

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

February 5, 1991
p.m.

Hearing Room F 1:15
Tapes 17 - 20

MEMBERS PRESENT: Rep. John Schoon, Chair Rep. Hedy L. Rijken,
Vice-Chair Rep. Jerry Barnes Rep. Lisa Naito Rep. Carolyn Oakley Rep.
Beverly Stein Rep. Greg Walden

STAFF PRESENT: Terry Connolly, Committee Administrator Annetta
Mullins, Committee Assistant

MEASURES CONSIDERED: HB 2040 PH & WS HB 2222 PH & WS

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 17, SIDE A

010 CHAIR SCHOON calls the meeting to order at 1:18 p.m.

BILL INTRODUCTIONS

011 CHAIR SCHOON: The committee has been asked to introduce LC 2176 which creates a tax on alcohol to fund chemical and alcohol dependency programs. The bill was brought in by Rep. Van Leeuwen.

019 MOTION: REP. WALDEN moves that LC 2176 be introduced as a committee bill.

VOTE: In a roll call vote, REPS. BARNES, NAITO, OAKLEY, WALDEN, RIJKEN AND CHAIR SCHOON vote AYE. REP. STEIN is EXCUSED.

INFORMATIONAL HEARING DEPARTMENT OF INSURANCE AND FINANCE

Witnesses: Cecil Monroe, Administrator, Finance Section, Department of Insurance and Finance Laurie Skillman, Administrator, Corporate Securities Section Frank Brawner, Oregon Bankers Association and State Chartered Banks of Oregon Terry Cochran, President, Oregon Bankers Association Maury Burford, Oregon Bankers Association Tom Augustine, Oregon Credit Union League Jon Stubenvoll, Oregon Student Public Interest Research Group (OSPIRG)

035 CECIL MONROE, Administrator, Division of Finance and Corporate Securities, Department of Insurance and Finance, submits and reviews a prepared statement explaining structure, operation and funding of the division and reviews the attached exhibits (EXHIBIT B).

256 CHAIR SCHOON: How does your department relate to national banks

and savings and loans?

272 MR. MONROE: We have no direct regulatory powers over federally chartered financial institutions. The Comptroller of the Currency is the primary regulator for the national banks and the Office of Thrift Supervision is the primary regulator for federally chartered savings and loan associations. The regulatory apparatus is in a state of flux now. One of the bills that just was introduced, the Treasury Department's proposal, would give the federal agency in the Treasury Department the regulatory responsibility over national banks and the Federal Reserve would become the regulator for state chartered banks. This is one of the bills that would pre-empt the states from regulating state chartered financial institutions. That has some serious implications.

282 CHAIR SCHOON: What does your organizational chart look like?

MR. MONROE: In the Finance Section we have a supervising examiner who oversees banks and trust companies. Pawn shops are part of his responsibility. Another supervising examining looks after credit union, consumer finance and debt collectors. In the Securities Section we have a supervisor with licensing and one with enforcing and registration. I am the Division Administrator and Laurie Skillman is the Deputy. The next layer is the supervising examiners and the chief of enforcing and licensing.

355 LAURIE SKILLMAN, Deputy Administrator, Division of Finance and Corporate Securities, Department of Insurance and Finance, submits and reads a prepared statement explaining the purposes and functions of the Corporate Securities section (EXHIBIT C).

TAPE 18, SIDE A

MS. SKILLMAN continues with statement and reviews charts showing the numbers of licensees and enforcement actions.

129 REP. NAITO: If someone is selling timeshares or lots in a subdivision in another state to people in Oregon, would that be regulated by the Real Estate Commission or the Division of Finance and Corporate Securities?

129 MS. SKILLMAN: Timeshares generally are not considered securities. The Real Estate Agency has some jurisdiction over them and the Financial Fraud Section in the Attorney General's office has jurisdiction under the Unlawful Trade Practices Act.

135 FRANK BRAWNER, Executive Vice President, Oregon Bankers Association and State Chartered Banks of Oregon, submits a prepared statement and copies of the Federal Deposit Insurance Corporation report "FDIC Banking Review," Fall 1990, Vol.3, No. 1 (EXHIBIT D). He reads the prepared statement.

TAPE 17, SIDE B

MR. BRAWNER continues with his prepared statement.

