

The Vermont Underserved Community Index: User Guide

What is the Vermont Underserved Community Index?

The Vermont Underserved Community Index (the “Index”) is a data-based tool designed to help identify underserved communities and regions in Vermont. In this context, “underserved communities” refers to geographic communities “that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life.”¹ Using publicly available data, the Index measures each community’s need for investment (“need”) and capacity to pursue external support (“capacity”). The Index can help state agencies:

- Identify communities that would benefit from **targeted outreach and high-touch technical assistance** to increase their awareness of available programs and their understanding of implementation requirements.
- **Incorporate a scoring rubric into the grant application review process** that considers a community’s relative need and capacity.

The State of Vermont sought to develop this tool after an internal assessment of its distribution of State Fiscal Recovery Funds (SFRF) uncovered inconsistencies between how much funding communities received and their need. This county-level assessment suggested that a significant proportion of funding was going to areas that demonstrate relatively less economic need based on the Governor’s priority economic indicators. This realization prompted the search for a more intentional approach to distributing funds and led to the creation of the Index.

This tool will help ensure the State can leverage this historic investment for transformative impact across Vermont. State agencies are encouraged to use this guide to enhance their approaches to administering SFRF programs, thereby furthering the equitable distribution of funds across the state.

How Does the Index Work?

The Index compares county subdivisions and [labor market areas \(LMAs\)](#) using eight socioeconomic and demographic (i.e., need) indicators and four capacity indicators. These indicators were chosen based on their inclusion in other indices with similar objectives, such as the [Rural Capacity Index](#) and the [Social Vulnerability Index](#), and their alignment with state goals, including those in Vermont’s Strategic Plan.

The Index first rescales each indicator from 0 to 100, with scores closer to 0 indicating higher capacity or lower need and scores closer to 100 indicating lower capacity or higher need. It then averages the indicators within each subindex, producing separate scores for need and capacity. These subindex scores are averaged to calculate the final score, which is then ranked to determine the relative capacity and need of each community and region (See Maps 1 and 3). The county subdivisions and LMAs in the top 25% are recommended to target for state assistance (See Maps 2 and 4).

¹ As defined in the [Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#), which the U.S. Treasury cites in its guidance on the equitable distribution of State and Local Fiscal Recovery Funds

How Can State Agencies Use the Index?

The Index offers state agencies a flexible tool for directing the flow of SFRF to communities that may require more support based on the included indicators. While this guide recommends approaches to using the Index, agencies should determine how to incorporate this tool given each program's unique circumstances and requirements. To best understand the components of the Index and how to apply it, agencies are encouraged to explore the results further through the *Index Results Workbook*.

Applying the Index

Agencies can incorporate the Index into any phase of program implementation. The Index can help:

- **Inform program design** by defining set asides or application structures that encourage the distribution of funds to underserved areas.
- **Provide high-touch outreach and technical assistance** to communities that may require additional support and tailored resources to pursue funding opportunities.
- **Supplement program scoring criteria** by using the Index rank to weight applications, giving the most weight to those in the top 5% (See Map 2 and 4). Table 1 offers an example scoring rubric in which the Index constitutes 10% of a program's scoring criteria.
- **Analyze funding gaps** by comparing the communities that have received funding to the communities that score high on the Index.

Table 1: Scoring Rubric

Index Rank	Score Applied
Top 5%	10%
5 – 10%	8%
10 – 15%	6%
15 – 20%	4%
20 – 25%	2%
Bottom 75%	0%

Adapting the Index

Agencies can adapt the Index to align with program goals. The Index can be adjusted to:

- **Identify communities with low capacity, high need, or both low capacity and high need.** This can ensure the variables included in scoring relate to the program goals.
- **Consider a program's geographic influence.** The Index produces results at the community level, through *county subdivisions* (See Map 1 and 2), and at the regional level, through *LMAs* (See Map 3 and 4). It is recommended that agencies use the Index results at the community level for programs that serve individual communities, like water and sewer infrastructure projects, and at the regional level for programs that impact multiple communities, like economic development programs.

