

Coalition challenges unlawful rule that could restrict access to advanced education and worsen workforce shortages

MADISON, Wis. — The Wisconsin Department of Justice (DOJ) joined a coalition Tuesday in filing a [lawsuit](#) against the U.S. Department of Education over a new rule that unlawfully limits full access to federal student loans for students pursuing professional degree programs, including many healthcare and other critical workforce fields.

“We should be supporting the development of the health-care workforce,” said Attorney General Josh Kaul. “But this rule would make it harder for some to be able to pay for certain degree programs, including those for nurse practitioners and physician assistants.”

In July 2025, Congress passed legislation imposing new limits on federal student loans for graduate and professional students. The new limits are lower for graduate students than for professional degree students; to distinguish the two, Congress incorporated an existing federal definition of “professional degree” into law. The lawsuit alleges that the Department of Education unlawfully altered that definition by adding new requirements and narrowing eligibility in ways Congress did not authorize. The coalition argues the rule unlawfully excludes many degree programs that qualify under the standards established by federal law, such as those for nurse practitioners, physician assistants, physical therapists, or speech-language pathologists. The rule therefore potentially reduces access to financial aid for students pursuing advanced education.

The coalition argues the rule could harm states by reducing support for public institutions of higher education, creating barriers for students pursuing advanced training, and worsening workforce shortages in critical professions.

The complaint notes that these impacts could be particularly significant in fields such as healthcare, where states already face ongoing workforce challenges.

The Universities of Wisconsin educate hundreds of graduate nursing professionals and other critical providers each year, for whom the rule threatens to undermine access to federal loans. Its campuses prepare nurse practitioners, clinical nurse specialists, nursing master students and PhD scholars to meet Wisconsin's healthcare needs. The Universities of Wisconsin also offer degrees in Occupational Therapy, Physical Therapy, Athletic Training, Speech-Language Pathology, and other critical professions.

The lawsuit also challenges provisions that limit protections for students already enrolled in programs. The statute includes a grandfathering provision that delays implementation of the loan caps for currently enrolled students. Under the rule, however, some students who transfer institutions or temporarily withdraw and later return to their programs could lose eligibility for grandfathering, creating additional financial barriers.

Joining Wisconsin DOJ in filing this lawsuit are the attorneys general of Arizona, California, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, and Washington, as well as the governors of Kentucky and Pennsylvania.