087 TERRY COCHRAN, President, Oregon Bankers Association and President, Columbia River Bank, The Dalles: My bank is about the average sized bank in Oregon. We loan 70 percent of our deposits in our community and are proud of the role we play. I feel very sure when I say no one contributes more to the community than the people in the five banks in Wasco County. We are able to do that because we are profitable, healthy and viable in Oregon. That is not true across the country. In the case of state chartered banks, I agree good state regulations helped. We are

concerned about the national picture. We are concerned that Northeastern or Southwestern banks may deplete our insurance fund. Our industry has pledged to keep the fund strong. Mr. Brawner covered the premiums. In 1991, if our profitability continues roughly the same, we will send about one-third of our gross profit for state and federal taxes and one-third for the insurance fund. We are unlike other industries. If Eastern Airlines has a problem, United and Delta don't step up and put money in the fund. We are committed to keeping our industry strong. We intend to keep it that way with our own dollars. We are concerned about the comprehensive banking regulations which we received today. We have to be permitted to compete in the market place with no advantages and no disadvantages.

133 MAURY BURFORD, President and Chief Executive Officer, First Security Bank of Oregon, Salem: We are a \$220 million organization. We have a 11 1/2 percent primary capital-asset ratio, and operate nine branches and two mortgage banking centers. We are the only state chartered savings bank in Oregon.

We were an independent bank in Oregon and sold the organization last March to First Security Bank headquartered in Salt Lake City. Oregon deposits are being kept in Oregon. We are selling loans to Salt Lake City and therefore Utah money is funding growth and development in Oregon. Those investments are made in commercial real estate loans, home ownership, small business and consumer loans of all kinds.

We are concerned about the banking industry and funding. We are committed to making sure it remains strong. I don't believe the banking problem in the U. S. is that severe and I think time will prove that.

181 MR. BRAUNER: Every dime we send to fund FDIC goes into the General Fund.

REP. BARNES: Do state chartered banks get into the credit card business?

193 MR. BRAUNER: We have state chartered banks that have their own credit cards. We have some that participate with larger institutions and offer their cards. It is an expensive business.

200 MR. COCHRAN: Our bank has issued its own VISA card for approximately one year.

206 MR. BURFORD: We now issue our own card out of Salt Lake. Prior to that we had a card with our name on it, but it was issued out of New York. We didn't think it was profitable for us to be in the business at \$200 million.

223 REP. BARNES: Other than the FDIC increasing premium, what can we do to make sure the playing field is level for all financial institutions?

226 MR. BRAUNER: There are a number of people who aren't banks selling banking services. We compete with people we never thought we would compete with. Having credit unions that serve the public, not just a common bond, and not charging them taxes or making them comply with all our regulations, is not fair. The State of Oregon's money is not invested in Oregon. Many local government's money is not invested in Oregon. If the State of Oregon and local governments were put to the same test as the banks are, I would be happy. The state is in the banking business even though the Constitution says it cannot be. The state makes loans and accepts deposits.

260 MR. COCHRAN: The Soldiers and Sailors Relief Act provides that loan rates be reduced. I won't argue whether that is a good or bad law and

we want to help the war effort, but the family that benefits by having their loan interest rates reduced doesn't get a break on tuition when they send their child to the University of Oregon or get a break on their food costs at the grocery store. So many times we are looked at as utilities or some sort of quasi-public organization that can help people by imposing things on us. We want to be treated fairly.

315 TOM AUGUSTINE, Oregon Credit Union League: We have 154 credit unions in Oregon; 28 are state chartered. Our total membership has increased by five percent from 1989 to 1990 to over 835,000 Oregonians. Total assets have increased by 13 percent to approximately \$3 billion. Share deposits have a 14 plus percent increase up to \$2.5 billion. Loans have increased about five percent to almost \$2 billion. The best part of the growth factor is capital has grown by 11 percent to over \$209 million in retained capital for our credit unions. Collectively, we have about \$3 billion in assets. Oregon credit unions have about a 7.2 to 7.3 percent capital-to-asset ratio. An important point when measuring the safety and soundness of any financial institution is delinquencies. Delinquencies to loan outstanding is .92 percent for all Oregon credit unions. The delinquency to assets is .73 percent.

