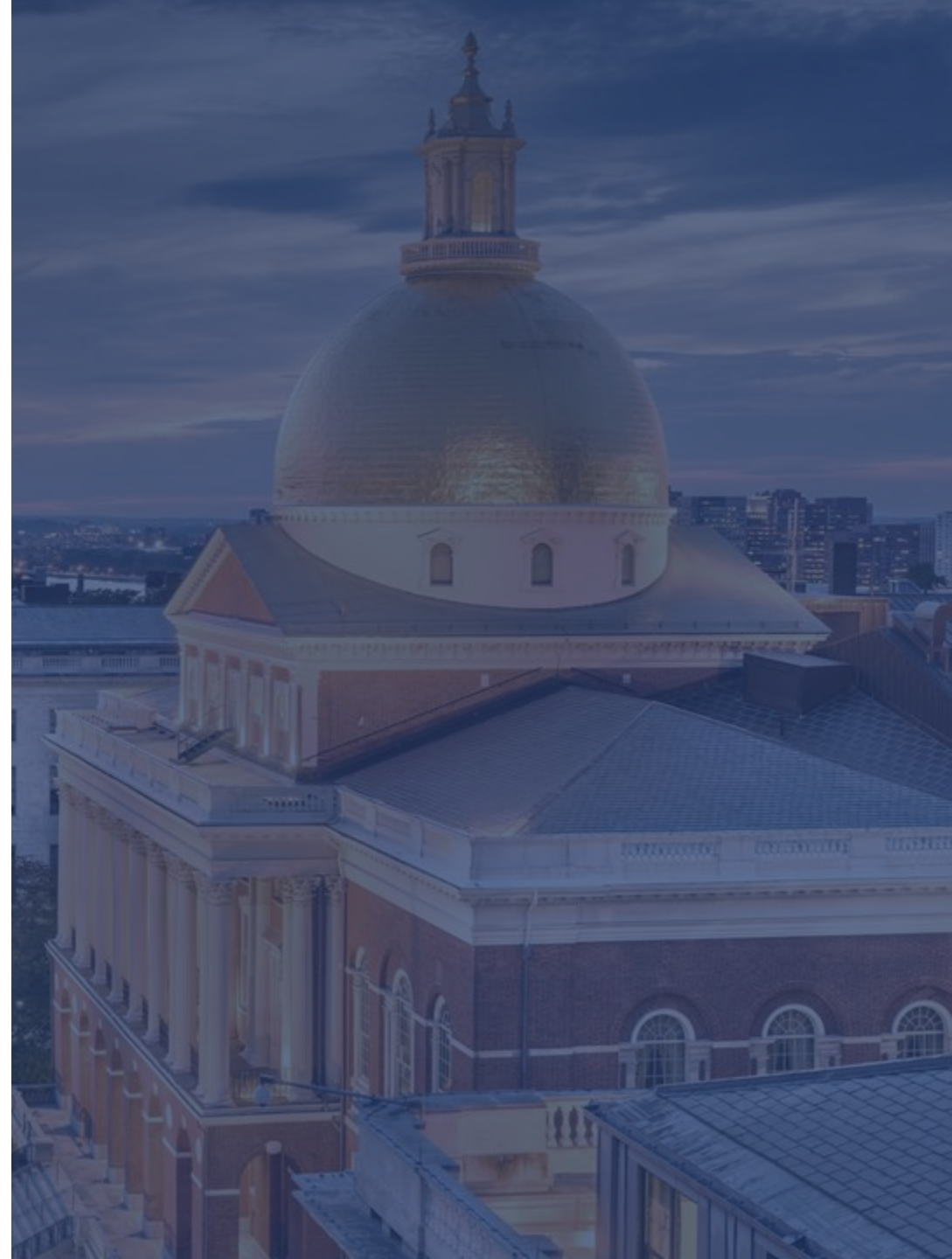




Massachusetts
Taxpayers Foundation

**The Changing
Landscape: Impacts of
Federal Action on
Massachusetts**

**Behavioral Health
Workforce Development**



Outline

I. Introduction

- MTF's previous work on the behavioral health workforce
- The rising need for services

II. The Massachusetts Behavioral Health Workforce

- Identifying the workforce
- Assessing workforce trends
- Looking at the talent pipeline

III. Federal Behavioral Health Workforce Programs and Changes

- Overview of major programs
- Review of federal spending and policy impacts

IV. New Federal Funding Opportunities

- Potential new programs that can support the behavioral health workforce



Introduction

In 2024, MTF released [The Behavioral Health Workforce Challenge](#) report that took a closer look at the **behavioral health workforce**, identified the occupations that have experienced declining growth, and considered how changing workforce and demand trends impacted affordability and accessibility of services. The analysis included an overview of **major federal workforce programs** that support the growth and development of the behavioral health workforce.

Those behavioral health workforce programs now face a new challenge – **the loss of federal funding and policy changes** that could stall the momentum of recent behavioral health workforce growth in Massachusetts. This chartbook is the next installment of MTF’s research series and assesses how a changing federal landscape and the changes made through the **One Big Beautiful Bill Act (OBBA) and the Federal Fiscal Year (FFY) 2026** will impact major behavioral health workforce development programs.

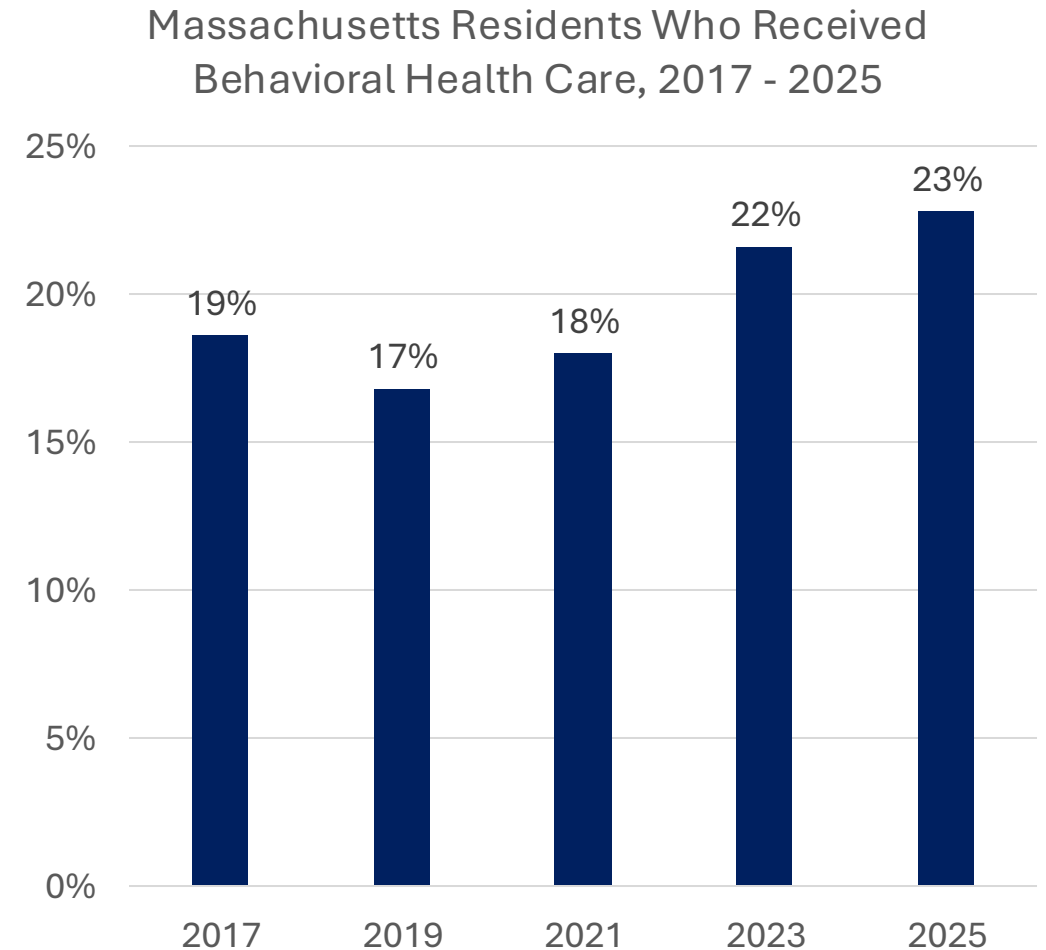
A changing federal policy and spending landscape poses Massachusetts policymakers with a critical question: **how can the state support the continued growth of the workforce at a time when more residents are seeking behavioral health services and the future of federal funding is uncertain?**

