



North Dakota Workforce Training



May 31, 2005

ND Industrial Commission
ATTN: Oil and Gas Research Program
State Capitol – Fourteenth Floor
600 East Boulevard
Bismarck, ND 58505

Dear Oil and Gas Research Council Members,

Attached you will find fifteen copies of the Industrial Safety Training Program Grant Application. The application is being made by the NW ND Workforce Training Division at Williston State College.

As the Director of the Workforce Training Division, I am authorized to contract with the commission if our application should receive funding. Feel free to contact me if you have any questions or need further information at 701-774-4246. Thank you very much for your consideration of this valuable training proposal.

Sincerely,

Deanette Piesik

Deanette Piesik
Director
NW ND Workforce
Training Division

Enclosures

INDUSTRIAL SAFETY TRAINING PROGRAM

NW ND Workforce Training Division
Williston State College

Deanette Piesik, Director
May 31, 2005

\$93,000.00

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Abstract

This proposal is a large scale, multifaceted effort to meet the workforce needs of the critical oil and gas industries. Oil and gas companies are ready to explore for and develop the oil and gas resources in our area, but there is a major barrier. In many cases there are not enough qualified personnel to staff open positions. Without personnel with the requisite skills, oil companies and oilfield service companies are not able to economically develop the oil and gas resources. There is a shortage of qualified personnel in the oil and gas industry. This problem is not unique to this area, but rather is being experienced nationwide.

The NW ND Workforce Training Division at Williston State College is developing an Industrial Safety Training Program to train individuals interested in careers in the energy industry. The Industrial Safety Training Program will improve safety practices, enhance retention, reduce turnover, and enhance the region's quality of life. In order to enhance this program, we need to hire a Safety Trainer. Our grant request is for the Oil and Gas Commission to sponsor this position for the next two years. In addition to sponsoring the position, we are asking for start-up and training equipment dollars. Our target audience is anyone interested in a career in the energy industry. We will provide area companies with a skilled workforce to fill their employment needs. The total cost of this two-year project is \$93,000.

The main areas of training will be in: Safety; Well Service and Drilling; Commercial Drivers Licenses; and Specialty Technicians. The development of technical skills will be accomplished by utilizing hands-on training on industrial equipment and nontraditional classrooms. The objective of this project is to develop the Industrial Safety Training Program for the energy industry to provide a highly skilled workforce.

Project Summary

The recent upsurge in activity in the oilfield has resulted in the need for employees for all types of oilfield related businesses. Inexperienced new hires in the oilfield need pre-hire training. In the past it was a common belief that no skills or training were needed to work in the oilfield. Today's successful oilfield worker is a highly skilled professional with knowledge in computers and general safety procedures. One of the areas of the Industrial Safety Training Program is an intensified pre-hire, safety training program that provides potential employees with safety classes. Many of these positions are high-wage, benefited, primary sector jobs. Entry-level new hire employees are starting at wage rates of \$13.00 - \$17.00 per hour. Another concern for the industry is the number of people entering retirement age. It is expected over the next 5 – 10 – 20 years that over forty percent of the current employees will be retiring. Where will the workforce come from? Many of these positions are mid-to upper – management jobs that are not affected by changes in the oil industry. Training residents of the state will benefit the economy of Western North Dakota. Another target audience would be refresher or recurrent training. Many of the certifications individuals have, need to be taken every year. Some energy companies require refresher training on a yearly basis for certain safety courses.

Project Description

The Industrial Safety Training Program (ISTP) goal is to work closely with the energy industry to train individuals interested in a career in the oilfield. We will provide training and a development process to all qualified applicants. Participants will be trained in basic safety issues. Safety refresher courses will be available to employed participants. WSC is in close proximity to the oilfields in which participants will be employed.

We use classroom and hands-on training for our safety courses. Our hope is to train a workforce in an understanding of safety rules and regulations. Classroom training gives the worker knowledge of rules and regulations. Hands-on training shows the worker practical application to prepare them for their job. An example of the types of hands-on training that we provide include: fire training, confined space- rescue training, and crane training. All of these courses require classroom training and practical application.

Area companies need an employee ready to go to work. This cuts down on the business costs, which increases the business profits, allowing for a stronger economy. Trained workers are more likely to be retained in the energy industry, which is good for our economy and our communities.

Standards of Success

The key to the success of this program is working closely with the energy industry. The Industrial Safety Training Program (ISTP) will be measuring success by the following means:

1. Evaluation summaries of safety training programs by participants and businesses.
2. Tracking of the number of new-hire training participants in the program.
3. Certificates issued for recurrent safety training.

