



# Oregon

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## **Testimony for House Bill 2813**

### **House Committee on Agriculture, Land Use, Natural Resources and Water**

**Co-Chair Ken Helm**

**Co-Chair Mark Owens**

Submitted by: Bryn Hudson, Legislative Coordinator

1/29/2025

Thank you for the opportunity to testify in support of House Bill 2813, which makes a technical adjustment to the Harney Valley Conservation Reserve Enhancement Program.

### **Background**

Due largely to the increase in permitted groundwater development for irrigated agriculture, the Harney Basin has experienced substantial groundwater declines that negatively affect many groundwater users and natural resources like groundwater dependent ecosystems. As a result of declining groundwater levels, the Greater Harney Valley Groundwater Area of Concern (GHVGAC) was established in 2016 to limit new groundwater allocation and to further study the basin's groundwater.

To stabilize groundwater levels in the GHVGAC, both regulatory and voluntary actions must be taken. The Harney Valley Groundwater Conservation Reserve Enhancement Program (CREP) was established by the legislature in 2021 (SB 5545, Policy Option Package 112) and is a voluntary program that is intended to improve groundwater conditions in the Harney Basin by incentivizing landowners to permanently cancel groundwater rights within the GHVGAC through financial compensation.

The CREP is the country's largest private national land conservation program, operated through the USDA Farm Service Agency (FSA). This is a voluntary program that aims to remove environmentally sensitive land from agricultural production and establish conservation measures. In return, landowners are paid during a contract period of up to 15 years.

This program is one of the first of its kind in the United States and the first in Oregon. The Harney Valley Groundwater CREP goal is to enroll 20,000 acres of groundwater-irrigated croplands to conserve 40,000-50,000-acre feet per year to help the basin approach a more sustainable level of groundwater use. A landowner can expect to receive around \$350-\$450 per acre/per year for 15 years. The amount of enrolled land an irrigator can enter into the program is limited by the Farm Service Agency allowing a payment of \$50,000 per year to a single landowner. There is a possibility with a new Farm Bill this limit could be increased to \$125,000, increasing how much land an irrigator can enroll and how much they can earn from Harney Valley CREP.

Since program establishment, the Department has hired a program coordinator, who has been setting up the program internally, and externally with the federal government. The program is expected to start accepting applications in February 2025. The Department is currently awaiting announcement from USDA when all conservation reserve program enrollment across the country will open.

When established, the legislature allocated \$500k in continuous general funds to serve as state match for the program; funding for these payments is split between federal and state, currently the federal government pays 80% and the state 20%.

Because the resources are general fund, all unspent monies return to the state general fund at the end of the biennium. This prevents the Department from carrying over funds across the biennia to increase money available for payment to water users. This will limit the number of total water users that can be enrolled in the program and receive payments at any given time and limits the positive impacts of groundwater conservation objectives.

A key contributor to the Harney Basin economy is irrigated agriculture, much of this using groundwater. Providing a source of income to users who participate in CREP lessens the impact of reducing irrigated agricultural ground in the basin to help reduce groundwater declines. This program provides support to local businesses and the economy while meeting the objective helping stabilize groundwater levels.

### **What the Bill Does**

HB 2813 makes a technical change that allows the unspent general fund allocation to roll into an “other funds” account at the end of each biennium. This allows the Department to build up resources within the fund to facilitate greater water user enrollment in the program. This program is one of several tools available to assist the basin in approaching a more sustainable level of groundwater use. This bill accompanies package 103 in the Governor’s Recommended Budget.