Why it Matters – Rising Behavioral Health Needs

More Massachusetts residents are seeking behavioral health care than in pre-pandemic years, which requires a responsive and sizeable workforce.

- In 2025, over 330,000 more Massachusetts residents received behavioral health care – a **26 percent increase** compared to 2023.
- At the same time, **10 percent of the state’s population** (over 70,000 residents) **had an unmet need** for behavioral health care.

Federal policy changes to Medicaid threaten to decrease federal funding for healthcare in Massachusetts by \$3.5 billion annually, therefore **limiting the state’s ability** to dedicate resources to programs that support the growth and development of the behavioral health workforce.



CHIA Massachusetts Health Insurance Survey, 2017 - 2025

A photograph of a city skyline at dusk, featuring several tall skyscrapers with illuminated windows. The sky is a mix of blue and orange, and the city lights are reflected in the water in the foreground. A dark blue semi-transparent banner is overlaid across the middle of the image, containing the title text in yellow.

The Massachusetts Behavioral Health Workforce

Identifying the Massachusetts Behavioral Health Workforce

The behavioral health workforce provides a range of services across various health care settings.

Services

- Prevention
- Early intervention (i.e., substance use disorder or at-risk of developing disorders)
- Treatment
- Recovery support services

Settings

- Outpatient centers
- Psychiatric units in acute care hospitals
- Non-acute behavioral health hospitals
- Residential treatment programs
- Community behavioral health centers

In alignment with the federal Substance Abuse and Mental Health Services Administration (SAMHSA), MTF includes employment data from the U.S. Bureau of Labor Statistics (BLS) to identify **12 occupations** that fall into six categories of professionals that are a part of the behavioral health workforce.

Psychologists

Substance Abuse, Behavioral Disorder,
and Mental Health Counselors

Community Health Workers

Marriage and Family Therapists

Social Workers

Psychiatrists

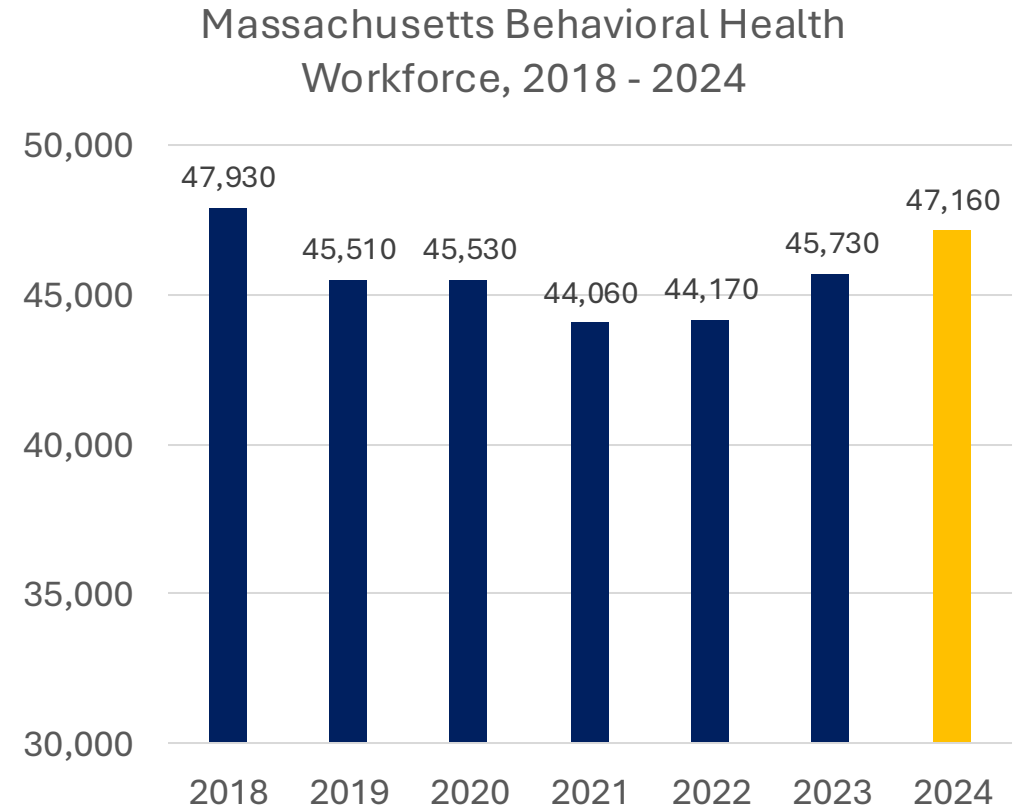
Size of the Massachusetts Behavioral Health Workforce

The size of the overall behavioral health workforce in Massachusetts **has grown in recent years**, reversing a pre-pandemic trend of annual decline.

- In 2024, the overall behavioral health workforce reached its second-largest size since 2018, **growing by 1,430 individuals** (3 percent) over 2023.

Workforce programs have played a key role during this time, serving over **9,000 students and professionals** in the field through:

- Student loan repayment assistance
- Scholarships
- Stipends
- Training opportunities



BLS Occupational Employment and Wage Statistics Query System, 2018 - 2024

Includes BLS data for 12 behavioral health occupations, which are detailed in MTF's [2024 report](#).

Employment Trends by Occupation

Despite recent overall growth, **six of the 12 behavioral health occupations have lost professionals since 2018** – offsetting gains made in other occupations.

Across the three largest behavioral health occupations (Child, Family, and School Social Workers, Mental Health and Substance Abuse Social Workers, and Substance Abuse, Behavioral Disorder, and Mental Health Counselors), the workforce has **lost 530 professionals** (1.5 percent) in 2024 compared to 2018.

- Occupations like Psychiatrists and Substance Abuse, Behavioral Disorder, and Mental Health Counselors **gained 4,280 workers** (22 percent) in 2024 compared to 2018.
- Occupations like Child, Family, and School Social Workers, Neuropsychologists, and Clinical Psychologists **lost 5,050 workers** (18 percent) in 2024 compared to 2018.

