

# Governor Phil Scott Announces \$20 Million in Emergency Gap Funding for Businesses Impacted by Severe Flooding

PRESS RELEASE

July 21, 2023

Berlin, Vt. - Governor Phil Scott, the Agency of Commerce and Community Development (ACCD), and State Treasurer Michael Pieciak announced multiple initiatives today to provide financial support to businesses and municipalities impacted by the severe flooding.

"Hundreds of Vermont businesses have been impacted by severe flooding, and for many, loans will not be enough" said Governor Phil Scott. "That's why I've instructed my team to get creative about how the State can provide direct financial assistance, quickly, to help employers get back on their feet. Although this \$20 million commitment is significant, we know it will not meet the need. My team will continue to work to find additional resources, and we'll continue to work with our congressional delegation to get more federal assistance for Vermonters in need."

The Business Emergency Gap Assistance Program will be administered by the Department of Economic Development and provide \$20 million directly to impacted businesses and not-for-profits who suffered physical damage due to the severe flooding in the form of grants. The program is still under development and program specifics will be released next week. Business owners can expect grants to support demonstrated losses to their physical space and replacements of inventory, machinery, equipment, and supplies.

"This program is intended to provide emergency gap funding to businesses so they can return to being the economic engines of their local communities," said ACCD Secretary Lindsay Kurrle. "We understand the urgent and pressing need for financial support, and while this funding will not make them whole, we hope it will make a substantial impact in helping them bringing back their employees and opening their doors. The dedicated team tasked with swiftly implementing this program is working tirelessly on the details and we are committed to making this process as efficient and transparent as possible in the days

ahead.”

ACCD will update businesses on program specifics, eligibility, and grant application opening date next week. At this time businesses are encouraged to collect, document, and prepare photographs of damage, insurance adjuster damage assessments, estimates for repairs to physical structures, equipment, inventory, or supplies purchases, and/or actual paid expenses.

For the latest updates on this developing program, as well as federal SBA updates, and other resources for businesses please subscribe to the ACCD Flood Newsletter and visit the ACCD Flood Recovery Resource page.

In addition, the Treasurer’s Office will be accelerating \$11 million in State payments to 40 Vermont towns most impacted by last week’s flooding. Originally scheduled for disbursement later in the fiscal year, these funds will now be fast-tracked to towns to ensure they have a steady cash flow to support ongoing recovery efforts. This will ensure municipalities have access to immediate funds while awaiting FEMA reimbursement. It may also help prevent municipalities from taking on borrowing costs while waiting for FEMA reimbursements.

The early payment initiative replicates a program implemented in 2011 to assist towns’ recovery from Tropical Storm Irene, and again in 2013 after a period of unprecedented rainfall. “These advanced payments are a quick and easy way to get cash in the hands of hard-hit municipalities so they can continue the cleanup and recovery efforts,” said State Treasurer Mike Pieciak. “I appreciate the leadership of the Governor and his team during this challenging time, and we stand ready to assist efforts to recover and build back stronger.”

The Treasurer’s Office announced a pause on its \$85 million local investment program for economic development. The Office will work with the Administration to determine if these funds may be better employed to support flood response. The Treasurer’s Office is also working closely with the Vermont banking sector, the Vermont Economic Development Authority, and the Vermont Municipal Bond Bank. All are ready to fill any gaps that may emerge in the flood recovery effort.

“This recovery process will take time, but right now, we need to help municipalities with access to funding and get our small businesses back open who are the backbone of our communities,” said Governor Scott.

There are additional federally funded recovery resources available through FEMA for municipalities and individuals in counties that have been approved through President Biden’s Major Disaster Declaration (for more information visit [www.vermont.gov/Flood](http://www.vermont.gov/Flood)). The

Business Emergency Gap Assistance Program is being designed to provide emergency grants for small businesses because they are not eligible for the FEMA Individual Assistance program.

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