

Written Testimony
Before the House Natural Resources Subcommittee
On
Energy and Mineral Resources

Tracee Bentley, President, and CEO
Permian Strategic Partnership

Good afternoon, Mr. Chairman, and distinguished members of the Subcommittee. My name is Tracee Bentley, and I am the President and Chief Executive Officer of the Permian Strategic Partnership, also known as the PSP. I am grateful for the opportunity to share our work with you and that you have chosen to host this hearing here in our home in the Permian Basin, which not only leads the nation in oil production but is also home to the thriving communities that we work with every day.

For those not familiar with the PSP, we are a partnership of twenty oil and gas companies operating in the Permian Basin in West Texas and Southeastern New Mexico. While the Permian Basin has helped drive the American economy for decades, many of our communities are underserved. One out of every three residents in the Basin reads below a third grade level. Meanwhile, less than half of our students are meeting grade level standards.

The PSP was founded in 2018; our mission is to strengthen and improve the quality of life for Permian Basin residents by partnering with federal, state, and local leaders to develop and implement strategic plans that foster superior schools, safer roads, quality healthcare, affordable housing, and a well-trained workforce. The companies involved with the PSP bring the people, expertise, resources and leadership needed to develop solutions in partnership with local leaders and communities.

In the five short years since our founding, the PSP has directly invested nearly \$125 million in projects across the Permian Basin and contributed to collaborative investments totaling \$975 million. In 2022 alone, the PSP committed \$32.6 million towards education, workforce, healthcare and road-safety initiatives, all of which will support crucial social and economic infrastructure in both West Texas and Southeastern New Mexico.

Partnerships between the oil and gas industry and our local communities are essential for the success of the Permian Basin, as they foster collaboration that can lead to increased investment, job creation, and economic development. Through this work, we simultaneously strengthen the existing foundations of our communities and create the opportunities that will fuel them for generations to come.

Our work for those future generations begins with investing in them through education. Polling of the PSP's member company employees has shown that public education is the single greatest factor in evaluating a location change, and it is equally important to families already living in the

Permian Basin. Children in school today will be joining the workforce of tomorrow and access to a quality education is critical for success both now and in the future. Our schools, and school leadership, must have the resources to provide the next generation with access to highly qualified teachers and a robust curriculum.

Today, the percentage of Midland and Ector County Independent School District students that met grade-level standards across reading, math, and science is under 45%. The majority of students at these two ISDs do not meet grade level. I'll let that sink in for a minute. Over 50% of the students at these two ISDs are economically disadvantaged. Progress is being made but we still face the challenge of exponential growth.

Fueled by the growth of the region, public schools in the Permian Basin are experiencing extreme increases in student populations and, unfortunately, have underperformed in the past when compared to other areas. We understand that in order for our communities to thrive, we must ensure that teachers and schools in the Permian Basin have the resources and support they need to help not only improve, but excel.

To achieve this goal, the PSP has directly invested over \$47 million in education initiatives across the Permian Basin, supporting local public schools, universities, teachers and students.

One area of particular focus in education for the PSP is ensuring access to Science, Technology, Engineering and Math (STEM) learning. By providing resources for these curricula, we can encourage our children through developing problem-solving and critical thinking skills while also building their knowledge base for future careers.

This year, the PSP announced a partnership with the Cal Ripken Sr. Foundation to provide \$7.5 million towards the creation of 134 state-of-the-art STEM facilities in schools across the Permian Basin, impacting 3,000 teachers and 60,000 students. Through this investment, students will have access to the tools and resources they need to explore the world around them while learning useful skills for the future. These centers will be installed over the next four years and will help inspire students to pursue careers in STEM for decades.

While a robust curriculum is critical to educational success, it means little if there is no one to teach it. Teachers play a crucial role in shaping the future of our children and our communities. Research shows that student performance rises with teacher experience and quality – and declines with high teacher turnover and inconsistent school leadership.

Sadly, as in many areas across the country, our classrooms are facing a massive shortage of qualified teachers. While this is a complex problem that cannot be solved with any single initiative, we believe that one key element is to provide professional development opportunities to bolster teachers in the classroom. To do so, the PSP has invested more than \$4 million dollars in helping teachers go through the rigorous process to become certified through the National Board for Professional Teaching Standards.

Supporting such certification initiatives is an important part of improving not only education in the Permian Basin, but its entire workforce as well.

Many times the PSP works together with both private and public sector partners to propel an idea into reality. One example is the Hobbs CTECH School, a Career Technical Education school to improve workforce readiness in a range of disciplines including energy, construction, hospitality, STEM, information technology, manufacturing, and transportation.

The PSP has also worked with America's Warrior Partnership (AWP) to design the Permian Warrior Partnership. AWP is a national veteran organization that focuses on an upstream approach to proactively know the veterans in the community and connect them with local resources and opportunities. At the PSP, we have set the goal for the Permian Basin to become one of the most veteran friendly places to live and work.

We are passionate about addressing the needs of our current and future workforce. As members of this Subcommittee, you know first-hand how a shortage of essential employees can impact local communities and unnecessarily limit their economies.

Our area is blessed to have innovative and collaborative academic institutions that we find ourselves partnering with often. The PSP has collaborated with the Texas Tech University Health Sciences Center through a number of residency and fellowship programs with focuses in Family Medicine, Physicians Assistants, Surgery and Sub-Specialty programs and avenues for the rural basin to access primary care. We have also worked to significantly bolster nursing programs at both the University of Texas Permian Basin and Odessa College. With the suicide rate over 50 percent higher than the national average in our region and increased fallout from COVID-19, the PSP invested to provide mental health counseling and support across the area.