Occupations with the Greatest Change, 2018 & 2024

Occupation	# Change	% Change
Top 3 Occupations with the Greatest Gains		
Psychiatric Technicians	1,670	87%
Psychiatric Aides	210	39%
Psychiatrists	280	30%
Top 3 Occupations with the Greatest Losses		
Child, Family, and School Social Workers	-2,510	-20%
Community Health Workers	-90	-37%
Psychologists, All Other (i.e., Neuropsychologists and Clinical Psychologists)	-470	-48%

BLS Occupational Employment and Wage Statistics Query System, 2018 & 2024

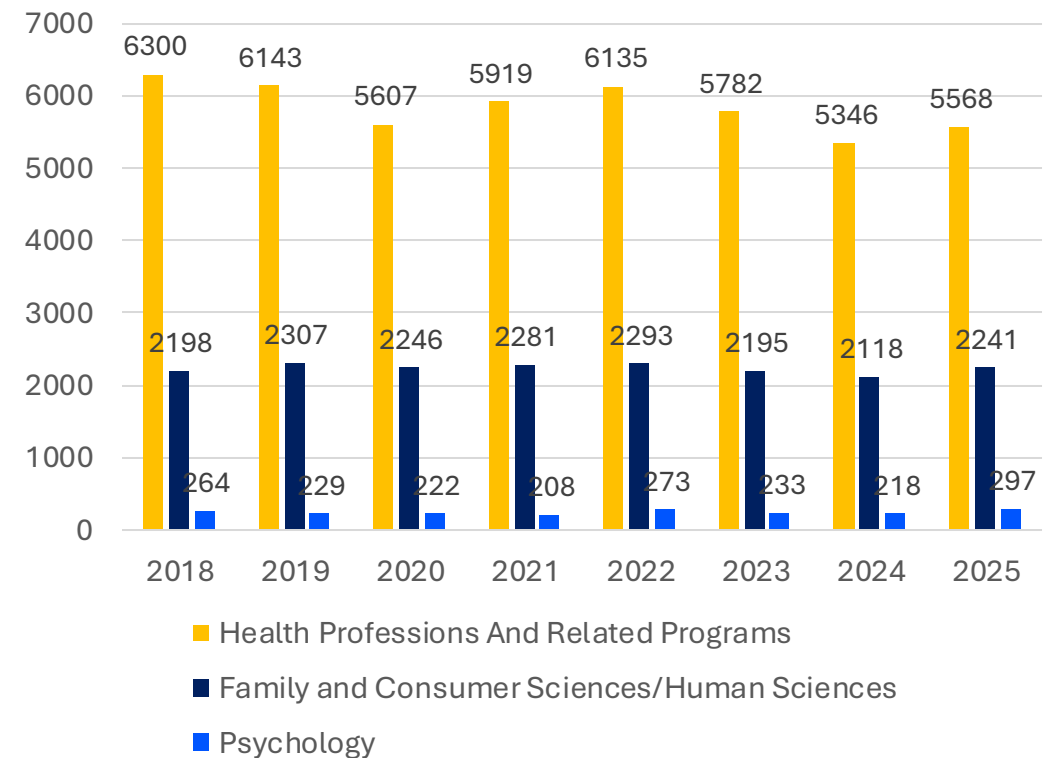
Where the Workforce Could be Headed - A Look at the Massachusetts Talent Pipeline

Unlike the growth of the behavioral health workforce, **enrollment in related post-secondary programs has struggled** to reach pre-pandemic levels. In 2025, there were **656 fewer graduates** (7 percent) compared to 2018, but vary by program.

- **Health Professions and Related Programs:** a decrease of 732 graduates (12 percent)
- **Family and Consumer Sciences/Human Sciences:** an increase of 33 graduates (13 percent)
- **Psychology:** an increase of 43 graduates (2 percent)

Funding and policy changes related to scholarships and loan repayment assistance **could make it more challenging** to recruit students to the field.

Massachusetts Public Post-Secondary Awards (Public Institutions), 2018 - 2025



Relying on a Diversifying Talent Pipeline

Since 2018, undergraduate and graduate students who completed a behavioral health-related program at a Massachusetts public higher education institution have become more diverse - **Hispanics/Latinos are driving the greatest growth.**

This trend is consistent with the findings from MTF's [¡Vamos Massachusetts!](#) report that show Hispanics/Latinos are the **fastest growing segment** of the state's population, but the population is **underrepresented in the field.**

One of the primary barriers to attracting individuals from diverse backgrounds to the field is the cost of extensive, often unpaid, training and education. Changes to federal policy and funding could put workforce programs that offer scholarships, stipends, and loan repayment assistance at risk.

Change in Graduates from Behavioral Health Programs at Public Institutions by Race/Ethnicity, 2018 & 2025

Race/Ethnicity	# Change	% Change
Hispanic or Latino	270	25.6%
Asian or Pacific Islander	88	22.0%
Two or more races	65	29.7%
Black or African American	53	4.7%
Unknown	-10	-8.0%
American Indian or Alaskan Native	-10	-52.6%
White	-1131	-19.9%
Total	-656	-7.5%

Massachusetts Education-to-Career Research and Data Hub

A photograph of a city skyline at dusk, featuring several tall skyscrapers with illuminated windows. The sky is a pale blue, and the city lights are visible. A dark blue semi-transparent rectangular overlay is positioned in the lower half of the image, containing the title text in a bold, yellow, sans-serif font.

Federal Programs, Spending, and Policy Changes

Federal Behavioral Health Workforce Programs

Entities

Most federal funding for Massachusetts behavioral health workforce programs is administered through **three** entities:

- Health Resources and Services Administration (**HRSA**)
- **SAMHSA**
- Center for Medicare & Medicaid Services (**CMS**)

Services

Examples of federal behavioral health workforce programs include:

- **Financial assistance** (i.e., scholarships and loan repayment)
- **Professional development**
- **Field placements** in underrepresented and underresourced communities

Since 2018, Massachusetts organizations and behavioral health professionals have received nearly **\$200 million in federal workforce funding**, with over 70 percent of dollars coming from **three** programs:

- National Health Services Corp (NHSC)
- Behavioral Health Workforce Education and Training (BHWET)
- Minority Fellowship Program

Changes in Federal Funding

On February 3rd, 2026, President Trump signed the Labor, Health and Human Services, Education, and Related Agencies bill into law, which dedicates **\$944.7 million for behavioral health workforce programs**. While the final bill represents a **\$40.3 million (4.1 percent) decrease** for programs compared to FFY 2025, the final bill was larger than each of the FFY 2026 proposals and maintains funding for several programs that were not included in the Trump Administration’s initial budget recommendation. In addition to funding changes, over the past year, the federal government has also changed how they administer programs, which has impacted funding for Massachusetts.

