

American Farmland Trust | American Forest Foundation | Bethel Heights Vineyard | Beyond Toxics
Bugni Forest & Tree Farm | Campfire Farms | Center for Biological Diversity
Citizens for a Better Lincoln County | Climate Reality Project Portland Chapter | Climate Solutions
Coalition of Oregon Land Trusts | Coast Range Association | Community for Earth
Consolidated Oregon Indivisible Network | Douglas County Global Warming Coalition
DPO Environmental Caucus | Ecumenical Ministries of Oregon, Oregon Interfaith Power & Light | Electrify Now
Fry Family Farm | Hope Well Wine | Hyla Woods | Knudsen Vineyards | KS Wild | League of Women Voters of
Oregon | L&C Carbon Metro Climate Action Team | North Coast Communities for Watershed Protection
Oakhill Organics | Oregon Association of Conservation Districts | Oregon Business for Climate
Oregon Climate and Agriculture Network | Oregon Coast Alliance | Oregon Conservation Network
Oregon Environmental Council | Oregon League of Conservation Voters | Oregon Shores Conservation Coalition
Oregon Wild | Portland Audubon | Southern Oregon Climate Action Now | Springboard Forestry
Sustainable Northwest | The Nature Conservancy | The Pacific Forest Trust | Theodore Roosevelt Conservation
Partnership Treekeepers of Washington County | Urban Greenspaces Institute | Willamette Riverkeeper
Winter Green Farm | Zena Forest LLC | 350 Eugene | 350 Salem OR | 350PDX | 350 Washington County

Joint Committee on Ways and Means
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

RE: Natural Climate Solutions (SB 530) - 2023 Budget Request

April 27, 2023

Dear Co-Chairs Steiner and Sanchez, Co-Vice Chairs Girod, Gomberg, and Smith, and members of the Committee,

On behalf of the more than 50 undersigned organizations representing land managers, conservation, climate, business, environmental justice, and natural resource communities from across Oregon, we enthusiastically urge you to prioritize full funding for SB 530, the Natural Climate Solutions bill. This legislation is a win-win for Oregon's climate, and for land managers, environmental justice communities, and Tribes. It will both fight climate change and protect farmers, ranchers, forest owners, and entire communities against ever-worsening climate impacts. It is therefore no surprise that **more than 100 farmers, ranchers, and forestland owners, local elected officials, and nonprofit organizations across Oregon have endorsed this legislation.** Moreover, recent polling shows that **7 in 10 Oregon voters support investing in natural climate solutions.**¹

Legislative action to fully fund and pass SB 530 this session will be key to leveraging historic federal investments, including more \$29 billion available in Inflation Reduction Act funding for climate-smart land management practices nationwide.² We already know at least \$150 million will be available to Oregon through 2026 from just three Natural Resources Conservation Service (NRCS) programs.³

¹ Memo on FM3 polling on natural climate solutions: <https://tinyurl.com/3v62rcmz>

² 2022 Inflation Reduction Act (IRA), accessible at: <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>

³ The NRCS Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP) and the Conservation Technical Assistance Funds will allocate the following funds to Oregon: \$14.4M in 2023; \$28.8M in 2024; \$57.6M in 2025 and again in 2026. Tapering to 2031.

However, these programs include cost sharing requirements. By creating a Natural Climate Solutions Fund to support cost sharing for farmers and other Oregon landowners, SB 530 will be key to ensuring Oregonians are able to access and benefit from these federal investments. The legislature must make the most of this unprecedented opportunity to advance our climate sequestration goals, protect our natural resource economies, and ensure that rural and other communities with the greatest need can benefit from these funds by adopting and fully funding SB 530 without delay.

For these and other reasons outlined below, we are enthusiastic about the many opportunities and benefits the Natural Climate Solutions bill will bring to Oregon, and **respectfully urge you to include no less than \$21.5 million for the Natural Climate Solutions bill (SB 530) in the 2023-25 biennium budget**, appropriated as follows:

- **Natural and Working Lands Fund: \$20 million** to establish and fund programs within ODA, ODF, OWEB, and ODFW that will provide incentives and financial assistance for landowners, Indian tribes, land managers, and environmental justice communities to adopt practices that support natural climate solutions. Funds are to be prioritized for technical assistance to and incentives for programs or activities supported by environmental justice communities or Indian tribes. By providing incentives and technical support to forest owners, farmers, and ranchers to implement natural climate solutions on natural and working lands, the NWL fund will help maximize carbon sequestration and climate resiliency on our forests, agricultural lands, and wetlands and improve the health of Oregon communities and our natural resource economy. It will also help maximize and streamline coordination across our natural resource agencies.
 - ***Opportunity to leverage federal funding:*** The Natural and Working Lands fund will set the state up for success in leveraging and equitably administering historic federal investments in climate-smart land management practices from the 2022 Inflation Reduction Act (IRA), including \$19.85 billion in incentives for climate-smart agricultural practices; \$0.55 billion for private forest owners to invest in climate mitigation/forest resilience; \$2.2 billion for state and private forestry conservation programs, with priority given for land with high carbon sequestration potential; \$2.6 billion for climate resilience, conservation, restoration, and protection of coastal habitats and resources; \$4 billion for water conservation, drought prevention, and habitat restoration; and \$0.235 billion for Tribal climate resilience.⁴ **With typical state cost share requirements often ranging from 10-25 percent, the initial investment in SB 530 could help secure an additional \$60-\$180 million in federal funds in the next biennium.**⁵
- **Natural and Working Lands Inventory and Baseline Assessment: \$1,526,146** for the Oregon Department of Energy (ODOE) to establish a carbon sequestration baseline and produce and update an inventory for natural and working lands. This includes \$650,000 for ODOE to contract with a technical consultant to develop relevant activity-based metrics and community impact metrics, and model carbon sequestration and storage potential on natural and working lands. This total also includes \$394,542 to support two full-time staff at ODOE to collect data, help develop and maintain the inventory, create related reports, and work with stakeholders and analyze policy

⁴ 2022 IRA, Sections 21001, 23002; 23003; 40001; 50233; and 80001, accessible at: <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>.

⁵ National Wildlife Federation. Nature-based Solutions Funding Database, 2023. <https://fundingnaturebasedsolutions.nwf.org/>

options. Finally, this funding will support ODOE in studying and developing workforce and training programs needed to support adoption of natural climate solutions on natural and working lands.

- **Opportunity to leverage federal funding:** We anticipate that ODOE may be able to leverage a number of IRA investments in establishing the carbon sequestration baseline and maintaining natural and working lands inventory, including \$1.3 billion in conservation technical assistance, carbon sequestration, and GHG emissions quantification program funding through the NRCS.⁶

Oregon has made important progress in recent years to reduce emissions from some of our top polluting sectors; however, we are still 19 percent short of our 2020 targets, according to the recent Oregon Global Warming Commission’s 2023 Biennial Report to the Legislature.⁷ Significant investment in Natural Climate Solutions can meet up to 18 percent of our carbon pollution reduction targets,⁸ which will thereby help create more than \$120 billion in net cumulative economic and health benefits for Oregon.⁹

At the same time, there is an urgent need to protect Oregon landowners and managers, communities, and natural resource economies from ever-worsening climate impacts. The destruction caused by recent climate-fueled wildfires, droughts, and extreme heat have price tags in the billions of dollars, threatening Oregon’s water supply, agriculture, fisheries, and other natural resource sectors. According to the National Oceanic and Atmospheric Administration (NOAA), impacts of severe drought conditions in Oregon include browning pastures and dried up marshes; low hay yields and higher prices; producers selling cattle early; and increased wildfire risk.¹⁰ Climate extremes are also devastating Oregon’s beloved forestlands (thereby threatening a vital carbon sink): a recent study found that approximately a quarter million Douglas-firs died off between 2016 and 2019, with the die-off getting worse in the years since.¹¹

By investing in Natural Climate Solutions, SB 530 will both help address climate change and make our rural communities and natural resource economies more resilient in the face of ever-worsening climate impacts. Healthy soils produce healthier crops, retain more moisture, and improve water quality, while increasing producers’ net earnings over time; healthy forests provide clean drinking water, habitat for fish and wildlife, and protection from wildfire; and healthy coastal wetlands sequester carbon as they filter water, provide critical habitat, and protect communities from storm surges.

Thank you for your consideration, and **we once again strongly urge the committee to prioritize full funding for the Natural Climate Solutions bill (SB 530).**

⁶ 2022 IRA, Sec. 21002.

⁷ Oregon Global Warming Commission 2023 Report to the Legislature, accessible at: <https://www.keeporegoncool.org/s/2023-Legislative-Report.pdf>

⁸ Graves, R, et.al., ”Potential greenhouse gas reductions from Natural Climate Solutions in Oregon, USA”. Plos One, April 10, 2020. <https://doi.org/10.1371/journal.pone.0230424>

⁹ Oregon Global Warming Commission 2023 Report to the Legislature, accessible at: <https://www.keeporegoncool.org/s/2023-Legislative-Report.pdf>

¹⁰ NOAA historical data and conditions for Oregon, accessible at <https://www.drought.gov/historical-information?state=oregon&dataset=0&selectedDateUSDM=20110823>.

¹¹ Oregon State University, March 2023, accessible at: <https://academic.oup.com/jof/advance-article-abstract/doi/10.1093/jofore/fvad007/7071552?redirectedFrom=fulltext>

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Oregon Shores Conservation Coalition
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Southern Oregon Climate Action Now
Springboard Forestry

Sustainable Northwest
The Nature Conservancy
The Pacific Forest Trust
Theodore Roosevelt Conservation Partnership
Treekeepers of Washington County
Urban Greenspaces Institute
Willamette Riverkeeper
Winter Green Farm
Zena Forest LLC
350 Eugene
350 Salem OR
350PDX
350 Washington County