We take a more conservative approach to how we do business with our members.

Our distribution of loans outstanding are: unsecured loans are just over 17 percent; new auto loans are just over 22 percent; used auto loans are at 15 percent; first mortgage loans are 19 percent; 5.5 percent are in second mortgage loans; six plus percent are categorized as "other." Other loans such as education loans, medical, etc. are about 13 percent. Agriculture loans are about .1 percent and commercial loans are about 2.7 percent of the portfolio.

There are stringent regulations about credit unions' ability to make commercial loans. State chartered credit unions can only make commercial loans up to \$100,000. Most of those are to people who are starting a second business. We are trying to serve the small business person in the community. In the unsecured area, the average loan size is about \$1,500, the average new car loan is about \$7,600, the average used car loan is about \$4,200. The average size of our first mortgage loans is around \$37,000. We are not making loans in areas that are highly committed or highly leveraged. Other mortgage loans average about \$15,000. The Others, which is the miscellaneous where the collateral is taken, runs about \$4,500. Agriculture loans run about \$14,000 and the commercial loans run about \$55,000.

TAPE 18, SIDE B

022 MR. AUGUSTINE: We are as much a part of the proposed federal bill as everyone else. We had two studies on us. The Treasury Department was required to do a study on the insurance side and regulatory side of all financial institutions. The GAO was told by Congress and FIRREA to take a look at the credit union movement nationwide. That final report is not out. Currently, our insurance fund has \$2.1 billion in assets. In 1990, there is a net contribution to the fund of \$115 million over 1989 and the fund showed a net profit after investments and administrative fees of 44 percent. We have one board that oversees the chartering, regulation and the insurance and a central liquidity facility which is a lender of last resort. Today there is \$1.28 per \$100 of insurance in the fund.

099 Our association provides some functions for credit unions that allow them to be competitive. By size, they are not always able to provide different product and service areas. Our primary responsibility is education and governmental affairs activities. We have a services corporation which runs out of our office which provides credit unions

with operating products. We buy in bulk and sell the items to smaller credit unions at discount prices. We have a local credit union- owned clearing facility which we manage and operate comparable to everything the banking system offers banks in Oregon. It functions and operates with the Federal Reserve in the identical manner. With the exception of maybe two or three small credit union, they all clear their checks either through this facility or one in Washington. We also have a corporate central credit union which is like a mini federal reserve for credit unions. We have 42 around the United States and one is called the U. S. Central Credit Union. We do a lot of back-room services for credit unions. Every credit union does not have to have a staff of investors, etc. We can move their money for them, make their investments and interface with the Federal Reserve on their behalf. We operate out of my office. It is in excess of \$300 million in assets and we do an average of \$70 million a day in transactions for credit unions.

Credit unions in Oregon received the tax exemption from this Legislative body long before there were federal charter credit unions. The first credit unions in Oregon were established in 1927. In 1934 Congress enacted the Federal Credit Union Act and they extended the same exemption. The exemption is predicated on how you are chartered. Credit unions are chartered as non-profit financial cooperatives. That is the single basis for the tax exemption. We have no stock holders, our members are the owners, our boards of directors and committees are volunteers elected by those members. Every member has one vote regardless of the amount of deposits. The volunteers are prohibited by law from receiving any enumeration other than a reimbursement of expenses.

The issue of field of membership always comes up. Part of the Treasury Report is to maintain the tax exempt status of credit unions. People tend to tie that together to make an issue out of it.

216 Banks are subject to 46 federal major regulations; we are subject to 39 of the 46. The reason we are not subject to all is because we don't do all the business that banks do.

We are concerned about any kind of legislation that comes before this body that restricts or prohibits our ability to serve our members.

292 JON STUBENVOLL, Consumer Advocate, Oregon Student Public Interest Research Group (OSPIRG), submits and reads portions of a prepared statement (EXHIBIT E).

455 Issues discussed: >Possible introduction of the Financial Consumers Association legislation. >Comparison of numbers of current banking accounts to accounts prior to deregulation. >ATM costs.