Behavioral Health Workforce Programs, FFY 2026 Funding Proposals

Program	FFY 25	FFY 26 Trump	FFY 26 House	FFY 26 Senate	FFY 26 Conference
HRSA	\$984.7	\$814.3	\$686.9	\$618.3	\$944.4
BHWET	\$197.1	\$129.3	\$158.0	\$113.0	\$114.0
NHSC	\$386.6	\$473.6	\$128.6	\$130.0	\$480.0
<i>Discretionary</i>	\$128.6	\$128.6	\$128.6	\$130.0	\$130.0
<i>Mandatory</i>	\$258.0	\$345.0	-	-	\$350.0
SAMHSA	\$11.1	\$0	\$11.1	\$11.1	\$11.1
Minority Fellowship Program	\$11.1	-	\$11.1	\$11.1	\$11.1

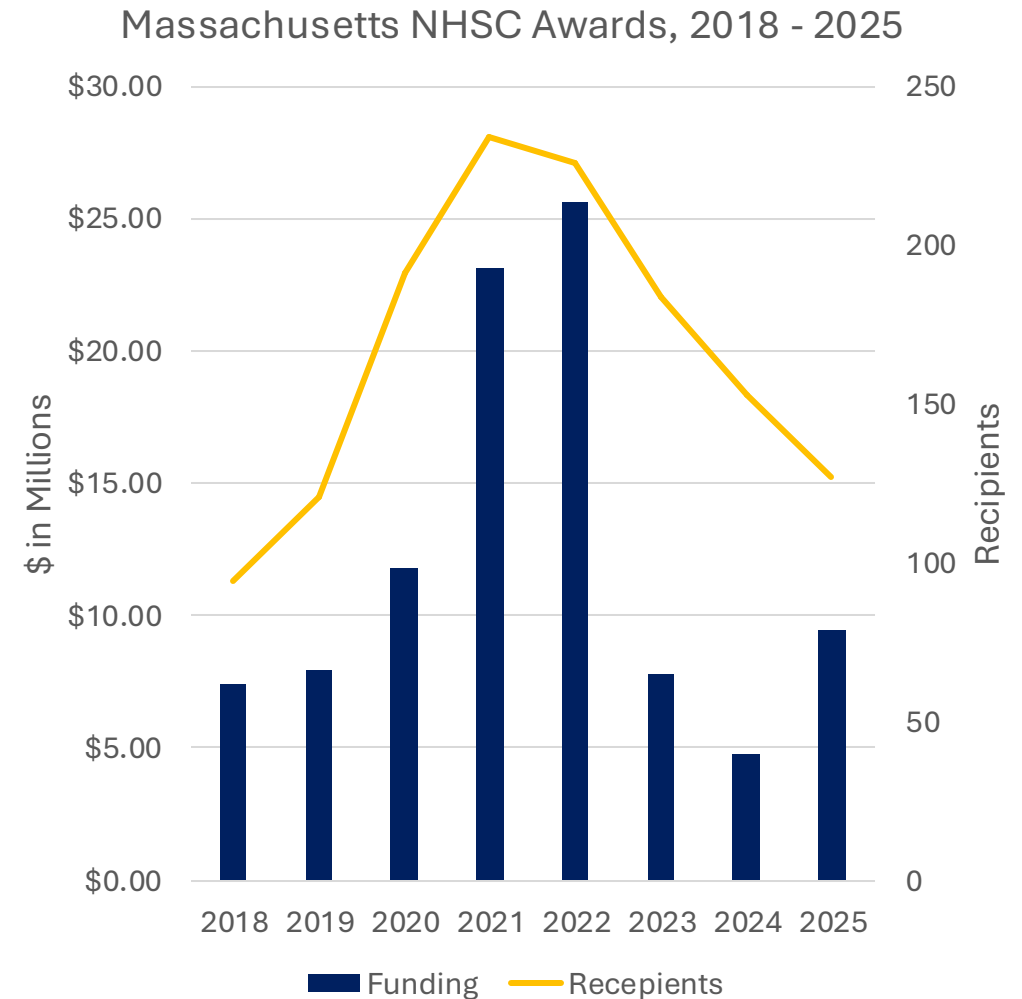
The following slides offer an overview of the **largest federal behavioral health workforce training programs** and their impact on Massachusetts.

National Health Services Corp

Program overview: The NHSC provides scholarships and loan repayment assistance to behavioral health professionals in exchange for at least two years of service in areas with significant workforce shortages.

Impact on Massachusetts: Since 2018, **\$88.6 million** has been awarded to **1,198 Massachusetts behavioral health professionals** – a majority supported by the American Rescue Plan Act (ARPA) in 2021 and 2022.

- In 2025, Massachusetts award amounts surpassed pre-pandemic levels, but the number of recipients remained consistent with 2019 due to **increased award amounts** and a **one-time supplement award** for providing care in Spanish.



NHSC Funding Model

The program is supported by **annual discretionary** and **multi-year mandatory funding authorizations** made through the federal budget. The program is primarily supported by mandatory spending, which has often been authorized through separate legislation (i.e., the Coronavirus Aid, Relief, and Economic Security Act and ARPA).

NHSC Spending Proposals

Program	FFY 25	FFY 26 Trump	FFY 26 House	FFY 26 Senate	FFY 26 Conference
Discretionary	\$128.6	\$128.6	\$128.6	\$130.0	\$130.0
Mandatory	\$258.0	\$345.0	\$0.0	\$0.0	\$350.0
Total	\$386.6	\$473.6	\$128.6	\$130.0	\$480.0

\$ in millions

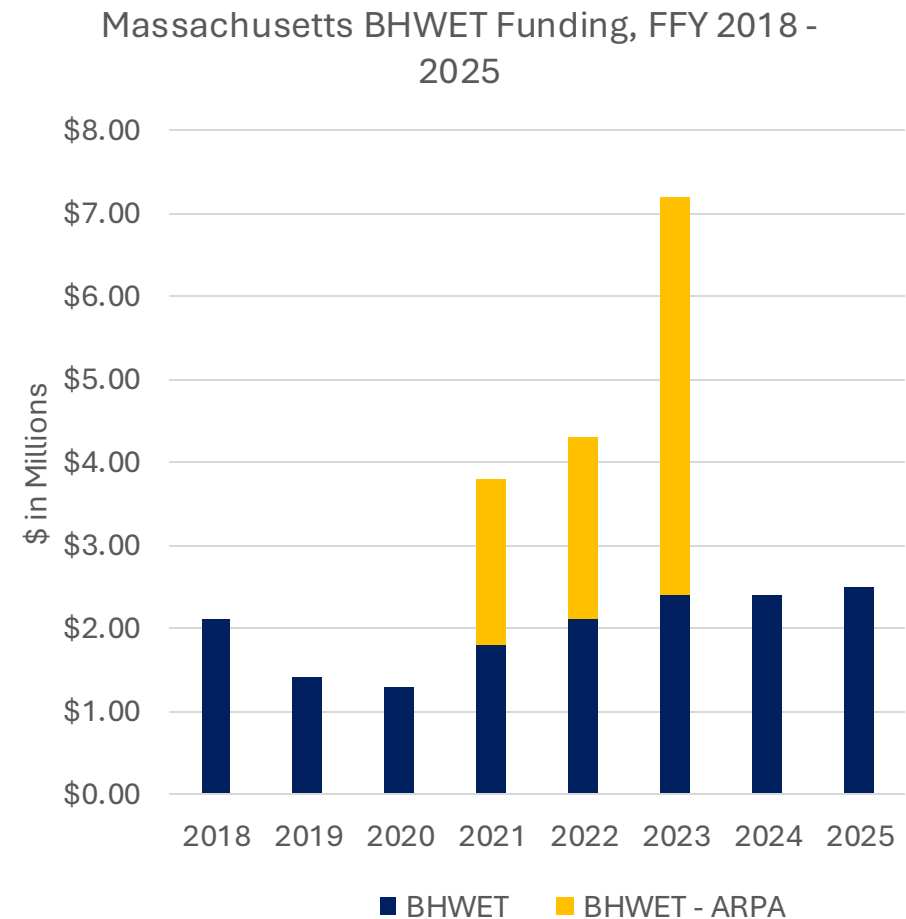
In the FFY 2026 budget, **funding for the NHSC is \$93.4 million (24 percent) more than FFY 2025**, with most of the new spending being authorized through mandatory funding. Policymakers also propose authorizing the program through the end of calendar year 2026 by providing \$88.2 million after the end of FFY 2026.

