

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: CHANGE IN EQUIPMENT DISTRIBUTION PROGRAM INCOME LIMIT [199 IAC 37.3(8)]	DOCKET NO. RMU-07-2
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ORDER COMMENCING RULE MAKING

(Issued March 20, 2007)

Pursuant to the authority of Iowa Code § 477C.4 (2007), the Utilities Board (Board) proposes to adopt an amendment to 199 IAC 37.3(8). In this rule making proceeding, identified as Docket No. RMU-07-2, the Board proposes to update the income limit for eligibility for participation in the equipment distribution program established pursuant to Iowa Code § 477C.4 and 199 IAC 37.

The income limit in subrule 37.3(8) was last changed in 2000 to \$57,000 for a family of four, based primarily on an Iowa median income for a family of four of \$51,782. The most recent Iowa median income information published by the U.S. Bureau of the Census shows the Iowa median income for a family of four to be \$65,575, based on 2005 inflation-adjusted dollars. Therefore, it is appropriate to update the income limit found in subrule 37.3(8). The income limit should be set at an amount high enough to reflect current Iowa median income and to accommodate sufficient future increases so the subrule will not have to be changed every year. Therefore, the Board proposes to amend subrule 37.3(8) to increase the income limit

to \$70,000 for a family of four, with a corresponding increase or decrease of \$8,000 for each family member above or below four.

The reasons for proposing the amendment to subrule 37.3(8) are more fully set forth in the "Notice of Intended Action" attached hereto and incorporated herein by reference.

IT IS THEREFORE ORDERED:

1. A rule making proceeding, identified as Docket No. RMU-07-2, is commenced for the purpose of receiving comments on the proposed amendment to subrule 37.3(8) attached to this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 20th day of March, 2007.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4 and 477C.4, the Utilities Board (Board) gives notice that on March 20, 2007, the Board issued an order in Docket No. RMU-07-2, In re: Change in Equipment Distribution Program Income Limit [199 IAC 37.3(8)], "Order Commencing Rule Making." The Board seeks public comment on a proposed amendment to 199 IAC 37.3(8).

Iowa Code section 477C.4 gives the Board the authority to establish and administer a program to distribute specialized telephone equipment for deaf, hard-of-hearing, and speech-impaired individuals. The Board has adopted rules for this equipment distribution program at 199 IAC 37, and rule 37.3 contains the eligibility requirements for the program. One of these eligibility requirements is that applicants must have gross household income less than the limit set in the rule.

The income limit set in subrule 37.3(8) is based primarily on the Iowa median income published annually by the U.S. Bureau of the Census (Census Bureau), with an allowance to accommodate future increases in Iowa median income until the rule is changed again. The income limit in subrule 37.3(8) was last changed in 2000. At that time, the subrule set an income limit of \$57,000 for a family of four, with increases or decreases of \$9,000 for each family member above or below that amount. This income limit was based on a year 2000 Iowa median

income for a family of four of \$51,782, with an allowance to accommodate future increases expected to occur in the next several years. The most recent Iowa median income information published by the Census Bureau shows the Iowa median income for a family of four to be \$65,575, based on 2005 inflation-adjusted dollars. Therefore, it is appropriate to update the income limit found in subrule 37.3(8).

The income limit in the subrule should be set at an amount high enough to reflect current Iowa median income and to accommodate expected future increases in Iowa median income for the next three or four years so that the subrule will not have to be changed every year. The Board notes that increases to the minimum wage have been proposed at the federal and state levels and there is no reason to believe that Iowa median income will not continue to rise as it has in the past. Therefore, the Board proposes to amend subrule 37.3(8) to increase the income limit to \$70,000 for a family of four, with a corresponding increase or decrease of \$8,000 for each family member above or below four. The change in the increment per family member from the current \$9,000 to \$8,000 is proposed because the amended rule will more closely correspond to the current Iowa median income figures for various family sizes as published by the Census Bureau.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendment. The statement must be filed on or before May 1, 2007, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written

statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

If requested pursuant to Iowa Code section 17A.4(1)"b," or on its own motion after reviewing the statements, the Board will determine whether an opportunity for oral presentation should be provided.

The Board does not find it necessary to propose a separate waiver provision in this rule making. The Board's general waiver provision in 199 IAC 1.3 is applicable to this rule.

This amendment is intended to implement Iowa Code section 477C.4.

The following amendment is proposed.

Item 1. Amend subrule 37.3(8) as follows.

37.3(8) An applicant's gross household income must be less than ~~\$57,000~~ \$70,000 for a family of four. Household numbers above or below four will increase or decrease that amount in ~~\$9,000~~ \$8,000 increments.

March 20, 2007

/s/ John R. Norris

John R. Norris
Chairman