



**Opening Statement of Rep. Burgess Owens (R-UT), Chairman
Subcommittee on Higher Education and Workforce Development Hearing:
“Breaking the System: Examining the Implications of Biden’s Student Loan
Policies for Students and Taxpayers”
March 23, 2023**

(As prepared for delivery)

Thank you to everyone in attendance and to our witnesses for taking time out of their busy schedules to be here.

This hearing titled, “Breaking the System: Examining the Implications of Biden’s Student Loan Policies for Students and Taxpayers,” addresses what I believe is one of the greatest concerns pressing American education and our economic competitiveness.

The purpose of this hearing is to examine the impact of the President’s radical agenda to push his free college through the federal student loan program at the expense of students, institutions, and taxpayers. Hopefully, our efforts will help shine a light for the American public on the failures of this administration and present an alternative vision that will lower college costs, limit excessive borrowing, and ensure students and taxpayers get a return on their investment in postsecondary education.

Many people in this room probably have student loans. However, blanket bailouts that turn loans into targeted grants and saddle future generations with someone else’s debt is not a solution. It has been the American Way from our beginning to leave a legacy to our children of more opportunities—not less. Particularly when their limits are due to our short sighted, self-centered, and intergenerational debt. The Biden Administration proposal is a patchwork attempt to fix a structural problem that will only make worse the issues of rising prices and low-quality educations—it is one that leaves students worse than if they had never enrolled in the first place.

Four in ten students leave college with debt and no degree. This has left millions of Americans with student debt that far exceed the financial value of their degree—and

with taxpayers forced to cover the bill. It is thus unsurprising that the Direct Loan program has resulted in \$200 billion in losses prior to the President's student loan schemes.

Yet, rather work with Congress to fix our financing system, the Biden administration has taken the 'go at it alone' approach at the expense of students and taxpayers. The non-partisan Congressional Budget Office calculated that blanket debt cancellation would cost the American taxpayer \$400 billion. However, this hearing will look at the totality of the administration's actions which will cost upwards of \$1 trillion.

With a laser-focus on inflationary spending, the Biden administration has all but ignored the challenges their actions have created for their partners and the borrowers they serve.

It's impossible for the typical American to make their financing plans when they have no idea when and if they will have to pay back their loan. It is also impossible for servicers or institutions to give them guidance when the Department of Education refuses to provide it.

Bipartisan legislation like the *FAFSA Simplification Act* and ensuring borrowers have the resources needed to return to repayment are an afterthought for this administration. And so, too is good stewardship of taxpayer dollars. Indeed, in announcing their proposed income-driven repayment plan, the Department's cost estimate was ridiculously out of touch with reality and about half of what the CBO put forward last week.

So, I ask of my colleagues, is all this chaos and confusion worth it? An even better question—Is this chaos and confusion on purpose? What is the endgame of an Administration that SPRINTS away from Common Sense?

This strategy of purposeful chaos is not new. It was first proposed in 1966 by two Marxists, Richard Cloward, a college professor and Frances Fox Piven, an activist. The Cloward/Piven Strategy was based on the idea of orchestrating crises that only the government can solve. To purposely create enough misery and hopelessness among the populace, that their only recourse is relief from DC Bureaucrats—their taxpayer dollar-providing saviors.

The question we need to ask ourselves—and the purpose of the hearing—is the chaos and destruction of our present student loan system worth degrading our system of checks and balances? Is it worth the economic hardship placed on

taxpayers, forced to pay a loan they never asked for or received and is it fair, or moral, to do something no previous generation has done—to mortgage our own children’s future with an additional Trillion dollars added to our out of control \$31 Trillion dollar national debt? All because President Biden made a campaign promise he had no right or standing to make?

I for one say no. Enough is enough. It’s time we face soaring college prices head on, not kick the can down the road for another day.

With that, I look forward to the expert testimony today.

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