

VBSR Testimony

House Energy & Digital Infrastructure

Testimony Topic: Introduction to VBSR and the importance of climate action

Committee members, thank you for inviting me to introduce Vermont Businesses for Social Responsibility today. My name is Johanna de Graffenreid, I'm VBSR's Public Policy Manager. VBSR represents 600+ members ranging from small and large businesses across all economic sectors, and in every county in Vermont.

Vermont Businesses for Social Responsibility (VBSR) is a statewide, nonprofit business association with a mission to leverage the power of business for positive social and environmental impact. For over 30 years VBSR has championed "business as a force for good" through education, networking, advocacy and thought leadership.

With decades of steadfast commitment to environmental advocacy, VBSR has been pivotal in achieving numerous legislative milestones in climate resilience. We're proud of the leadership Vermont has shown in the nation.

We are Vermont's network of students, entrepreneurs, sole proprietors, small businesses, largest employers, policymakers, advocates, nonprofit organizations and inspired individuals – collectively working toward a *just, thriving and transformative economy that works for all people and the planet*. Some of these members represent businesses working in the renewables, outdoor industries and agricultural sectors — just to name a few. They have made investments in Vermont's economy to promote energy transition, conservation, and climate resilience— while employing tens of thousands of working Vermonters. Continuing to support Vermont's energy transition to renewables not only reduces climate causing emissions, but these businesses also contribute to economic prosperity in all of Vermont's communities — including some of Vermont's most rural towns and residents.

But the battle against climate-related hazards is far from over – they continue to challenge our communities, ecosystems and the very fabric of our shared economy. The escalating impacts of climate change are far-reaching and affect many different areas of our society. In July 2023, a series of federally declared emergencies hit Vermont, with widespread flooding in most counties leading to catastrophic damage in downtown districts and residential neighborhoods. July 2024 brought unwelcome echos of the summer prior.

While our changing climate is affecting all businesses, small businesses are particularly vulnerable. **Approximately 40% of small businesses fail to reopen after a disaster, and an additional 25% fail within a year of reopening**, according to FEMA¹. According to the Federal Emergency Management Agency (FEMA), **75% of small businesses without a continuity plan will fail within 3 years of a natural disaster**².

In response, VBSR is actively leading our thought partners into designing policies and programs aimed at enhancing small business preparedness and resilience in this era of climate crises. Last year we launched a free training program in partnership with VLGS's Small Business Law Center and the VT Small Business Development Center— ClimateReadyVT³ which has trained dozens of small businesses and service providers across the state.

VBSR is proud of this program – and the work we do to support business in building climate resilience – **but we need real action from the state of Vermont to prepare our communities for future climate disasters and disruptions. The Global Warming Solutions Act is the law which prompts this action.**

From 1980 to 2024, Vermont experienced 19 confirmed weather/climate disaster events with losses exceeding \$1 billion each⁴. Following the July 2023 floods, just 30 days after President Joe Biden declared a major disaster for the state of Vermont, more than **\$27.9 million** in federal assistance had been provided by FEMA and the U.S. Small Business Administration (SBA) to support the state's recovery— with FEMA reporting over \$54.7 million being provided to Vermont in total⁵.

The Vermont Business Emergency Gap Assistance Program, or BEGAP, granted \$19.4 million to Vermont businesses and nonprofits in 2023 to repair physical damage to their property. The new, revamped version of BEGAP in 2024 had \$7 million for businesses damaged by the 2024 July floods as well as \$5 million for businesses with remaining damage from last year's flooding⁶.

¹ <https://www.iii.org/article/when-disaster-strikes-preparation-response-and-recovery>

² https://www.ready.gov/sites/default/files/2020-04/ready_business_hurricane-toolkit.pdf

³ <https://www.climatereadyvt.org/>

⁴ <https://www.ncei.noaa.gov/access/billions/state-summary/VT#:~:text=From%201980%2D2024%2C%20there%20were,and%209%20winter%20storm%20events.>

⁵ <https://www.fema.gov/press-release/20250122/two-months-later-recovery-july-storms-well-underway#:~:text=Two%20months%20after%20the%20federal%20disaster%20declaration,to%20Vermonter%20to%20aid%20in%20their%20recovery.>

⁶ <https://www.vermontpublic.org/local-news/2024-08-29/state-brings-back-popular-business-flood-recovery-grant-program>

Right now the state is developing both the Resilience Implementation Strategy and the next draft of the Climate Action Plan. These plans are the foundations for expanding state services to businesses and supporting Vermont's economic resilience in the face of climate change. The Climate Action Office (CAO) is diligently moving forward on publishing the final draft of the plan this summer. Delaying or undermining the work of the CAO and the Vermont Climate Council would set Vermont back multiple years in addressing the needs of our businesses.

All 600+ members of VBSR have been impacted in one way or another by climate change. Whether it's in their increased cost or inability to secure insurance following a climate disaster, physical infrastructure damage, or impacts to their employees – Vermont businesses are calling on each of you to not only spur innovation by reducing Vermont's emissions but to ensure the state is doing all we can to build climate resilience for our businesses and economy.

I've invited 3 of VBSR's business leaders to speak with you today about their support for the goals of the Global Warming Solutions Act, and the need for climate action in Vermont.

- Emily Foster, Burton (in person)
- Jen Kimmich, The Alchemist (would like to testify over Zoom)
- Amber Widmayer, Burlington Electric Department (would like to testify in person)

These business leaders represent over 600 VBSR members across Vermont. We need climate action. Thank you for your steadfast support of the Global Warming Solutions Act, and opportunities to build climate resilience for Businesses in the Green Mountain State.

I'll ask Jack to turn it over to Jen Kimmich from The Alchemist first to be respectful of her time on Zoom, and then we'll move to our other VBSR members joining today — Burlington Electric Department and Burton Snowboards.