Behavioral Health Workforce Education and Training

Program Overview: The BHWET program awards funding to higher education institutions and health care providers to develop and expand clinical education and experiential training in community-based settings for individuals from underrepresented backgrounds through two grant opportunities:

- **BHWET Professionals Program** (i.e., students in Clinical Psychology, Counseling, and School Psychology programs)
- **BHWET Paraprofessionals Program** (i.e., Peer Support Specialists and Community Health Workers).

Impact on Massachusetts: Since 2018, **\$27.5 million** has been awarded to **15 organizations**. Funding in 2025 reached \$2.5 million, the highest amount of non-ARPA-supported funding since 2018.

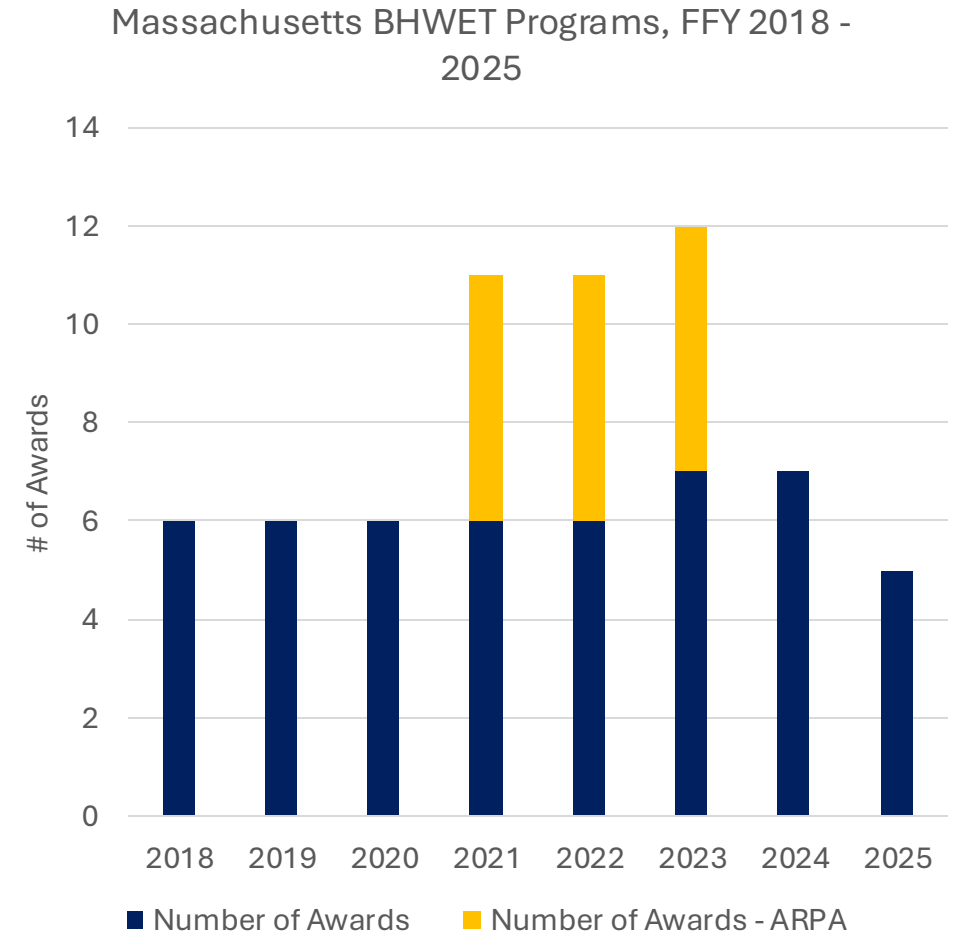


Changes to BHWET Funding

In 2025, at the start of a new four-year program cycle, Massachusetts organizations received funding to operate three BHWET Professionals programs and two BHWET Paraprofessionals programs that will train nearly 300 individuals – **the lowest number of programs since 2018.**

In the FFY 2026 budget, the BHWET program saw the **largest decrease** of any federal behavioral health workforce program, **decreasing \$83.1 million** (42 percent) compared to FFY 2025.

- In previous years, the federal government provided supplemental grants to target priority areas (i.e., Children, adolescents, and young adults in rural and underserved communities). **This is not expected to occur in the near future given limited resources.**

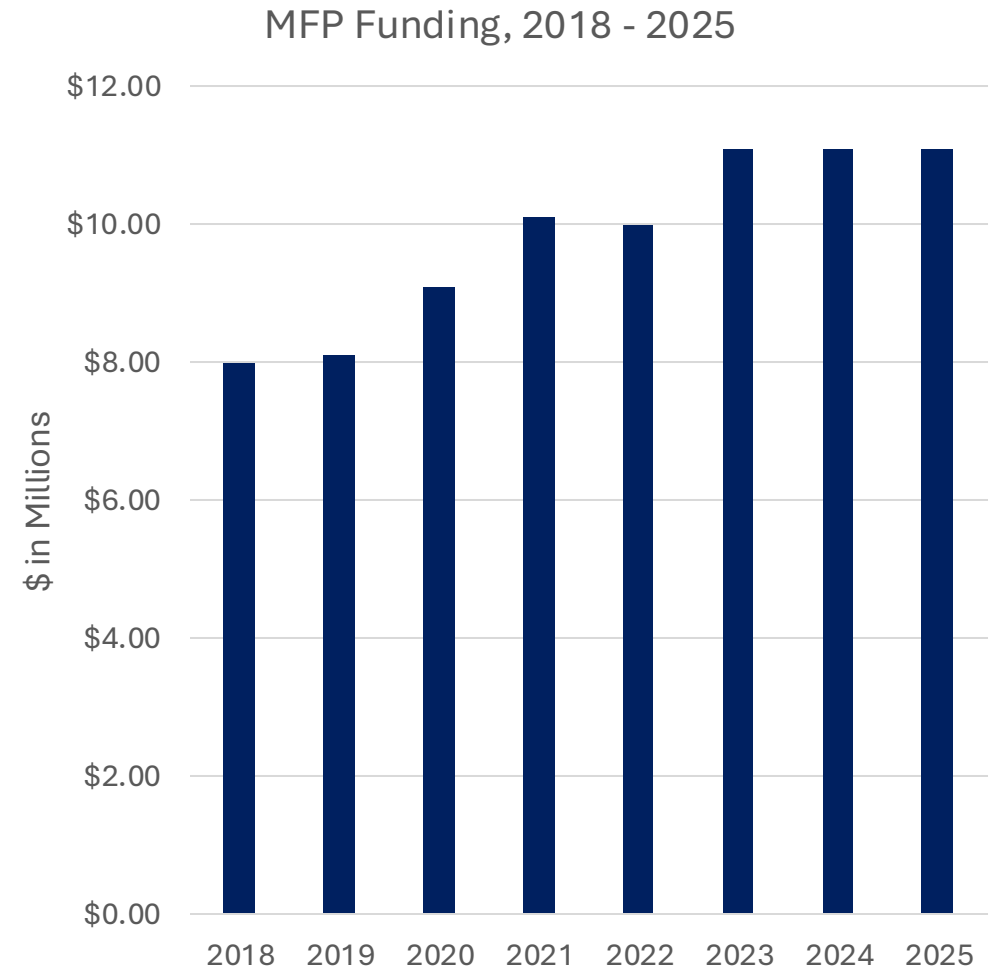


Minority Fellowship Program

Program overview: The Minority Fellowship Program provides **paid training for individuals in underrepresented populations** pursuing a degree in the behavioral health field. Funding is awarded to eight national health care organizations that represent specific professions (e.g., the American Psychological Association and the American Nurse Association) to train Nurses, Psychiatrists, Psychologists, Social Workers, Counselors, and Marriage and Family Therapists.

