ENVIRONMENTAL JUSTICE IN THE CONSERVATION FINANCE ACT

SUMMARY:

In order to narrow the funding gap present in Chesapeake Bay restoration, it is necessary to expand private for-profit and impact investment into Bay goals. The state of Maryland has significant experience with innovative conservation finance, however, there remains several ways to enhance private investment in conservation. Updates included under the Conservation Finance Act focus on improving programs that are already in place and seeks to efficiently utilize current funding.

Major updates include:

- Adding pay-for-success contracts as an allowed method for the state to procure quantifiable environmental progress
- Expanding innovative uses clean water and drinking water infrastructure funds
- Authorize more opportunities to create partnerships like the Clean Water Partnership in Prince Georges County that can deliver water infrastructure, benefits to burdened communities, jobs, and other co-benefits
- Creating task forces on green infrastructure policy and natural capital governmental accounting
- Incentivizing investment in Maryland forest banks, allowing for cross-state lending to support conservation within the Susquehanna watershed, helping Maryland landowners benefit from voluntary carbon markets
- Encouraging a bigger scale of investment in green and blue infrastructure projects

In addition to all these changes, updates seek to prioritize environmental justice.

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ENVIRONMENTAL JUSTICE FOCUS:
Communities of color have faced environmental injustices for too long. A comprehensive policy framework to enhance conservation outcomes in the State of Maryland includes the opportunity to achieve environmental justice outcomes as a primary co-benefit of conservation.

HIGHLIGHTS:
One Step Toward a Human Right to Water: The proposal includes new direction for Maryland’s Environmental Justice Commission and asks the Commission to recommend steps to make a ‘human right to water’ more real in Maryland. California is the only state to have adopted something similar in its state law, and this bill would attempt to give Maryland’s Environmental Justice Commission the task of recommending options for MDE that could lead Maryland to do the same in law or practice. A right to water will strengthen state powers to ensure water is affordable, safe to drink, and that wastewater doesn’t disproportionately harm burdened communities.

Co-Benefits in the Trust Fund: The bill prioritizes environmental justice and local jobs benefits when DNR selects which project applications to fund with the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. This is one of the state’ largest grant and project funds. The bill also encourages the state to develop partnerships that combine funding from this program with state revolving loans and private funds to support broader multi-year initiatives.

Expanding Uses of State Revolving Funds: The bill makes numerous changes to strengthen the focus of the SRF loan programs on environmental justice and equity issues. New language under the SRF includes a.) prioritization of projects to replace toxic lead water pipes, b.) consolidate failing, small private utilities, and c.) support green infrastructure projects that mitigate hazards in disadvantaged communities and that leverage philanthropic and private investment. Other changes in the SRF would set dedicate funding for technical assistance grants to help disadvantaged communities better develop applications for support from SRF loans. Finally, new text makes clear that under-resourced communities can have 40 years instead of the usual 20 years to pay back water infrastructure loans.

MOVING FORWARD
The bill makes numerous changes to Maryland state agencies to strengthen the focus of their programs on environmental justice and equity issues. It is intended that these policy changes will directly benefit environmental justice communities across the state by increasing access to public and private funds. Particularly today when state and municipal budgets are already struggling due to reduced revenues and increased spending, innovative financing is necessary to encourage environmental protection and justice. Joel Dunn, CEO of the Chesapeake Conservancy says, “It’s past time to make environmental justice a core part and priority of most conservation programs – proposed changes on state revolving funds and DNR program co-benefits would do just that.”