



February 26, 2025

To: Ways and Means Subcommittee on Natural Resources

RE: H.B. 5039 and H.B. 5040, Support for the Oregon Watershed Enhancement Board (OWEB) 2025-2027 Budget

Co-Chair Frederick, Co-Chair Levy, and Members of the Committee:

Thank you for the opportunity to provide testimony in support of the Oregon Watershed Enhancement Board's (OWEB) 2025-2027 budget.

North Coast Land Conservancy (NCLC) is a nationally accredited, nonprofit land trust dedicated to safeguarding Oregon's coastal land and seascapes. Since 1986, we've worked with a variety of community partners and dedicated individuals to acquire and steward rich coastal habitats for long-term conservation, from the Columbia River to the Siletz Bay. NCLC has received over \$5.5 million in grants from OWEB that have been used to conserve and restore over 5,000 acres of vital, ecologically significant habitats within our service area. Grants awarded to NCLC from OWEB include: \$87,764 in engagement funds; \$126,000 in technical assistance / assessments grants; \$351,142 in restoration funding; and \$5,019,079 in acquisition funds. Accordingly, OWEB funding has been essential for our work to conserve Oregon's coastal lands and waters, in order to facilitate a fully functioning coastal landscape where healthy communities of people, plants and wildlife all thrive.

Land trusts like NCLC and OWEB share a common purpose to protect and restore habitat in a manner consistent with community needs and local economies. Land trusts and OWEB are partners, working together to advance the goals of the Oregon Conservation Strategy.

Since the inception of OWEB, land trusts, soil and water conservation districts (SWCDs) and conservation organizations have been key partners in acquiring and protecting habitat across the State. Collectively, Oregon's land trusts have protected more than 318,000 acres of land across the state. OWEB uses lottery dollars through Measure 76 to provide the only dedicated source of statewide funding for habitat protection and land acquisition in Oregon.

Over the past two bienniums, OWEB has responded to requests from partners, the legislature, and the Governor's Office to take on new responsibilities and programs due to their reputation as an effective and responsive grant administrator. Their budget has grown from \$125 million with 41 authorized positions (19-21 actuals) to a 25-27 requested budget of \$225 million, **almost double**, with only four positions added.

Additions to OWEB's grant program offerings include farm and ranchland protection through the Oregon Agricultural Heritage Program (OAHP), funding for natural climate solutions on natural and working lands, grants to water suppliers to protect drinking water through the Drinking Water Source Protection Grant Program, and new fiscal administration responsibilities under the Oregon vs. Monsanto settlement. The Governor's Budget includes General Fund investments in two key OWEB grant programs; the Oregon Agricultural Heritage Program and Natural and Working Lands, but additional investments are needed.

Support for staffing and program continuity under these programs is critical for improving customer service, ensuring efficient program delivery and delivering on the ground conservation outcomes that support Measure 76 and Oregon's climate goals.

When considering OWEB's 2025-2027 Budget, North Coast Land Conservancy is asking that this Committee support the following three priorities:

#1. Enhanced funding for the Oregon Agricultural Heritage Program through H.B. 3131

The Oregon Agricultural Heritage Program (OAHP) is Oregon's only program that directly protects farm and ranchlands from fragmentation and conversion to non-farm use. OAHP was created by agriculture and conservation groups in 2017 and funded in the 2022 and 2024 short legislative sessions. **These funds have led to the permanent protection of over 12,000 acres of farm and ranch lands throughout the state and leveraged record federal investment through the Natural Resources Conservation Service (NRCS).**

OAHP funds working land conservation easements, conservation management planning, succession planning, and technical assistance. OAHP provides our community with a statewide source of funding that protects our agricultural and ranchland from development while keeping it in production, supporting rural economies with dollars that recirculate in communities, and paying producers for practices that conserve natural resources.