Impact on Massachusetts: While there is limited data on how many Fellows work in Massachusetts, there are over **500 Fellows nationally in each cohort**.

After being eliminated in the administration's FFY 2026 budget proposal, **funding is maintained at \$11.1 million**.



Update on MA Repay

MA Repay is a **loan repayment assistance program** for a variety of health care workers, including behavioral health professionals, in exchange for service in high-need care settings. The program is supported by **a mix of state and federal resources**.

- Through CMS, the state applies for **federal reimbursements over a five-year period** for experimental or pilot programs that improve health care quality and access.

Since 2022, the state has awarded nearly \$200 million in loan repayment assistance to over 1,300 professionals, with federal reimbursements supporting \$17 million in awards to 248 individuals.

The MA Repay program is facing an uncertain future, as the federal government has announced their intention to end funding – potentially stalling recent workforce growth momentum.

- After the passage of OBBBA in July 2024, CMS announced that **workforce initiatives would not be supported by the next 1115 Demonstration Waiver (2027 – 2032)** – a \$17 million loss for Massachusetts over the next five years.

The state expects to streamline the MA Repay program to account for changes in participant attrition and enrollment, and as a broader effort to control rising health care costs.

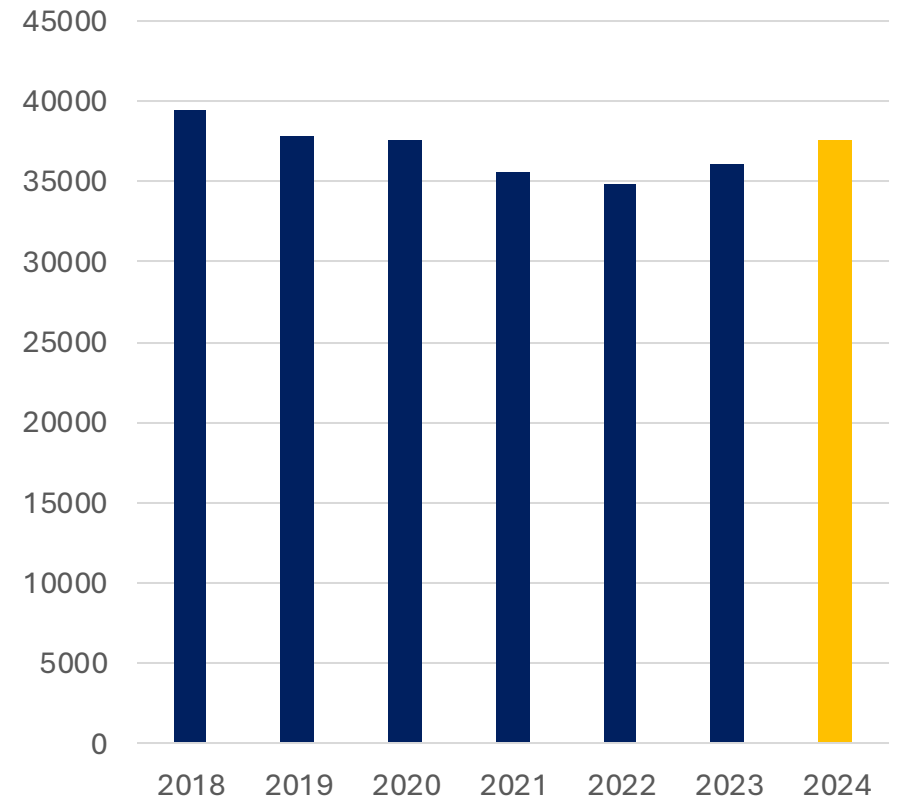
Changes to Federal Student Loan Rules

The passage of the OBBBA included **new rules and regulations for federal student loan borrowing**. The U.S. Department of Education (DOE) finalized the new loan borrowing limits for students starting on July 1st, 2026, including **maximum borrowing amounts for students pursuing a “professional” and a “non-professional” degree**.

“Professional degrees” are defined as programs that lead to a professional that requires more than a bachelor’s degree and a professional licensure. Six behavioral health occupations – **representing 8 in 10 of the state’s behavioral health workforce** - do not fall under the current definition, including:

- Social workers
- Substance abuse, behavioral disorder, and mental health counselors
- Marriage and family therapists
- Community health workers

Non - “Professional Degree”
Massachusetts Workforce, 2018 - 2024



The Impact of New Federal Loan Rules

The new rules have **three major components** that will make it more challenging for the state to recruit workers to behavioral health occupations that provide care in high-need settings and are often lower-paying:

- **Streamlining student eligibility**
 - The rules would raise the limits for “professional” degree students to \$50,000 a year (a maximum of \$200,000), but limit “non-professional” degree students to \$20,500 a year (a maximum of \$100,000) – **impacting 80 percent of the current workforce.**
- **Capping federal student loans**
 - Students and their families can apply for PLUS loans that cover the full cost of attendance, like cost-of-living expenses that are not typically covered in student loans. **The new rules eliminate PLUS loans for graduate students** and establish a cap of \$20,000 annually (a maximum of \$65,000) for undergraduate students, which are currently uncapped.
- **Limiting opportunities for incumbent workers**
 - Currently, all students are subject to the same maximum student loan amounts, but **part-time students will be limited to half the maximum under the new rules**, which could make it harder for workers to transition into the field from other sectors or get training to move up within the field.

A photograph of a city skyline at dusk or dawn. The sky is a pale blue, and the buildings are illuminated with warm lights. The water in the foreground reflects the lights. A dark blue semi-transparent banner is overlaid across the middle of the image, containing the text.

New Federal Funding Opportunities

Potential Workforce Opportunities

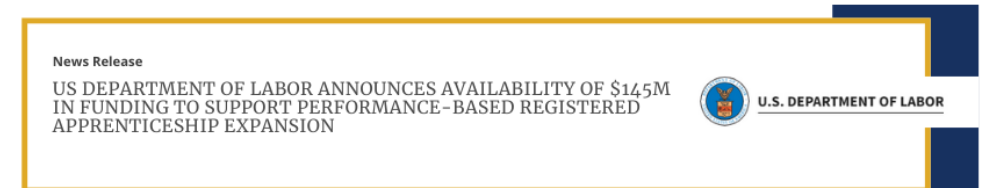
The following slides detail new programs and policy priorities in the OBBBA and FFY 2026 budget that could present Massachusetts with other opportunities to support the workforce.

