

this bill. Is it the Senators' understanding that the State of North Dakota would provide the customarily required non-Federal cost share?

Mr. DORGAN. It is my understanding that North Dakota would provide whatever non-Federal share is customarily required by EDA.

Mr. CONRAD. That is my understanding as well.

Mr. HOLLINGS. Let me add that I agree with the comments of Senator GREGG. Projects of those types would fit well within the parameters of the emergency supplemental appropriations language.

Mr. DORGAN. I thank the Senators for their comments. I want to express my appreciation to the chairman and ranking member of the Appropriations Subcommittee on Commerce, Justice, and State for their assistance.

Mr. CONRAD. I also want to thank the Senators for clarifying the intent of Congress regarding emergency funding for Devils Lake. This funding will help prevent tens of millions of dollars of damages in Benson and Ramsey Counties and on the Devils Lake Sioux Indian Reservation.

Mr. CRAIG. Mr. President, the disastrous flooding in the northwestern United States has covered many areas with layers of flood-borne boulders, gravel, woody debris, and associated materials. Among those areas of particular concern are U.S. Department of Agriculture [USDA] Conservation Reserve Program [CRP] lands. The CRP program provides cost-share assistance to reestablish destroyed permanent vegetative cover. It is my understanding that present Department policy prohibits USDA from providing cost-share assistance of clear CRP lands of debris to reestablish permanent cover. However, the severity of this flood has covered these lands with unusually heavy and extensive deposits of materials that must be removed before permanent cover can be reestablished. It is also my understanding that the Department has the discretion to allow cost-sharing assistance to remove such materials. We are told that these lands are not eligible to use Emergency Conservation Program funds for clearing debris.

Mr. HATFIELD. Mr. President, our states, which border each other and have suffered from the same natural disaster, have similar and shared problems. I would inform the Senator that section 1101 of chapter 11 of title II of this bill gives cabinet secretaries of involved departments authority to waive or specify alternative requirements of any statute of regulation to expedite the provision of disaster assistance to affected areas. I believe that the Secretary of Agriculture can and should use this authority to provide cost sharing assistance to clear lands enrolled in the CRP reestablished cover.

Mr. COCHRAN. Mr. President, I concur with my friend from Oregon, the distinguished Chairman of the Appropriations Committee, that this would be an appropriate use of this authority.

Mr. CRAIG. Mr. President, as you know, my State of Idaho was devastated like others in the Northwest from floods in recent months. Many agricultural lands have sustained damage which must be repaired if the land is to be returned to productive use. It is my understanding that a need of \$1,167,000 has been determined for conservation work and streambank stabilization in Idaho through the Agricultural Conservation Program, which was not requested by the President. However, it is also my understanding that the Department of Agriculture administers the Emergency Watershed and Flood Prevention Operations Program and the Emergency Conservation Program, which could fund these needed activities in Idaho and other affected states in the Northwest. I would ask my colleague, the chairman of the Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies if this is his understanding as well?

Mr. COCHRAN. Mr. President, I appreciate the distinguished Senator's inquiry. This bill includes \$107,514,000 for watershed and flood prevention operations and \$30,000,000 for the Emergency Conservation Program. USDA has determined that these amounts should be sufficient to cover the damage sustained in the Northwest and other areas which have experienced natural disasters.

Mr. PRESSLER. Mr. President, the omnibus appropriations bill before us today is a wide ranging piece of legislation with programs that impact teachers, doctors, job trainees, police officers, and businessmen. I do want to single out one small piece of this legislation that is very important for South Dakota students and families, especially those in rural areas.

You see, many small banks and credit unions have been leaving the Federal student loan program due to burdensome audits imposed by the Department of Education. The audits on guarantee agencies and schools were extended to lenders in the Higher Education Act Amendments of 1992. I fully agree with the goal of cracking down on fraud and abuse in the student loan program.

However, these audits on small lenders are clearly a case of the cure being worse than the illness. The audits are duplicative and in the case of many small financial institutions, exceeding the profitability of the program. The audits are bureaucratic overkill. Expenditures are wasted, as the Department of Education does not even review all of the audits. For lenders with small portfolios, it does not make sense to stay in a program that is losing money. As a result, small lenders are leaving the program, forcing students and families to take their student loan business away from their hometown banks. When hometown lenders leave the program, students and communities are the real losers.

I was pleased to have worked with the chairman of the Labor and Human

Resources Committee, Senator KASSEBAUM, to include language in the Balanced Budget Act to correct this problem by creating an exemption for lenders with portfolios under \$5 million. I am equally pleased that the Appropriations Committee included the same language in the bill before us today. I want to thank the chairman of the Appropriations Committee, Senator HATFIELD, and the Subcommittee Chairman, Senator SPECTER, for adding this provision, which will allow students to continue doing business with their hometown banks. I am pleased this problem will be resolved for small lenders and their communities.

Mr. KENNEDY. Mr. President, I wish to make an observation about funding in this Appropriations bill for the Police Corps program.

I have long supported the Police Corps concept, because I believe it represents an innovative way to improve public safety and strengthen the ties between police departments and the communities they serve. I was proud to be an original sponsor of the Police Corps legislation, which was enacted into law in 1994 as part of the omnibus crime bill.

In the Senate-passed version of the crime bill, the Police Corps program was authorized at \$100 million for the first year, \$250 million the second year, and such sums as were necessary thereafter. Clearly, the Senate contemplated a truly national program. Regrettably, the pending bill contains only \$10 million for this important program, so a national effort is not feasible at this time. I am nonetheless pleased that the Police Corps will finally get off the ground.

It is my view that the \$10 million appropriated in this bill should be used to support a limited number of pilot programs, rather than spread thinly over many jurisdictions. With this much reduced amount, the Police Corps concept can only receive a fair trial if the money is concentrated in a few jurisdictions that make a serious effort to implement the program comprehensively. If instead the money were dispersed across the country as 435 separate Police Corps grants, each grant would support only one Police Corps officer. The administrative overhead alone would essentially swallow the entire appropriation.

This program will be administered by the Department of Justice. I expect—and I believe that my view is shared by the Appropriations Committee and the full Senate—that the Attorney General will allocate the \$10 million to no more than four or five jurisdictions. It is my understanding that several police departments are already prepared to apply for grants and then implement the program swiftly and conscientiously.

I also understand that the administration intends to request increased funds for the Police Corps Program in fiscal year 1997, at which time other jurisdictions can be added.