

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 ADOPTING AMENDMENT**

(Issued May 16, 2007)

Pursuant to the authority of Iowa Code § 477C.4 (2007), the Utilities Board (Board) adopts an amendment to 199 IAC 37.3(8) as described in the "Adopted and Filed" notice attached to this order and incorporated by reference. The amendment updates the income limit for eligibility for participation in the equipment distribution program established pursuant to Iowa Code § 477C.4 and 199 IAC 37.

On March 20, 2007, the Board issued an order commencing this rulemaking. On April 11, 2007, the Board's "Notice of Intended Action" in this docket was published in IAB Vol. XXIX, No. 21 (4/11/07) p. 1332, ARC 5827B. The Consumer Advocate Division of the Department of Justice filed a written comment in support of the proposed amendment. No other comments were received. The amendment to subrule 37.3(8) is adopted as published in the "Notice of Intended Action."

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. The income limit in the subrule is 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 adopts the proposed amendment to 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.

**IT IS THEREFORE ORDERED:**

1. Subrule 37.3(8) as contained in the accompanying "Adopted and Filed" notice is hereby incorporated by reference and adopted by the Board as the final subrule in Docket No. RMU-07-2.
2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin an "Adopted and Filed" 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

/s/ Krista K. Tanner

Dated at Des Moines, Iowa, this 16<sup>th</sup> day of May, 2007.

## **UTILITIES DIVISION[199]**

### **Adopted and Filed**

Pursuant to Iowa Code sections 17A.4 and 477C.4, the Utilities Board (Board) gives notice that on May 16, 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 Adopting Amendment." The order adopts an amendment to subrule 37.3(8) to update the income limit for eligibility for participation in the equipment distribution program established by Iowa Code § 477C.4 and 199 IAC 37. The proposed rules were published in the Iowa Administrative Bulletin on April 11, 2007, at IAB Vol. XXIX, No. 21 (4/11/07) p. 1332, ARC 5827B. Comments were due May 1, 2007.

The Consumer Advocate Division of the Department of Justice filed a written comment in support of the proposed amendment. No other comments were received. The amendment adopted by the Board is identical to that published in the Notice of Intended Action.

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 199 IAC 37.3(477C) 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 subrule 37.3(8).

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 subrule 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 four. 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.

The income limit in the subrule is 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 adopted in Iowa and proposed at the federal level 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 amends subrule 37.3(8) as proposed 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 adopted because the amended subrule will more closely correspond to the current Iowa median income figures for various family sizes as published by the Census Bureau.

Subrule 37.3(8) is intended to implement Iowa Code section 477C.4.

The amendment will become effective on July 11, 2007.

The following amendment is adopted:

**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.

May 16, 2007

/s/ John R. Norris  
John R. Norris  
Chairman