MDCEP
MARYLAND CENTER ON ECONOMIC POLICY

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Investment in Clean Energy Supports a Strong Economy

Position Statement in Support of House Bill 33

Given before the House Economic Matters Committee and the Environment and Transportation Committee

Climate change poses an urgent threat to Maryland residents and our economy—one that has only grown during four years of inaction and backward movement from the federal government. Rising seas, extreme heat, and severe weather are already causing significant hardship for Marylanders of every background, living in every part of our state. At the same time, this damage is not evenly distributed, with Marylanders of color, families with low incomes, and people with serious health conditions facing an outsized share of these harms. Responding to the climate crisis will require additional public investments at a time when our policy choices are already leaving too many Marylanders' needs unmet. The Maryland Center on Economic Policy supports House Bill 33 because it would enable the state to invest in clean energy and resilient infrastructure, strengthen public schools, and counter the disproportionate impacts of the climate crisis on Marylanders who face social and economic roadblocks.

Climate change is already putting stress on Maryland's economy and Marylanders' health, and those harms will grow in coming years:

- Twelve communities on Maryland's Eastern Shore—more than in any other state except Louisiana—currently face frequent, severe flooding attributable to climate change, according to a 2017 analysis by the Union of Concerned Scientists. Significant portions of these communities are flooded every two weeks, on average, forcing rapid economic changes and affecting basic infrastructure like plumbing.[i]

- Maryland communities experienced dangerously high summertime temperatures twice as often between 1980 and 2010 as in the preceding 20 years, according to a 2016 report published by the Maryland Department of Health.[ii] This increase in extreme heat is linked to larger numbers of Marylanders being hospitalized for asthma and heart attacks since the turn of the century.

- Climate change impacts will become more severe in coming decades. The number of Eastern Shore communities facing this level of flooding is expected to grow to 21 by 2035. By 2040, more frequent instances of extreme heat and extreme precipitation are expected to drive a "large" increase in hospitalizations for asthma, a "moderate increase in hospitalizations for heart attack, and an increase in auto collisions.

Both present and expected future impacts of climate change are unevenly spread across space, race and ethnicity, age, and other factors:[iii]

- The risk of heart attack related to extreme heat is especially high for Black Marylanders, while the risk of severe asthma incidents is especially high for white Marylanders and school-age children.
- The increased risk of heart attack is nearly four times as great in Baltimore City as elsewhere in Maryland, while the increased risk of asthma is more than three times greater in Washington County than elsewhere in Maryland.

House Bill 33 would mitigate global climate change by reducing greenhouse gas emissions, enable the state to adapt more effectively to climate change impacts, and take important steps to counter the lopsided harms caused by the climate crisis:

- The greenhouse gas pollution fees established by House Bill 33 would drive down demand for fossil fuel-based energy and likely increase uptake of renewable alternatives.
- The graduated household payments created under House Bill 33 would cushion the impact of pollution fees on Maryland families and provide greater protection to families struggling to make ends meet.
- The infrastructure fund created under House Bill 33 would support investments in clean energy and resilient infrastructure, with a focus on protecting historically pollution-burdened communities while strengthening their economies.

Above and beyond these climate-related investments, House Bill 33 would generate $350 million per year to fund the Blueprint for Maryland's Future, strengthening our investments in public schools and making those investments more equitable. This funding is vital as we rebuild from years of education cuts that left three-quarters of Maryland school districts underfunded and more than half of Black students in Maryland attending a district below funding standards by at least 15 percent.[iv]

The smart revenue measures, public investments, and household benefits created under House Bill 33 would strengthen Maryland communities and our economy for decades to come.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Economic Matters Committee and the Environment and Transportation Committee make a favorable report on House Bill 33.

Equity and Impact Analysis: House Bill 33

Bill summary

House Bill 33 would levy fees on fossil fuels transported into the state and invest the resulting revenue in public schools, household payments, clean energy, and resilient infrastructure. The bill would also establish state agencies to administer these programs and require several studies of additional measures to counter the climate crisis.

Background

Climate change has brought extensive harms to communities across Maryland including severe flooding, dangerous summertime temperatures, and extreme weather events. These impacts threaten important industries

in Maryland and increase the risk of serious health problems such as asthma and heart attack. These impacts are expected to become more severe in future years.[v]

Equity Implications

Research published by the Maryland Department of Health has found that Black Marylanders face a disproportionately high risk of heart attack due to extreme heat and that school-age children face an especially high risk of severe asthma complications due to heat and extreme precipitation.

A 2018 report by the American Public Health Association found that many of the same policy choices both directly create lopsided health barriers and contribute to climate change. The report states that "health risks and impacts of climate change are not equally or fairly distributed across people or communities … Two critical components of climate vulnerability are pre-existing health status and living conditions."[vi]

Impact

House Bill 33 would likely **improve racial and economic equity** in Maryland.

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[i] Christopher Meyer, "Supporting Strong Communities on Maryland's Eastern Shore," Maryland Center on Economic Policy, 2018, http://www.mdeconomy.org/strong-eastern-shore/

[ii] Amir Sapkota, Styajeet Soneja, Jared Fisher, Chengsheng Jiang, Crystal Rmoeo Upperman, Clifford Mitchell, and Ann Liu, "Maryland Climate and Health Profile Report," Maryland Department of Health and Mental Hygiene, 2016, https://phpa.health.maryland.gov/OEHFP/EH/Climate%20Change%20Binder/a1-CHPR-Full.pdf

[iii] Sapkota et al., 2016.

[iv] Christopher Meyer, "Budgeting for Opportunity: How our Fiscal Policy Choices Can Remove Barriers Facing Marylanders of Color and Advance Shared Prosperity," Maryland Center on Economic Policy, 2018, http://www.mdeconomy.org/budgeting-for-opportunity-health-education-transportation/

[v] See Sapkota et al., 2016 and Meyer, 2016, "Supporting Strong Communities."

[vi] Linda Rudolph, Catherine Harrison, Laura Buckley, and Savannah North, "Climate Change, Heakth, and Equity: A Guide for Local Health Departments," America Public Health Association, 2018, https://www.apha.org/topics-and-issues/climate-change/guide