TAPE 19, SIDE A

036 CHAIR SCHOON closes the informational hearing and declares the meeting in recess at 3:11 p.m.

036 CHAIR SCHOON calls the meeting back to order at 3:25 and opens the public hearing on HB 204 0.

HB 2040 - ESTABLISHES SPECIAL PROGRAM FOR TELEPHONE ACCESS FOR PHYSICALLY DISABLED. Witnesses: Jim Sexton, Executive Director, Public Utility Commission Pat Fawcett, Administrator, OTAP Jack Cassell, Administrator, TDAP Eugene Organ, Oregon Disabilities Commission

The Legislative Fiscal Analysis on HB 2040 is hereby made a part of these minutes (EXHIBIT F).

041 JIM SEXTON, Executive Director, Public Utility Commission: HB 2222

would continue the two residential service protection programs through 1998. In connection with HB 2040 there was concern about making disabled people eligible for the communication devices. Maury Astley, representing the advisory committee was concerned that it might not be possible for the agency to afford the additional costs if the relay costs, under the Americans With Disabilities Act, caused additional expenditures. Mr. Astley also pointed out that HB 2222 would provide the commission the flexibility of moving funds between the two different accounts or changing the limitations. The Chair suggested, as an alternative, to change the limitations from 15 cents for the OTAP and 10 cents for the TDAP program to 10 cents for the OTAP program and 15 cents for the TDAP program, which is just the reverse of the current funding. I discussed this with each commissioner and they thought it was a fine solution since it met their objectives, even if it left the control in the hands of the Legislature. The commissioners don't anticipate increasing the fees because our projections as of now are that the fees could stay at five cents for the OTAP program and 10 cents for the TDAP program through at least the next biennium, depending on the impacts of the Americans With Disabilities Act.

077 The maximum amount the commission may charge is 15 cents for OTAP and 10 cents for TDAP. Currently, the commission is only charging five cents for OTAP and 10 cents for TDAP.

073 CHAIR SCHOON: I suggest we move five cents from the low-income program which is being under-utilized to the deaf and disabled program.

REP. WALDEN: I assume this means moving the five cent authority that is not being levied in the low-income program to the deaf and disability program.

088 CHAIR SCHOON: That is only one-half of the non-levied portion. Ten cents is not being utilized and five cents would be half of that. There would still be an extra five cents in the low-income program.

093 REP. WALDEN: Is it correct that this move would not reduce any low-income person's ability to have assistance, and we are giving authority to the disabled and deaf program should they need the additional funding?

097 MR. SEXTON: Rep. Walden uses the proper language. Authority is what we are talking about.

101 REP. OAKLEY: Will changing the authority affect the 15-cent charge.

104 MR. SEXTON: Not as far as we can tell at this time. Some telephone companies itemize the expenditure by saying five cents for the low-income and 10 cents for the deaf. Potentially, if the federal standards are raised so the vendor who provides the relay service has to add staff, it might say five cents and 11 cents, depending on the decision of the commission.

112 REP. STEIN: What impact would changing the definition of eligibility for the low income make on this?

117 PAT FAWCETT, Administrator, Oregon Telephone Assistance Program (OTAP): The re-definition would probably mean about 20,000 additional persons could apply for the program. Those are people who are currently receiving benefits through the Department of Human Resources. Today, the people who are receiving food stamps, SSI or Medicaid are receiving this. Expanding the definition brings in other groups who are eligible, but are not receiving food stamps. The reason we would bring those in is because we have computer access to Human Resource files through an interagency agreement. We can bring those people in without any

additional resources or administrative costs to the agency. We had originally budgeted for our customer base of about 40,000 plus. We have approved a little over 41,000 since the program started. However, on an on-going basis there are about 20,000 who receive benefits continuously. There is room for expansion within the five cent surcharge level we are now using.

141 REP. STEIN: Would all low-income people in the Department of Human Resources programs be eligible? There are different levels.

MS. FAWCETT: Most states have an assistance program of some kind. We provide a \$3.50 credit from the revenues generated by the surcharge. That is matched by a federal waiver. The people actually receive a \$7 credit on their bill. Our plan is approved by FCC in order to get the match. We went through the administrative rules process. Federal requirements are such that people need to meet an income test so we can verify that they continue to be eligible. Through the administrative rules process we would want to identify each of the programs. It would be programs like ADC, general assistance, some of the old age assistance programs for senior and disabled services. Each of those programs have different eligibility criteria. I have been told there are eight or nine programs that have means tests where would be able to continue to verify eligibility.