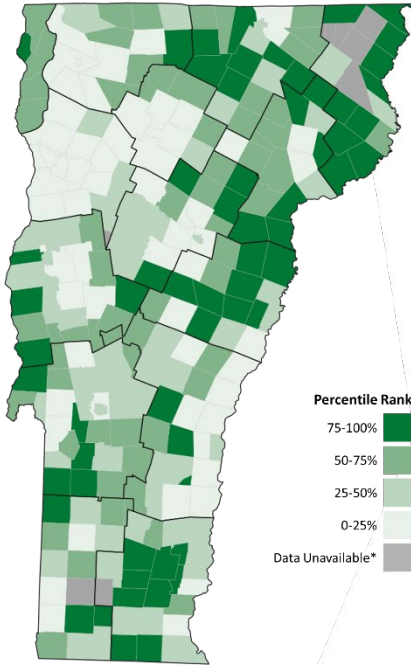
Limitations

The Index is a high-level tool designed to inform the administration of SFRF in the State of Vermont. Its estimates of socioeconomic status, demographics, and public sector capacity may not capture all the metrics necessary for administering specific SFRF-funded programs. Therefore, **agencies should use the Index to supplement existing resources and methods for awarding funds and should *not* circumvent any state or federal regulations dictating funding distribution.**

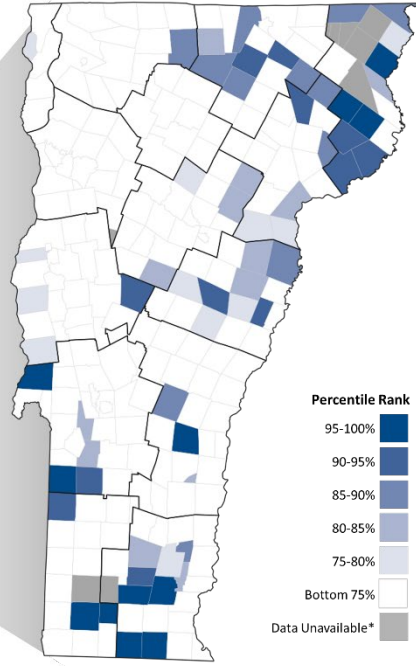
The Index is in its first iteration, and the State recognizes further opportunities exist to refine the variables and methodology. Even with further refinement, the availability and reliability of data may prevent the inclusion of certain metrics. Limited data availability particularly impacts the measure of capacity, which speaks to immeasurable nuances in the social fabric of each community. It is also the reality that, regardless of the metrics included, indices can obscure experiences and trends unique to each town and region.

Maps of Index Results

Community Ranking: All County Subdivisions

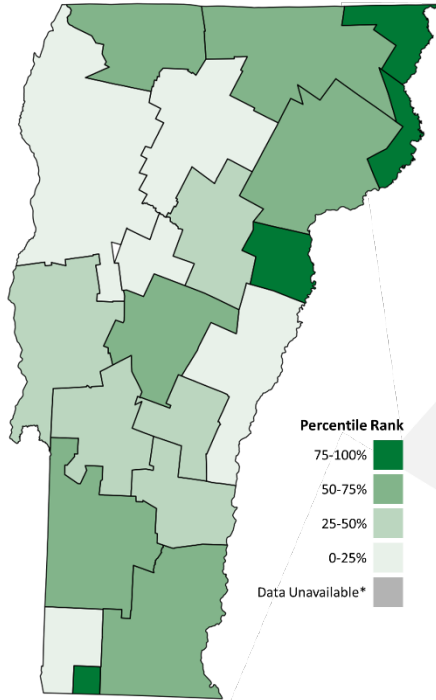


Community Ranking: County Subdivisions in the Top 25%

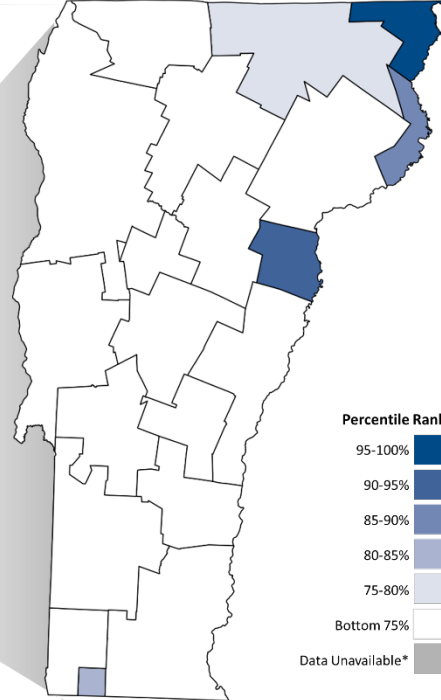


* Data unavailable for county subdivisions with populations < 50

Regional Ranking: All Labor Market Areas (LMAs)**



Regional Ranking: LMAs in the Top 25%



**Three towns are not assigned to LMA's and are thus not depicted on the map