

Sen. Rick Scott Announces Proposals to Lower the Cost of Higher Education

Tuesday, September 10, 2019

WASHINGTON, D.C. – Today, Senator Rick Scott spoke at the Heritage Foundation on the future of higher education and his efforts to keep higher education affordable and make sure students are prepared to get good-paying jobs. During his speech, Senator Scott announced five proposals to lower the cost of higher education for our students.

Read Senator Scott's full remarks as prepared for delivery below or watch his speech [HERE](https://www.youtube.com/watch?v=9ceTVf0gsQk) (<https://www.youtube.com/watch?v=9ceTVf0gsQk>).

Students across the country are heading back to school, so there's no better time to talk about our education system and how important it is to keep education affordable and attainable for every American student.

Here's why that matters to me: I grew up in a poor family. We didn't have much. My mom and my adopted father, who was a truck driver, worked hard to put food on the table and provide for my siblings and me.

Even though my Mom had no money, she was optimistic and hopeful.

She told us we were blessed because God and our founders created the greatest country ever, where anything was possible.

I'm not sure my Mom ever really had a plan for us, but we sat through lots of church sermons, had to make straight A's, memorized the 23rd Psalm, became Eagle Scouts, cleaned the house, and had to have a job.

She sacrificed so we could have the opportunities in life that she didn't have, but we also had to work for them. She taught us to take responsibility for our own lives.

Because of her sacrifice, I lived the American dream. I started working when I was 7, worked hard in school, joined the Navy at 18, and went to college on the GI Bill.

By the time I was 35, I had built a successful company that employed thousands of people.

When I went to college in the 70's, tuition was as low as \$200 a semester, with no fees that I can remember.

Today, the average cost of a private four-year college is more than \$32,000 per year. The average cost of a public four-year college for out-of-state students is almost \$24,000 per year. The average cost of a public four-year college for in-state students is almost \$10,000 per year.

According to data from the Bureau of Labor Statistics, the cost of college tuition and textbooks have risen by almost 200%, just in the last 20 years – almost 4-times the rate of inflation.

The cost of a four-year degree has increased eight times, way more than the increase in wages.

This is unsustainable and results in two drastically different but equally challenging problems:

1. First, a college education is becoming out of reach for more and more students. More and more students are losing out on their opportunity to live the American Dream.
2. Second, students who do go to a four-year college or university are becoming burdened with mountains of debt. Debt that is frankly unsustainable for people to pay off.

Total student loan debt in the United States now stands at more than \$1.5 trillion. The delinquency or default rate is over 11%.

Now, the Democrats have their solution. It's really great. Their plan is just to make it all disappear. Poof. Just like that. Cancel all student loan debt. Eliminate it. It's magic!

And if it's so easy to cancel debt, why stop there? What about credit card debt, mortgages and federal debt? And what's their long-term plan? Just eliminate student debt every 10 years or so?

But of course, cancelling student loan debt doesn't solve the problem. It doesn't fix the bloated bureaucracies of our public and private colleges and universities.

It doesn't fix the fact that education costs are rising at four times the rate of inflation.

It doesn't fix the problem of colleges and universities that are more focused on providing safe spaces to avoid tough issues than whether their students are prepared for a career in our 21st Century economy.

In fact, it makes these problems worse. And saddles more of the burden on taxpayers.

Let's remember, the American taxpayer is us. And we are already spending one trillion dollars more annually than we collect in taxes.

As Governor of Florida, I had two main goals: to keep college affordable for students and to realign the incentives in the higher education system to promote career readiness and skills training. My whole focus was to make sure students were able to get a job when they graduated.

Over the last six years of my term as Governor, we held the line on tuition. It didn't increase at all. I asked every person interviewing for appointments to our universities and colleges if they would support a tuition increase. If they said yes, I didn't appoint them. And if they went against their word, they were not re-appointed.

We also implemented performance funding at our colleges and universities. When I got elected Governor, I asked the colleges and universities what kind of data and metrics they collect from graduates on how successful they've been at getting good-paying jobs.

Shocking: They had no data or metrics!

So here's what we did. We created metrics that our colleges and universities had to report to the state, such as how much it cost to complete a 4-year degree, how many of their students got jobs after graduation and how well those jobs paid.

If they met certain standards, they got more state funding. Simple. Easy.

I also invested significant resources in career and technical training.

And I challenged Florida's 48 Technical Colleges and Centers to issue a guarantee to businesses that their workers are ready to work on their very first day on the job, or they would be retrained at no cost to the business or the student. Every technical college and center in Florida accepted that challenge.

These are simple concepts – it's about creating incentives to make sure all of our higher education institutions were doing their most important job: preparing students for the opportunity to get a great job, build a career and become self-sufficient.

But politicians in Washington and around the country too often fail to understand that. They just want to give out government money tied to no results. But, that's not fair to taxpayers. I was a CEO for decades before I ran for elected office, and I've always found that you have to ensure a return on investment. And, taxpayers should not be funding colleges and universities that cannot prepare students for jobs. There is no return on our taxpayers' investment.