170 REP. WALDEN: Is the program enhancement in HB 2040 which would provide the devices for the disabled people, a means-tested program, as well or do we assume that all disabled people are impoverished and therefore should get these devices free?

185 JACK CASSELL, These programs would be separate. The disability services would be related to the TDAP program. That has nothing to do with income levels. In terms of eligibility, we need to have a doctor's certification and that is the only requirement.

195 MR. SEXTON: From my recollection of the TDAP program when it was approved by the Legislature, I think there was some assumption that anyone who could have afforded these devices probably already had one. There was no needs test built into the original legislation, and although we are not sponsors of this bill, there is none provided in this bill either.

205 REP. BARNES: In HB 2222 there is nothing specified about the amount going to either program. Does this give you enough flexibility without having to come back in a year or two?

207 MR. SEXTON: Yes, it would empower the commission, by order, to set the fee rate. The program expenditures would be approved by the Ways and Means Committee or in the event of an emergency, the budget can be adjusted by the Emergency Board during the interim. I don't think the latter is likely.

233 CHAIR SCHOON closes the public hearing on HB 2040 and opens the work session on HB 204 0.

238 CHAIR SCHOON: To switch the nickel, let's look at Section 2 of HB 2222 which refers to Section 7, chapter 290, Oregon Laws 1987. This contains the language regarding the fees.

248 MOTION: CHAIR SCHOON moves that HB 2040 be amended to insert amended language from Section 2 of HB 2222 amending Section 7, chapter 290, Oregon Laws 198 7: On page 2 of HB 2222, in section 2, restore the deleted language, deleted the new language, and in line 3 change "15" cents to "10" cents, and in line 6, change "10" cents to "15" cents.

253 CHAIR SCHOON: That amendment would switch the nickel from the low

income program to the deaf and disabled program, including the new disabled program.

309 VOTE: CHAIR SCHOON, hearing no objection to the motion, declares the motion PASSED. All members are present.

313 MOTION: REP. BARNES moves that HB 2040, as amended, be sent to the Committee on Ways and Means in accordance with its prior referral.

334 REP. WALDEN: Are we going to make sure that we say in this bill if there should be a crunch that the relay system would get first funding before expanding the program to include disabilities?

333 MR. SEXTON: That was the discussion before the funding limitation was shifted. I don't think that is an issue any more. There is sufficient money to cover the additional expenses that may accrue to the program for the deaf.

347 REP. WALDEN: Would you object to our putting that in the bill.

348 MR. SEXTON: We do not object.

362 REP. WALDEN: I would be satisfied with a statement of LEGISLATIVE INTENT that if there comes a crunch in money that the first money would go to the original program and the other program would be delayed until the funds were available.

374 CHAIR SCHOON: Do any members object to the statement of LEGISLATIVE INTENT? There were no objections.

379 REP. WALDEN: The committee had a previous discussion about the wording on page 4 of the bill "Certification implies that the individual cannot use the telephone for expressive or receptive communications" and whether or not that was actually necessary.

389 CHAIR SCHOON: Is that language acceptable to the Oregon Disabilities Commission?

390 EUGENE ORGAN, Oregon Disabilities Commission: Yes. The language was from Legislative Counsel.

396 REP. NAITO: I would suggest we delete the sentence because it doesn't add anything.

424 MR. CASSELL: We are using the principle behind the people who cannot use the phone system in general. The Oregon Disabilities Commission agreed with that concept. We need to have proof or certification that those individuals do not have access to a phone system.

444 REP. RIJKEN: This statement sounds as though we are trying to limit someone. Perhaps if we said "Certification implies that the individual is unable to use the telephone" or "does not have the ability." I think the proponents prefer something to explain that the people we are describing are unable to use the telephone because of a physical disability.

TAPE 20, SIDE A

034 REP. BARNES withdraws his motion to refer HB 2040 to the Committee on Ways and Means.

036 MOTION: REP. NAITO moves that HB 2040 be amended on page 4, in line 7, delete "cannot" and insert "is unable to" and in line 8, after "telephone" insert a period and delete "for expressive or receptive

communication."

