VERMONT

VERMONT ECONOMIC PROGRESS COUNCIL

VERMONT EMPLOYMENT GROWTH INCENTIVE

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, as required by 32 VSA §5930a(c)(1).

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 is reviewed annually (population, unemployment, employment, the change in total household employment, manufacturing employment, agricultural employment, and personal income). Placement of each county in the model regions will be updated if warranted by economic changes.

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