New programs include:

- **Workforce Pell Grants** that are intended to support students enrolled in short-term training
- **Rural Health Transformation program** to support the retention and recruitment of health care workers in underserved regions of the state.

New policy priorities include:

- Efforts to **better align business demand** with career technical education programs, Workforce Innovation and Opportunity Act (**WIOA**), youth programs, and **apprenticeships** by coordinating cross-agency workforce efforts.



Workforce Pell Grants

As part of the OBBBA, the legislation established Workforce Pell Grants to provide **financial aid for students in short-term industry-recognized credentialing programs**. The program includes students who have a bachelor's degree to train incumbent and upskill workers in occupations that require post-secondary training. While the DOE is finalizing regulations for implementation of the program by July 2026, eligible programs must meet the following criteria.

- 150 – 600 clock hours of instruction
- 8 – 15 weeks to complete the program
- Prepares students for high-skill, high-wage, or in-demand industry sector
- Offers stackable credentials that provide academic credit towards one or more certificate or degree programs.
- 70 percent of participants must complete the program within 150 percent of the normal time for completion
- 70 percent job placement rate within 180 days of program completion
- Tuition and fees cannot exceed the difference between the median earnings of students one year after completing the program and 150 percent of the federal poverty limit.

Massachusetts has already made investments in programs that could benefit from Workforce Pell Grants, like Career Technical Institutes (CTI), which has training opportunities for health care occupations. While this program can support a number of sectors, **policymakers should prioritize behavioral health workforce needs**.

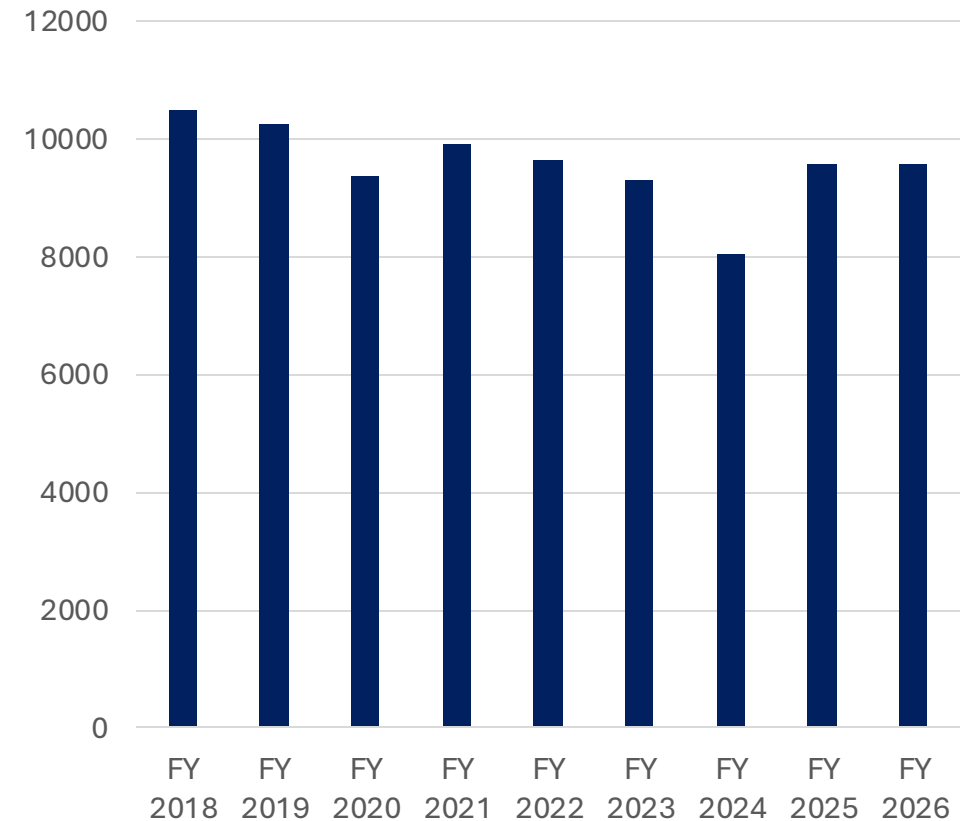
Expanded Apprenticeships

Expanding the number of Registered Apprenticeships is a key workforce goal for the state and federal government - **and health care has been targeted as a priority area.**

- In January, DOL announced a new **\$145 million grant program over the next four years** to achieve the goal of exceeding one million Registered Apprenticeships.

This new funding opportunity could **help Massachusetts bolster its Registered Apprenticeships program** that has expanded in recent years to new sectors, like behavioral health care. Massachusetts could follow the lead of other states, like Washington and Colorado, which have **used Registered Apprenticeship as a talent pipeline for entry level behavioral health positions.**

Massachusetts Registered Apprenticeships, FY 2018 - 2026



Apprenticeship USA, Apprentices by State dashboard

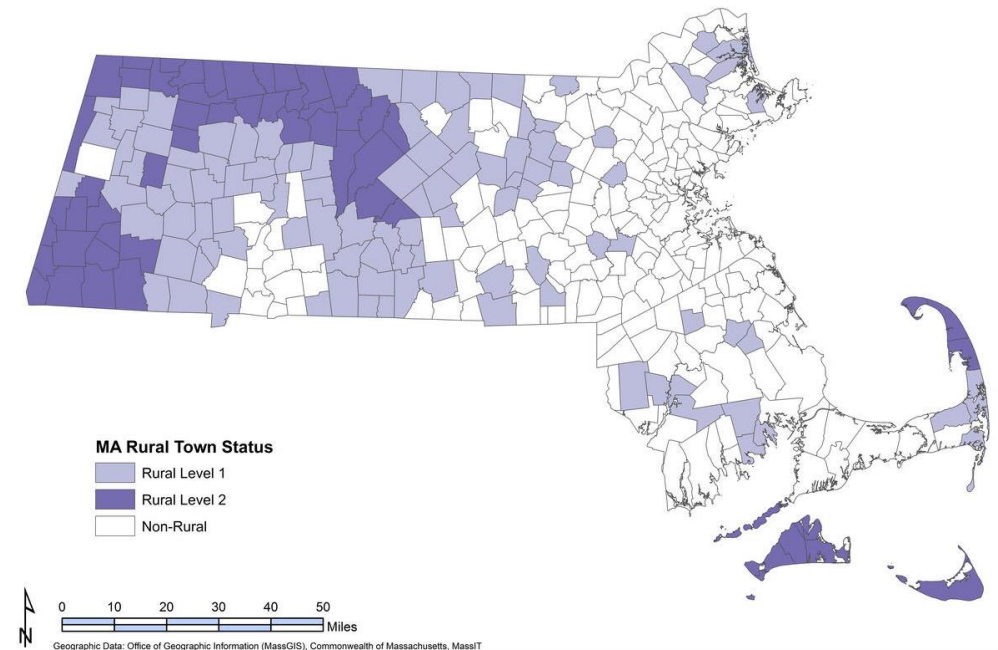
Rural Health Transformation Program

Through the OBBBA, \$50 billion was authorized to be allocated through FY 2030 through the **Rural Health Transformation (RHT) program** to improve health care access, quality, and outcomes in rural communities.

Massachusetts applied for **\$1 billion** over the next five years to support a range of programs, including workforce development.

