



Maryland Department of Agriculture

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Legislative Comment

Date: January 28, 2021

BILL NUMBER: Senate Bill 414
SHORT TITLE: Climate Solutions Now Act of 2021
MDA POSITION: Information

The Maryland Department of Agriculture (MDA) has reviewed Senate Bill 414 – *Climate Solutions Now Act of 2021* – and offers the comments below on the operational and fiscal impacts to MDA and the agricultural community.

Foremost, MDA recognizes the significant actions that will need to be taken to address climate change, and has been an active participant with the Maryland Commission on Climate Change (MCCC) as it updates the state's Greenhouse Gas Reduction Act (GGRA) Plan. Accordingly, the forthcoming GGRA Plan recognizes the increasingly important role our state's agricultural lands can play in mitigating climate change. The work of the MCCC has been robust and inclusive of many stakeholders to ensure an aggressive, but achievable, reduction in greenhouse gas emissions while the language of SB 414 would create new program requirements that demand personnel and resources not currently allocated to MDA.

New Commissions and Work Groups

Senate Bill 414 expands the Commission on Environmental Justice and Sustainable Communities (EJSC Commission) and creates the Just Transition Employment and Retraining Work Group (Work Group). The charge to the EJSC Commission is relevant to our rural communities and farms being impacted by poverty and climate change, as well as urban communities impacted by poverty and access to local, nutritious food. Likewise, the Work Group is charged with conducting a study to assess opportunities and impacts to our "working lands as Maryland transitions to a low-carbon economy. However, neither MDA and/or agricultural representation are mentioned among the named membership. Given the expansive charge to both the EJSC Commission and the Work Group, MDA would recommend including its agricultural expertise and the agricultural industry among its members. Additionally, the time commitment to

adequately serve and achieve the goals of the EJSC Commission and the Work Group will warrant new Departmental staff to consider the breadth of MDA programs subject to the goals.

The legislation would also enact a Commission on Innovation and Advancement of Sustainable Tree Plantings and Carbon Markets (Commission), and does name the MDA Secretary as a member. Among the charges to the Commission are developing a state plan to achieve a 5 million trees goal, and developing recommendations for a state carbon offset market. Again, the time commitment to adequately serve and achieve the goals of the Commission will warrant new Departmental staff to align the charge with existing program efforts.

Healthy Soils Program

MDA's Healthy Soils Program, created by 2017 legislation, recognizes the need to provide incentives to Maryland farmers to realize the full potential of soil health practices to improve soil function and to address climate change. The Department has been actively discussing soil health prior to the 2017 legislation, and is currently updating its online farm assessment tool to add carbon sequestration estimates to its nutrient and sediment capabilities. Additionally, MDA is formally evaluating conservation practices and incentive options within its Soil Health Advisory Committee that will create the framework of the Healthy Soils Program. Concurrent with the forthcoming recommendations of the Soil Health Advisory Committee, MDA and partners, have recommended a permanent, dedicated funding source for the Healthy Soils Program. As such, MDA appreciates SB 414 language to qualify the Healthy Soils Program as a "climate change and resiliency program" eligible for the state's Strategic Energy Investment Fund (SEIF). Funding is proposed to start in 2022, and would provide funding at \$500,000 annually or 5% of SEIF funds, whichever is greater. However, MDA also recognizes current SEIF program allocations may be over prescribed, and a redistribution of SEIF funds to new programs may create constraints on the fund pool. The Department would welcome discussions with other state agencies managing SEIF funds to ensure its most effective use.

Advancing Tree Plantings

The state and MDA have longstanding programs to promote the adoption of natural filters, such as tree plantings, to address water quality concerns. Senate Bill 414 would advance tree plantings to address climate change through two primary initiatives impacting agriculture: 1) Increasing the signing bonus payment for forested riparian buffers to \$1000/acre for agricultural producers enrolled in USDA's Conservation Reserve Enhancement Program (CREP). Currently, MDA pays a signing bonus for all enrolled CREP practices at \$100/acre per contract terms in the Memorandum of Understanding (MOU) between MDA and the USDA. Under President Trump's administration, revisions to the MOU would have required renegotiation of all MOU terms and likely, ultimately, disadvantaged Maryland's CREP offerings. While MDA fully expects the incoming USDA leadership under President Biden will also require changes, such as SB 414's increased signing bonus, to be documented in an MOU, it remains to be seen if President Biden's administration will require a full renegotiation of the MOU; and 2) Planting 5 million trees by 2030 in addition to programs already committed in 2019 GGRA. Opportunities for tree plantings on agricultural lands were assessed during the development of Maryland's Phase 3 Watershed Implementation Plan and recently included in MDA's Healthy Soils Program goals for the 2019 GGRA Plan. Stipulating additional acres for agricultural tree planting beyond those in the GGRA

Plan will be difficult to achieve and should be balanced with a commitment to preserve Maryland's working farmlands to protect open space, habitat, and the state's food supply.

Funding for the two initiatives described above largely come from the redistribution of Bay Restoration Funds, of which MDA is a current recipient of approximately \$12 million annually for its Cover Crop program. Cover crops are acknowledged as one of the most cost effective conservation practices for addressing water quality and soil health on the agricultural landscape. Should the Maryland Department of Environment be adversely impacted by a decreased allocation from the Bay Restoration Fund, it would still remain critical to retain MDA's Cover Crop program funding level.

If you have additional questions, please contact Cassie Shirk, Director of Legislation and Governmental Affairs, at cassie.shirk@maryland.gov or 410-841-5886.