Background

The development of the Industrial Safety Training Program has been industry driven. The shortage of a qualified workforce brought the opportunity for the energy industry to partner with Williston State College to develop the program and to build the workforce. An Industry Advisory Committee has been meeting since the summer of 2004. Companies represented on this committee include: Amerada Hess, Halliburton, Key Energy, Schlumberger, Nabors Drilling, Pool Well Service, S and S Chemical, and Sun Well Service. Their involvement in the development of this training program has been instrumental. In January of 2005, a Workforce Training Specialist was hired to continue the development of this program and to do training. Due to the increase in demand for safety courses, the Workforce Training Division is expanding the program to hire a Safety Trainer through this proposed grant application. The Workforce Training Division has provided the following types of training: New-Hire training, Hazwoper, H2S, Medic First Aid, Crane Training, Forklift Training, HazCom, Respiratory Protection, HazMat, Defensive Driving, Confined Space, OSHA Compliant Training, etc. We are currently working with the energy businesses to ensure our training programs are site specific to their company's needs.

Qualifications

In July 1999, Williston State College was assigned primary responsibility for the workforce training initiative for the northwest quadrant of North Dakota. As the Director of the Workforce Training Division, it is my job to assist in the identification of skill shortages and workforce training needs. The Industrial Safety Training Program (ISTP) is one of the programs that I oversee. The program has a Workforce Training Specialist with 5 years of direct safety training experience. Mr. Todd Beard has also worked for various oilfield companies. This grant request would allow us to add a safety trainer to the program. The individual for this position will need to have the required skills to serve as a trainer for the ISTP. For some of our training programs, we contract with qualified safety trainers from other companies. The contracted trainers provide us with their resume information, which we keep on file. Many of the energy companies need to have documentation that the trainers we contract with are competent and knowledgeable in their field of expertise.

Value to ND

The oil and natural gas industry is a major employer in North Dakota. Those companies working in the oilfield face a shortage of well-trained workers with the skills needed for long-term employments. The shortage of qualified workers creates a barrier to the development of badly needed oil and natural gas resources. This shortage is not just an economic impact to the area, but also contributes to the energy industry for the United States. Most of these companies are primary sector business that bring in “new wealth” to the state. An important objective of this project is to create a demand for professionalism among workers in the oil and natural gas industry. Most jobs in the oilfield already require a large amount of training and expect workers to be highly skilled and knowledgeable. By offering courses on topics that improve productivity, efficiency, and make the oilfield a safer place in which to work, the ISTP will be able to certify that workers are proficient on various topics. These courses will create a more skilled and professional workforce. This certification process will set standards that give credence to the professionalism of many of the jobs in the oilfield. By achieving a higher level of professionalism, these workers will greatly improve the public image of the oil and natural gas industry.

Also, there is the opportunity for future development of this program by offering safety training to individuals from other states that face a similar shortage of qualified oilfield workers. Some of these individuals could relocate to our area to work.

Management

Williston State College will be able to provide all financial information and reports through our Grant Department in the Business Office. As the Director of the Division, I will be directly involved in the tracking of all information needed for reporting to the Industrial Oil and Gas Commission. All evaluations and standards will be maintained in the Workforce Training Division office. A review of the program will be held at the Workforce Training Division's weekly staff meeting. The Industry Advisory Committee meets every two-week; they receive updates on the progress of the ISTP.

Timetable

Our grant request is for a two-year plan. The safety trainer position needs to be filled by the end of the summer 2005. Our Industry Advisory Committee members and energy companies have asked that we provide ongoing training on a regular basis. In order to meet their needs, we need to fill this position as soon as possible. Interim reports will be provided as often as the granting agency requires.

Year One

- Hire a full time trainer (summer 2005)
- Develop Safety Training Courses (summer 2005)
- Offer Courses on a regular monthly/weekly basis (summer 2005)
- Develop training field (fall 2005)
- Develop additional training programs (40-Hour Well Servicing course, 40-Hour Well Servicing Applications Course, 40-Hour Drilling Course, Roustabout Training, Compressor Training, Transport Driver Training) (spring 2006)

Year Two

- Implement additional safety training programs (summer and fall 2006)
- Continue refresher and safety training courses (ongoing)

Budget – Year 1 (July 1, 2005 – June 30, 2006)