- **Community Health Worker Training Network:** Provides free skills training and professional certifications in community health work in Berkshire and Franklin counties and the Outer Cape and Islands region.

While CMS announced that Massachusetts will be receiving **\$162 million** through the RHT program over the next five years, **it is not clear which components of the state's application were funded.**



State Office of Rural Health

Rural Level 1 = somewhat isolated
Rural Level 2 = most isolated

Workforce Innovation and Opportunity Act (WIOA)

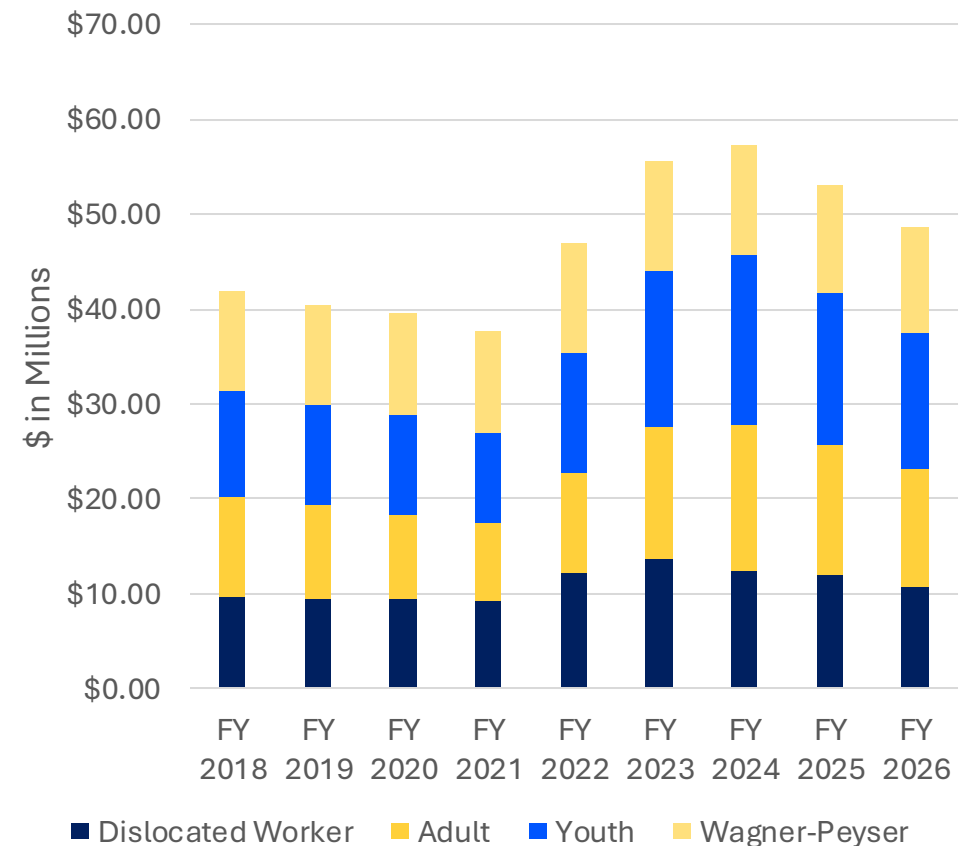
Massachusetts receives **most federal workforce funding** through **WIOA**, which provides funding to the state's MassHire Career Centers and fund programs driven by **regional labor needs**, including:

- Job readiness services
- Skill training opportunities
- Work-based learning experiences

As part of the Trump Administration's plan to streamline the workforce development system, the U.S. Department of Labor (DOL) has announced its intention to enhance WIOA waivers, which allow for flexibility in **coordinating workforce development and career and technical education** and **scaling industry-driven strategies**.

Massachusetts should use this opportunity to **align existing programs** and **scale program partnerships** that have proven to support training for entry-level positions and upskill incumbent workers to fill advanced positions to improve pay and limit burnout in the field.

MA Career Center WIOA Funding for Programming, FY 2018 – FY 2025

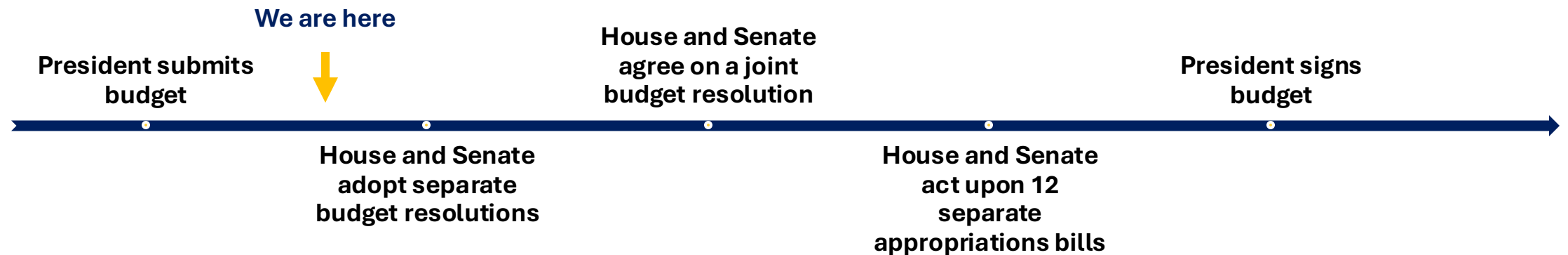


Looking Ahead to the FFY 2027 Budget

Over the next several months, we will learn more about funding levels for behavioral health workforce programs as the FFY 2027 budget develops.

Background on the FFY 2027 budget process

On April 3rd, 2026, the Trump Administration released its FFY 2027 plan that runs from October 1st, 2026, to September 30th, 2027. The House and Senate Committees on Appropriations will now divide the budget into 12 appropriations bills handled by subcommittees based on the different areas of spending. **Federal behavioral health workforce programs are funded through the Labor, Health and Human Services, Education, and Related Agencies appropriations bill.** The appropriations bills are first passed by the appropriations subcommittees before being voted on by the House and Senate. Any differences between the House and Senate versions are reconciled in conference committee before going to the President's desk. To avoid a government shutdown, the FFY 2027 budget **must be signed by October 1st, 2026.**



Summing Up

The **limited availability of new state resources** and some **federal funding and policy changes** make it challenging for the state to maintain significant pandemic-era funding levels for workforce programs, but there are several ways Massachusetts can build on recent workforce gains:

- **Expand the talent pipeline** – Massachusetts has long faced domestic outmigration challenges, but net population losses have been mitigated by international immigration. **Federal immigration policies have slowed international immigration to Massachusetts**; therefore, the state must **reduce barriers (e.g., funded training and licensure requirements) to attract the fastest-growing segments of the population to the behavioral health workforce.**
- **Identify policy solutions** – The state can support workforce growth by reviewing **administrative barriers** that limit growth and retention within the behavioral health workforce. For example, Social Workers, who have seen the largest workforce losses of the sector, and foreign-trained professionals face **licensure barriers that often lead to individuals not practicing or providing care at a different level in the field.**
- **Partner with the federal government on shared goals** – Pursuing a career in the behavioral health sector involves **several years of extensive post-secondary education and often unpaid training.** Several federal funding opportunities can help Massachusetts remove financial barriers to the field for individuals by creating **paid pathways to employment** and **financial assistance** for industry-recognized credentialing programs.