VOTE: CHAIR SCHOON, hearing no objection to the motion, declares the motion PASSED. All members are present.

050 MOTION: REP. BARNES moves that HB 2040, as amended, be sent to the Committee on Ways and Means in accordance with its prior referral with a DO PASS recommendation.

067 VOTE: In a roll call vote, all members are present and vote AYE.

070 CHAIR SCHOON declares the motion PASSED.

074 CHAIR SCHOON opens the public hearing on HB 2222.

HB 2222 - MODIFIES ELIGIBILITY, FUNDING AND "SUNSET" DATE FOR SPECIAL ASSISTANCE TELECOMMUNICATIONS PROGRAMS. Witnesses: Pat Fawcett, Administrator, OTAP Jack Cassell, Administrator, TDAP Jim Sexton, Public Utility Commission

The Preliminary Staff Measure Summary (EXHIBIT G) and Legislative Fiscal Analysis (EXHIBIT H) are hereby made a part of these minutes.

076 PAT FAWCETT, Administrator, Oregon Telephone Assistance Program, submits and reviews portions of a prepared statement and explains the proposed program changes in HB 2222 (EXHIBIT I).

141 JACK CASSELL, Administrator, Oregon Telecommunications Disabilities Assistance Program: The Oregon relay system is available to you. If you are interested in seeing the facility, please contact me.

151 MR. SEXTON: I have nothing to add. With the amendments you have made to HB 2040, you will want to reverse the amendments in HB 2222 for funding.

155 CHAIR SCHOON: There is an Elderly Assistance Program administered by the Department of Revenue which assists very low income seniors. They would not appear to be eligible under the new language whereas they may have been under the old language.

164 MS. FAWCETT: If they were eligible under the old existing language, they would also be eligible under the new language. We are expanding this outside the food stamps. I am not familiar with the program. There are some programs through Senior and Disabled Services, however, for the very low income. Some of those seniors are on food stamps and are receiving benefits from OTAP. We received from Senior and Disabled Services a list of 800 or 900 persons who were eligible but were not receiving food stamps. We invited each of those persons to apply.

183 CHAIR SCHOON: It deletes the reference to food stamps and substitutes "be eligible for a low-income assistance program administered by the Department of Human Resources." If the program were administered by the Department of Revenue, then they wouldn't be eligible. That is a group that would be as needy and any in the state.

195 MR. SEXTON: I was going to suggest that it say "an agency of the State of Oregon."

201 MS. FAWCETT: I believe there are a lot of programs that are not administered by the Department of Human Resources and those programs are available to the low income. That would greatly expand the scope of the eligible groups.

210 CHAIR SCHOON: Would you check with Senior and Disabled Services to

see what categories of low income people there are.

228 REP. STEIN: The State Community Services which is currently in the Department of Human Resources is going to be transferred to the Housing Agency and I think that is the low-income weatherization and homeless programs. I don't know how they figure eligibility, but that is a program to check out also.

237 MS. FAWCETT: One of the problems we have had with that program is that energy assistance is provided perhaps once a year and there was no means for us to continue to verify their eligibility.

265 CHAIR SCHOON closes the hearing on HB 2222 and announces that the bill will be considered again on Thursday.

272 REP. WALDEN: As we talk about expanding this program, I would be more comfortable knowing what it meant in terms of a fiscal impact.

280 CHAIR SCHOON: It has been suggested that the committee meet at 1:30 rather than 1:15 and members are welcome to comment. CONSENSUS: The committee will meet at 1:30 p.m. with the option that if the work load increases, the committee may return to an earlier time.

298 CHAIR SCHOON declares the meeting adjourned at 4:10 p.m.

Respectfully submitted,

Reviewed by,

Annetta Mullins
Assistant

Terry Connolly
Administrator

EXHIBIT SUMMARY A -Not used B -Informational hearing, prepared statement, Cecil Monroe C -Informational hearing, prepared statement, Laurie Skillman D -Informational hearing, prepared statement, Frank Brawner E -Informational hearing, prepared statement, Jon Stubenvoll F -HB 2040, Legislative Fiscal Analysis, staff G -HB 2222, Preliminary Staff Measure Summary, staff H -HB 2222, Legislative Fiscal Analysis, staff I -HB 2222, prepared statement, Pat Fawcett