To this end, the PSP has committed \$14 million towards workforce development across the Permian Basin, with an additional \$53 million invested specifically towards workforce development in healthcare. With regards to healthcare, our region has a high prevalence of chronic conditions including, among others, obesity, diabetes and heart disease. A recent healthcare assessment shows that 27% of Midland and Odessa residents seek complex inpatient care outside of the Permian Basin and 45% of all other Permian residents leave the region for inpatient care. Large healthcare investments are needed in our region.

Through our efforts, the PSP has helped expand access to fourteen different types of certifications, workshops and fellowships, providing Permian Basin residents an accessible, local pathway to fulfilling careers while also ensuring that local businesses' workforce needs are met.

Those needs will only continue to grow as the Permian Basin's prominence as an epicenter of energy production increases. According to industry experts, Permian oil is on track to make up fifty percent of all U.S. production by 2030, compared to approximately forty percent today. This

increase in production presents a tremendous economic opportunity for our region and the country – but it also comes with great challenges to provide the workforce, educate their children and provide healthcare for their families.

If the Permian Basin was its own country, it would be the third-largest oil producer in the world. As the world faces complex energy and geopolitical challenges, the Permian Basin provides clarity and stability and remains an essential – and trusted – global partner. Great potential exists in the region with reserves of 94.5 billion barrels of recoverable oil. The low-carbon oil produced in the Permian is cleaner and more environmentally friendly than other major production areas, and the region has emerged as a leader in wind and solar generation.

As the Permian Basin continues to grow, partnerships dedicated to having a workforce that can meet the demands of both the oil and gas industry and the regional economy overall will become even more essential.

Logistics will be a crucial element in ensuring our economy has the capacity and capability to grow; truck drivers quite literally drive the economy, and the Permian Basin is facing a severe shortage of certified drivers. In fact, a recent study that we supported indicated that drivers were leading the occupational shortage among skilled workers in our region. That is why, last month, we had the pleasure of announcing our most recent partnership with Odessa College, a \$3.5 million investment to expand the Odessa College Commercial Drivers License Truck Driver Academy. Not only will this program help ensure that our local economy can continue to grow, but it will also provide essential training in a high-demand and high-paying career for nearly a hundred Permian Basin residents per year.

These are just a few examples of our efforts towards improving workforce and education, as well as healthcare access in our communities. Our work is made possible through our member company's generosity and commitment to their communities and the tireless effort of our staff.

The PSP dedicates itself to helping ensure the Permian Basin not only continues to fuel America and the world for decades to come, but also working hand-in-hand with our partners to grow our region to meet its full potential. We take great pride in knowing that our work has direct, lasting impacts for our families and the communities we are privileged to call home.

While we take great pride in our accomplishments so far, as the Permian Basin continues to play such an important role in the country and the world, our work will not end, and we continue to look for other partners to leverage our funding.

Members of the committee, we ask that you consider joining our public private partnership and support PSP through strategic investments in education, healthcare, workforce development and infrastructure. Such investments will return not just economic dividends but will assure that we have adequate energy resources to meet future needs across the globe for decades to come. As

one of the most important regions in the country and the world, it is crucial that education, healthcare and workforce development in the Permian Basin be prioritized.

We look forward to working with you to make transformative progress through public private partnerships in our region.

Thank you, and I look forward to answering your questions.

Working Together for a Greater Impact

In its four years, the PSP has directly invested ~\$125 million in Permian Basin projects and contributed to collaborative investments totaling ~\$975 million.

~\$125mm → ~\$975mm

in PSP contributions

in collaborative investments

Education

\$16,500,000

IDEA Public School Investment

\$10,000,000

MC Teacher Excellence & PreK Lab Investment

\$7,500,000

Cal Ripken STEM

\$4,500,000

Energy Education and Workforce Curriculum

\$3,900,000

Teacher Certification Investment

\$1,900,000

U Teach STEM Investment

\$2,800,000

Other Education Related Investments

Healthcare

\$12,800,000

Texas Tech Surgery & Sub Specialty

\$10,664,000

UTPB Nursing and PreMed

\$5,930,000

TT Family Medicine Residency Program

\$4,000,000

Odessa College Nursing Expansion

\$2,500,000

Texas Tech PA Program

\$2,267,000

PB Counseling & Guidance

\$15,115,000

Other Healthcare Related Investments

Workforce

\$10,000,000

Hobbs CTE Program Investment

\$2,639,000

Skillpoint Alliance Investment

\$1,315,000

America's Warrior Partnership Investment

Housing

\$720,000

Teacher Housing Investment

Road Safety

\$3,500,000

Odessa College CDL Academy Expansion

\$4,500,000

Road & Safety Investment

Initiative Support

\$1,800,000

Data, Research, & Outreach



STRATEGIC PARTNERSHIP

The Permian Strategic Partnership is a coalition of 20 leading Permian Basin energy companies who joined together to work in partnership with leaders across the region's communities to address current and future challenges to the responsible development of the vast oil and natural gas resources of the Permian Basin in the states of New Mexico and Texas.

The Permian Strategic Partnership leverages its relationships with like-minded organizations, federal, state, and local leaders, and public partners to achieve more together than we ever could alone. Working in collaboration, we have increased funding for education, invested in career training, expanded healthcare access, improved safety and infrastructure, made housing more affordable for teachers, and expanded broadband access across the Permian Basin.

