



UNIVERSITY OF MARYLAND

ENVIRONMENTAL FINANCE CENTER

February 7, 2022

TO: Members of the Budget and Taxation and the Education, Health and Environmental Affairs Committees
FROM: Jennifer Cotting, Director, Environmental Finance Center
Jennifer Egan, Conservation Finance Program Manager, Environmental Finance Center
POSITION: Supporting SB 348 – Conservation Finance Act

The Environmental Finance Center (EFC) supports SB 348 – Conservation Finance Act offered by Senator Elfreth. The EFC is one of ten centers nationwide that work to protect natural resources by strengthening the capacity of local decision-makers to analyze environmental problems, develop innovative and effective methods of financing environmental efforts, and educate communities about the role of finance and economic development in the protection of the environment. The EFC works with decision-makers throughout the state who are struggling to fund and finance the increasing responsibility to manage natural resources and prepare for the impacts of complex challenges such as climate change.

The Conservation Finance Act will enable public funds to better leverage the private sector and the different structures available for the enhancement of natural resource protection and restoration. The innovation provided by adjusting the departments of Environment, Natural Resources, Transportation, and Agriculture and to Maryland's finance and procurement code will make it easier for private funding and financing to play a role in helping the state achieve efficient outcomes in resource management. The bill will strengthen the capacities and options to address not only improving water quality, but will also advance environmental justice and public health, expand initiatives around forest and agricultural soil carbon sequestration, and reward projects that deliver co-benefits like local jobs, flood risk reduction, or climate resilience.

The temporary task force will convene government officials and finance experts to determine how the current Government Accounting Standard Board (GASB) guidance can be implemented for natural asset accounting that facilitates conservation finance opportunities. The task force will determine gaps in GASB standards and implementation and make recommendations on potential ways the natural asset accounting can be used in practice.

Financing large scale long-term projects for environmental impact increasingly calls for clear and transparent linkages to strong benefits in environmental, social and governance. This Act will ensure that expanded mechanisms will be available to decision-makers. We support SB 348 and hope for a favorable report.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Cotting".

Jennifer Cotting, Director
Jennifer Egan, Program Manager Conservation Finance
University of Maryland Environmental Finance Center

A handwritten signature in black ink that reads "Jen Egan".