VERMONT

VERMONT ECONOMIC PROGRESS COUNCIL

VERMONT EMPLOYMENT GROWTH INCENTIVE

INFORMATION REGARDING COST-BENEFIT MODELING: Regional Differential Adjustment Rate

The VEGI cost-benefit model utilizes a rate of adjustment to calculate the present value of the net of the revenue benefit stream and the revenue cost stream. The rate is the total of the General Obligation Bond Rate for the State of Vermont from the most recent General Obligation Bond sale as of January 1 of the year of application, plus a Regional Differential Adjustment Rate. The Regional Differential Adjustment rate will provide an adjustment to the GO Bond Rate in order to provide a preference through a higher incentive authorization value for projects occurring in economically underperforming regions of the state.

For purposes of the Regional Differential Adjustment, there are three regions in Vermont. The Regional Differential Adjustment Rate is "-1.0" for counties in Region 1 (economically underperforming areas), "+0.0" for counties in Region 2 (neutral; performing around state average), and "+1.0" for counties in Region 3 (performing above state average). The economic data utilized to establish the regions and place the counties in a region is reviewed as warranted by economic changes. The factors utilized are population, unemployment, employment, the change in total household employment, manufacturing employment, agricultural employment, and personal income.

Currently, the regions are configured as follows:

Region 1 (-1.0 differential):

Caledonia
Grand Isle
Essex
Lamoille
Franklin
Orleans

Region 2 (+0.0 differential)

Addison
Rutland
Bennington
Washington
Orange
Windham
Windsor

Region 3 (+1.0 differential)

Chittenden