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# AAU WEEKLY WRAP-UP

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Friday, November 13, 2009

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## CONGRESSIONAL SCHEDULE *NEW*

The House and Senate did not meet today because of the Veterans Day break. Following an unusual Saturday session on November 7 when the House approved major health care reform legislation (H.R. 3962), the chamber adjourned until Monday, November 16. The Senate met early this week, but adjourned on Tuesday.

When the Senate reconvenes on Monday, November 16, it is expected to pass the FY10 Military Construction-Veterans appropriations bill (H.R. 3082), which would be the ninth of 12 FY10 appropriations [bills](#) the Senate has passed. The House has approved all of its FY10 bills; five have been enacted into law. A continuing resolution that expires on December 18 is maintaining funding at FY09 levels for those agencies and programs whose regular appropriations bills have not been completed.

CongressDaily reports that the Senate next week also may begin consideration of a health care reform package, although key votes are likely to occur after the Thanksgiving break. Senate Majority Leader Harry Reid (D-NV) is waiting for the Congressional Budget Office to score specific healthcare provisions before putting together a bill.

The House next week is expected to consider legislation to modify the Medicare formula for physician reimbursement.

## BUDGET & APPROPRIATIONS

### ASSOCIATIONS URGE SENATE LEADERS TO REMEDY TAXATION OF STUDENT LOAN FORGIVENESS *NEW*

A group of 16 higher education associations, including AAU, sent a [letter](#) November 10 to the chairs of the Senate Finance and HELP committees in support of legislation (H.R. 2492) to ensure that federal student loan debt that has been forgiven is not taxed as income.

The letter asks that the bill be incorporated into the Student Aid and Fiscal Responsibility Act (H.R. 3221), which has passed the House but has not yet been formally introduced in the Senate.

Under current law, some federal student loan forgiveness programs are excluded from taxable income. However, according to recent Internal Revenue Service guidance, loan forgiveness under the Income-Based Repayment (IBR) and Income Contingent Repayment (ICR) programs would be treated as taxable income for the borrower. H.R. 2492 would expand the current income tax exclusion to cover debts forgiven under the IBR and ICR programs.

As the letter states, by including the provisions of H.R. 2492 in the pending reconciliation bill, “Congress can ensure that the IBR and ICR programs really do enhance college access and affordability, and thereby advance the intent of Congress when it originally authorized these important programs.”

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