

SAUNDERS: Income inequality loves student loan forgiveness

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I'm old enough to remember when college-loan recipients expected to repay their loan balance. The whole thing.

That was before President Joe Biden decided he unilaterally can forgive \$10,000 in outstanding federal college loan balances incurred by debtors who earn up to \$125,000 annually — or \$250,000 for married couples. Pell Grant recipients would be eligible for an extra \$10,000 in debt forgiveness.

Tuesday, the U.S. Supreme Court heard arguments to determine if two challenges to the scheme have standing to change the law.

It's incongruous when you think about it: the party that opposes "income inequality" supports giving money to college graduates, a group that earns more than the majority of American taxpayers who didn't earn a college degree.

If Team Biden prevails, the cost to American taxpayers will be \$400 billion, according to the Congressional Budget Office, or "roughly \$500 billion," according to the Committee for a Responsible Federal Budget.

In defense of the Biden program, U.S. Solicitor General Elizabeth B. Prelogar argued that the post-9/11 2003 Higher Education Relief Opportunities for Students, or HEROES, Act authorized the Secretary of Education to "waive or modify" the student loan program in an emergency. Hence, there is no need for a new law.

In opposition, Nebraska Solicitor General James A. Campbell countered that the White House move to cancel big college debt was "unprecedented. Never before has the HEROES Act been used to forgive a single loan."

Justice Sonia Sotomayor, who was nominated to the big bench by then President Barack Obama, bemoaned a situation in which "we're going to give judges the right to decide" how much financial aid to give to college students, instead of the Education Secretary, "who's been dealing with educational issues and the problems surrounding student loans." Sotomayor has much more faith in Education Secretary Miguel Cardona than I.

She also seems oblivious to the fallout of allowing the executive branch to spend a half-trillion dollars without congressional approval. Where would that path to endless borrowing lead?

Thomas Berry, editor-in-chief of the libertarian-leaning Cato Institute's Cato Supreme Court Review, took issue with Sotomayor's warning about allowing judges to decide the two cases challenging the Biden policy.

Critics charge the court is engaging in "judicial activism" or say that justices are "not staying in their lane," said Berry. "The rebuttal to that is essentially that the court has to police the boundary lines" between the executive branch and Congress.

The White House overstepped.

I should note that it was President Donald Trump who signed an order in March 2020 to allow student loan recipients to suspend their payments for two months. That was in the heat of COVID closures that threatened to cripple the U.S. economy and expose working families to financial ruin.

Those two months of grace turned into more than three years — regular loan payments now are set to resume on June 30, 2023 — even as the economy recovered.

In September 2022, Biden told "60 Minutes," "The pandemic is over." The unemployment rate was 3.5%, about what it is now.

Today COVID is a problem, but it no longer is an emergency. Yes, there are exceptions, but college graduates who want work generally can find it.

Chief Justice John Roberts was the voice of reason when he noted "most casual observers would say if you're going to give up that amount of money, if you're going to affect the obligations of that many Americans on a subject that's of great controversy, they would think that's something for Congress to act on."

I know I'm supposed to feel sorry for poor little college graduates who have to pay off their college debt. But having paid off my student debt, I just feel like a sucker.