The results speak for themselves. For three years in a row, U.S. News & World Report has rated Florida's higher education system as the best in the nation. And we have the second lowest state university tuition in the nation.

Our students are getting a world-class education at a price they can afford.

More and more Floridians are getting the opportunity to live their version of the American Dream.

Over my eight years as Governor, Florida businesses created almost 1.7 million new jobs, and the state still has over 200,000 job openings.

We're training students to compete in a global, 21st Century economy. And our model can work around the country.

Now, I'm looking at what we can do on the federal level to drive down costs for students and their families and incentivize colleges and universities to actually prepare students for a job.

Student loan debt has soared because higher education costs continue to rise. Meanwhile, under President Obama, the federal government took on the burden of issuing and guaranteeing more than 90% of all student loans. What problem did that solve? Interest is not lower. Defaults are not down. And fees have not decreased.

Here's the problem: students are told that they have to go to a four-year college or university to be successful and they're taking on mountains of debt. Colleges and universities are taking that money and using it to pay for bloated bureaucracies and a never-ending litany of course offerings without any concern for how their graduates fare in the job market.

Students are increasingly unable to pay their loans, defaulting at a rate of over 11%. And U.S. taxpayers are left holding the bag.

I'm going to say a couple things that may get me in trouble. They may not be popular with the Editorial Boards or the pundits, but here goes.

1. Number 1: not every student should go to a four-year college. Every student should have the opportunity to use their God-given skills and talents. But for many students around the country, that means career or technical training, trade school or an apprenticeship. And, this training can lead to great, high paying jobs – often better paying than if they received a college or university degree.
2. Number 2: if you want to go to college and pursue any degree you want, great! You should

pursue your dreams. But the American taxpayers shouldn't be on the hook if you can't get a job after graduating and can't pay off your loans.

3. Number 3: Colleges and universities always complain that they don't have enough money. They're lying. They have plenty of money. Look at how their budgets have increased. How did they survive 10 years ago on much smaller budgets?

Let me be clear with our Democrat friends: eliminating all student loan debt is not a serious proposal. It's a slap in the face to those who have worked hard and paid off their student loans or are in the process of doing so. And it creates incentives for the bad behavior to continue.

I'm working on a series of bills right now that I'll be filing soon in the U.S. Senate to drive down costs and ensure students are prepared to get jobs.

Here's what I'm proposing:

1. First, if a student defaults on their federal loan, the institution where they took classes should be responsible for a portion of that default.
 - In the first year after the enactment of the bill, institutions would be responsible for 1% of the value of the defaults. That will increase one percent every year until it reaches 10% in the tenth year.
 - By forcing universities to take more responsibility, they will have more of an incentive to actually prepare students for careers – instead of encouraging mountains of debt and degrees that don't lead to jobs after graduation.
2. Second, we need to apply the same rules to Not-for-profit institutions as we do to for-profit institutions.
 - All institutions should be held to the same standards when it comes to preparing

students for jobs, and ultimately be held accountable for their performance.

- We implemented performance-metrics with great success in Florida, and I want to shift the focus so ALL universities have to report what they are doing to prioritize student success.

3. Third, if a college or university raises tuition or fees, they will be automatically cut off from ALL federal funding, including federally-guaranteed loan programs. That's right, ALL FEDERAL FUNDING WILL BE CUT OFF IF TUITION OR FEES ARE INCREASED.

- We held the line on tuition in Florida, and we can do it nationally. There's no reason universities should be raising costs on our students, even one bit. We can't allow it.
- Businesses have to get more productive each year, so should our colleges and universities.

4. Fourth, Pell Grants should be eligible for use at technical colleges.

- Our great technical schools prepare students for work in high-demand fields, and students should be allowed to use Pell Grants to pursue the education that will put them on the path to success.
- Current law arbitrarily limits Pell Grants. If a student has a Pell Grant, they should get to use it to get the job they want.

5. And finally, we must remove onerous Obama-era regulations that hinder private lenders from giving loans.

- If a private bank wants to lend to our students, they can. And U.S. taxpayers shouldn't be on the hook for every student loan in our country. It's not good for our students and it's not good for taxpayers.
- It doesn't make sense, and it's something we can fix now.

These are just a handful of ideas that I'm proposing, but there are a lot of other great ideas out there.

I really hope we can get something done to fix the problems in our higher education system and realign incentives.

If you stop and think about it, our country really is experiencing a new era of enlightenment.

The advancements we've made in technology, in medicine, in space exploration are staggering. They could not even be fathomed just a few decades ago.

We've been able to accomplish these things because of our entrepreneurial spirit and the great institutions of higher education in our country.

But our higher education system doesn't serve the student, and we need to change that. I fear that if we stay on this path, it will be harder and harder for some of our brightest minds to get the education and the opportunity they deserve.

The Democrats are proposing policy plans that would bankrupt and destroy our country, just to win a presidential primary. Hopeful parents and grandparents deserve better. Hard-working students deserve better. They deserve a serious discussion about a path forward on an issue so important to so many.

I look forward to having that discussion.

Thank you.

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