



Maryland

Department of the Environment

Larry Hogan
Governor

Boyd Rutherford
Lieutenant Governor

Ben Crumbles
Secretary

February 24, 2021

The Honorable Kumar P. Barve, Chair
Environment & Transportation Committee
House Office Building, Room 251
Annapolis, Maryland 21401

Re: House Bill 1133 – Tree Planting – Urban Trees Program and Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings

Dear Chairman Barve and Members of the Committee:

The Maryland Department of the Environment (MDE or “the Department”) has reviewed House Bill 1133, entitled *Tree Planting – Urban Trees Program and Commission for the Innovation and Advancement of Carbon Markets and Sustainable Tree Plantings* and would like to provide some information about this bill.

HB1133 has a goal of “planting and helping to maintain in the state’s underserved areas, 500,000 sustainable trees of Maryland native species by the end of Calendar Year 2030.” This bill transfers \$10 million per year in fiscal years 2022 through 2030 from the Bay Restoration Fund (BRF) to the Chesapeake Bay Trust for a new Urban Trees Program. The Urban Trees Program established would be administered by the Chesapeake Bay Trust (CBT). The Department would be responsible for tracking the state’s progress in meeting this goal and serve as the lead agency to receive data from the Chesapeake Bay Trust regarding tree plantings accomplished through the urban trees program. MDE and the Chesapeake Bay Trust must jointly report to the Senate EHEA Committee and House E&T Committee annually on the state’s progress toward meeting the goal established under the bill.

The purpose of the program is to plant native species of trees in underserved areas of the State. CBT is required to make grants to qualified organizations (nonprofits; schools; community associations; service, youth, or civic groups; institution of higher ed; counties or municipalities; or forest conservancy district boards) for tree-planting projects in underserved areas. Eligible program expenses include personnel costs, supplies, site preparation, and other expenses and materials related to planning, implementing, and maintaining tree-planting projects in underserved areas. Grant agreements under the program are required to specify the allowed use of the funds and include provisions for verification that tree-planting projects are being implemented and maintained as planned.

The funding being transferred annually (\$10 million per year; \$90 million total) from the BRF under the bill would be transferred after making payments on existing BRF bonds, upgrading cost-effective minor Wastewater Treatment Plants (WWTPs) to Enhanced Nutrient Removal (ENR), and operation & maintenance funding for ENR WWTPs. The transferred funds are being diverted from the BRF Wastewater account, which provides grant funding to local governments for projects needed for consent orders, state permits, local water quality improvements and the Chesapeake Bay clean up including:

- stormwater control measures related to water quality, climate resiliency, and flood control;
- combined and sanitary sewer overflow abatement; and
- septic connections to Biological Nutrient Removal or Enhanced Nutrient Removal WWTPs.

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The Department receives substantially more funding applications for BRF grants than it can fund on an annual basis. To address the large number of eligible applications, the Department must prioritize the use of the BRF funding based on water quality, climate resiliency, flood control, and public health benefits. The Department recently updated its clean water scoring system to include climate resiliency and flood control as required by Chapter 44 of 2020. This update includes nutrient reductions from riparian forest buffers planted with native trees. Projects applications are ranked on a competitive basis, with those scoring the highest across the different categories being awarded BRF grant funding.

The Department agrees that urban tree practices can be a cost-effective best management practice (BMPs) to meet the state's Bay TMDL requirements, as well as mitigate the effects of climate change. Urban tree BMPs include urban forest planting, urban forest buffers, and urban tree planting. Urban forest planting and urban forest buffers can be very cost effective BMPs at \$7.14 and \$28.49 per pound of nitrogen removed. However, urban tree planting is much more costly at \$175.26 per pound of nitrogen removed. This demonstrates the importance of prioritizing funding to be awarded to the most cost-effective urban tree BMPs, especially if funding is being diverted from other pressing priorities such as consent decrees for sewer overflows and connecting failing septic systems to public sewer.

Additionally, capital projects have been included in the proposed FY22 capital budget to utilize all FY22 BRF revenues, including the \$10 million in revenues that would be transferred out of the BRF under this legislation. Some FY22 projects will need to be cancelled or delayed if funds are required to be transferred out of the BRF in FY22. The FY22 projects that would be impacted would be a Stormwater Mangement Project in Fruitland - Wicomico County, a Sanitary Sewer Reconstruction Project in Prince George's County, and Combined Sewer Overflow Abatement Project in Cumberland. All of these projects are required under an MDE issued permit or consent order.

Thank you for your consideration. We will continue to monitor House Bill 1133 during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by email at tyler.abbott@maryland.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tyler Abbott", with a horizontal line extending to the left.

Tyler Abbott

cc: The Honorable Tony Bridges