The Governor's Requested Budget (GRB) includes \$2 million in funding for the program, but a 2024 survey conducted by the Coalition of Oregon Land Trusts (COLT) found robust demand for additional funds that far exceeds the \$2 million included in the GRB. Specifically, **the survey identified 25 projects across the state that would protect 38,000 acres of working lands and require a \$17.3 million investment from the state legislature.**

On behalf of land trusts, agricultural land owners, industry groups and conservation organizations, we ask that you provide OWEB with the \$17.3M needed for the Oregon Agricultural Heritage Program. This funding request is currently before the Ways and Means committee in **H.B. 3131** that passed unanimously out of the House Agriculture Committee in February.

#2 Continued funding for the Drinking Water Source Protection Grant Program through H.B. 3341

The Drinking Water Source Protection (DWSP) Grant Program was established by the legislature in 2023 with strong support from communities to provide grants for the protection, restoration, or enhancement of sources of drinking water through land acquisition and conservation.

Oregon's drinking water challenges will become more complex as our built infrastructure ages, climate change and wildfire add uncertainty, and tourism trends change with populations surges to places like the Oregon coast in the summer. The protection of drinking water sources is the most impactful way communities can ensure the quality, reliability, and resilience of their drinking water. It is also typically more cost effective and provides greater benefits than hard infrastructure investments.

The creation of the DWSP Grant Program filled a critical missing piece of this work - state funding for small communities to acquire and protect their drinking water sources. The first grant cycle for this program concluded in December 2024 and projects are currently under review.

For decades, NCLC has collaborated with communities to protect their drinking water and empower local decision-making. Now more than ever, it is essential to provide communities with the tools they need to ensure both the quality and quantity of their water supply. The increasing number of visitors to our coast, combined with drier summer conditions, is putting additional strain on rural water systems. This funding is critical to building the resilience of small communities and ensuring they thrive into the future.

There is robust demand for additional funds for this program. Last year, an OWEB survey of water providers and partners identified a total of \$34 million in existing project needs, with more than \$27 million in funding needs identified over the 2025-2027 biennium. Funding requests in the first grant cycle already exceed available grant funds. **On behalf of land trusts and the communities across Oregon working to protect and manage their drinking water sources, we urge this Committee to provide additional funding to the DWSP for the biennium.**

This funding request is captured in H.B. 3341, which would provide an additional \$5 million in funding for the program over the biennium. The bill has already had a work session in the House Agriculture Committee and we expect it to pass out unanimously to Ways and Means.

#3 Supporting staffing and program continuity through Policy Option Packages (POPs)

Governor Kotek has made clear her priorities for Oregon's agencies include improving customer service and program delivery. OWEB's Agency Requested Budget includes multiple Policy Option Packages (POPs) that provide staffing and program continuity for well-established and newly created grant programs. We urge this Committee to support the following POPs that will allow OWEB to continue to support grant programs and deliver conservation outcomes across the state:

- **POP 090:** Includes new General Fund investments for OAHP grants (\$2 million) to provide staffing continuity for the 2nd half of the biennium, a \$5 million investment in the Natural and Working Lands fund, and staffing continuity for the Drinking Water Source Protection Program.
- **POP 100:** Converts one limited duration management position to a permanent position to lead all land and water acquisitions and stewardship work at OWEB.
- **POP 102:** Requests one new permanent NRS3 position and associated services and supplies to coordinate the agency's required work for and engagement with grantees about stewardship and compliance monitoring of investments that involve permanent interests in land.
- **POP 105:** Requests position authority for two limited duration positions for 12 months to continue operation of the Oregon Agricultural Heritage Program (OAHP).
- **POP 106:** Converts one limited duration Operations and Policy Analyst 4 (OPA 4) position and one limited duration Administrative Specialist 2 (AS 2) position to permanent positions to administer the water acquisitions program and other agency administration.
- **POP 107 & POP 108:** Staffing Capacity and Continuity to support OWEB's positions for the Environmental Restoration Council.

Thank you for your time and consideration.

Sincerely,



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