ITEM	GRANT REQUEST	WSC MATCH	INDUSTRY MATCH
Salaries:			
ISTP Specialist	\$0.00	\$35,250.00	\$0.00
Trainer	\$30,000.00	\$0.00	\$0.00
Director	\$0.00	\$9,375.00	\$0.00
Benefits	\$17,500.00	\$20,154.00	\$0.00
<i>Subtotal</i>	<i>\$47,500.00</i>	<i>\$64,779.00</i>	<i>\$0.00</i>
Office Equipment:			
Furniture	\$0.00	\$1,000.00	\$0.00
Laptop Computer	\$1,800.00	\$0.00	\$0.00
Software	\$0.00	\$100.00	\$0.00
Printer	\$4,400.00	\$200.00	\$0.00
<i>Subtotal</i>	<i>\$6,200.00</i>	<i>\$1,300.00</i>	<i>\$0.00</i>
Training Equipment:			
Training rooms/labs	\$0.00	\$13,000.00	\$1,000.00
Projection Unit	\$3,600.00	\$0.00	\$0.00
Projection Screen (portable)	\$890.00	\$0.00	\$0.00
Fire Training Equipment	\$0.00	\$0.00	\$10,000.00
Videos/PowerPoint	\$2,500.00	\$300.00	\$500.00
Digital Camera/Recorder	\$850.00	\$0.00	\$0.00
Other Training Equipment	\$0.00	\$4,500.00	\$0.00
<i>Subtotal</i>	<i>\$7,840.00</i>	<i>\$17,800.00</i>	<i>\$11,500.00</i>
Professional Development:			
Conferences/Training	\$4,000.00	\$4,000.00	\$0.00
<i>Subtotal</i>	<i>\$4,000.00</i>	<i>\$4,000.00</i>	<i>\$0.00</i>
TOTAL	\$65,540.00	\$87,879.00	\$11,500.00

Budget – Year 2 (July 1, 2006 – June 30, 2007)

ITEM	GRANT REQUEST	WSC MATCH	INDUSTRY MATCH
Salaries:			
ISTP Specialist	\$0.00	\$36,307.00	\$0.00
Trainer	\$15,450.00	\$0.00	\$0.00
Director	\$0.00	\$9,656.00	\$0.00
Benefits	\$9,010.00	\$20,759.00	\$0.00
<i>Subtotal</i>	<i>24,460.00</i>	<i>\$66,722.00</i>	<i>\$0.00</i>
Office Equipment:			
Furniture	\$0.00	\$0.00	\$0.00
Laptop Computer	00.00	\$0.00	\$0.00
Software	\$0.00	\$0.00	\$0.00
Printer	\$0.00	\$0.00	\$0.00
<i>Subtotal</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
Training Equipment:			
Training rooms/labs	\$0.00	\$15,000.00	\$1,000.00
Projection Unit	\$0.00	\$0.00	\$0.00
Projection Screen (portable)	\$0.00	\$0.00	\$0.00
Fire Training Equipment	\$0.00	\$0.00	\$0.00
Videos/PowerPoint	\$0.00	\$0.00	\$0.00
Digital Camera/Recorder	\$0.00	\$0.00	\$0.00
Other Training Equipment	\$0.00	\$2,500.00	\$0.00
<i>Subtotal</i>	<i>\$0.00</i>	<i>\$17,500.00</i>	<i>\$1,000.00</i>
Professional Development:			
Conferences/Training	\$3000.00	\$4,000.00	\$0.00
<i>Subtotal</i>	<i>\$3,000.00</i>	<i>\$4,000.00</i>	<i>\$0.00</i>
TOTAL	\$27,460.00	\$88,222.00	\$1,000.00

Budget Narrative and Matching Funds

As with any program, the start-up costs for the first year are the major expenses. Our grant application is for a position – Safety Trainer. That positions salary and benefits are listed in the grant request. In addition the position will need to have one time expense of office equipment (computer, printer). This position’s primary responsibility will be to provide safety training; materials need for those courses is listed. In addition, the position will need to attend professional development conferences and trainings. This will add to their skill set. Safety

regulations change and staff will need to be update on those changes. They will also need to share that information with area companies.

In the second year of the grant application, only fifty percent of the Safety Trainer's salary and benefits are requested. Again we requested funds for additional professional development opportunities.

Currently we are in the process of raising funds to match Center of Excellence dollars. We are requesting \$150,000 from area energy businesses; the City of Williston's Star Fund has pledged \$50,000 for the Industrial Safety Training Program. This \$200,000 will be used to match \$100,000 in Center of Excellence funds. The money will be used to develop a training field. This money will allow us to provide additional hands-on training on workover and drilling rigs.

In addition, WSC along with the Interstate Oil and Gas Commission has applied for a Department of Labor Grant. This grant round was a non-competitive grant application. A decision on funding of this grant application will be made in July. We are staring to plan for the next round of Department of Labor Grants; this will be a competitive grant application.

Tax Liability

Williston State College operates as a two-year public community college in the ND University System. The college is one of eleven institutions under the jurisdiction of the ND State Board of Higher Education. Williston State College is considered a state agency and has no outstanding tax liability to the state of North Dakota. For further clarifications, contact Nicci Strand in the Business Office at 774-4249.