



HB 386

House Economic & Workforce Development Committee

2/12/2020

Chairman Zeltwanger, Vice Chair Powell, Ranking Member Sobecki and members of the House Economic and Workforce Development Committee, my name is Tom Balzer and I am the President and CEO of the Ohio Trucking Association (OTA) and Ohio Association of Movers (OAM). Collectively, we represent over 1,000 trucking, moving, logistics, and warehouse companies and allied vendor members. 78% of our members have fewer than 50 trucks. I would like to thank you for this opportunity to present testimony in support of HB 386, which establishes the Commercial Truck Driver Student Aid Program.

Many of you have likely heard from businesses in your districts about the challenges associated with finding qualified drivers to transport their goods. According to the American Trucking Association, the current driver shortage is over 60,000 and it could grow to over 160,000 by the year 2028.¹ This is a problem sweeping the nation and by passing HB 386, Ohio will be one of the first states to address it by eliminating the financial barrier many individuals face when trying to attend CDL school.

The Commercial Truck Driver Student Aid Program will address the need for qualified drivers by creating a dual scholarship and loan program. HB 386 was carefully crafted to ensure enrollees have stake in the process, while also eliminating the financial barriers facing Ohioans attempting to pursue a career in one of Ohio's most in-demand professions. The Commercial Truck Driver Student Aid Program appropriates \$5 million to provide students attending CDL school with a combination of grants and loans. Measures have also been added to the bill to incentivize drivers to remain in Ohio once they complete their CDL training. Furthermore, the bill ensures that students attend only those schools that are certified by the Department of Higher Education.

There are few state resources specifically designed to offer financial aid to students pursuing CDL training. In fact, in the most recent operating budget (HB 166), funding was eliminated from the OhioMeansJobs Workforce Development Revolving Loan Program, which was primarily used by students attending CDL school. This funding was use for the TechCred program, which is certainly a worthy program. However, it is important to note, CDL training does not qualify as a "microcredential" under the TechCred program. We hope

¹ ATA Truck Driver Shortage Analysis 2019 - <https://www.trucking.org/ATA%20Docs/News%20and%20Information/Reports%20Trends%20and%20Statistics/ATAs%20Driver%20Shortage%20Report%202019%20with%20cover.pdf>


HB 386 will help fill the financial void left by the elimination of the revolving loan program for those individuals seeking to attend CDL school.

Some of you may be aware that HB 222 is also pending before this chamber. During sponsor testimony on HB 386, there were questions on how HB 222 compares to HB 386. HB 222 establishes a tax credit aimed at encouraging trucking companies to invest in driver training. The training provided by trucking companies are often referred to as “finishing programs” and are designed to go above what is taught in CDL schools. Encouraging more businesses to offer these programs will result in more, highly-qualified drivers operating in Ohio. As expressed above, HB 386 is designed to remove the financial barriers facing individuals hoping to attend CDL schools. Not only do these schools cost \$5,000 to \$10,000, but often they require an individual to quit their current place of employment adding to the financial burden. Once trained, these individuals will quickly receive offers from established trucking companies, or they have the option to become an independent contractor.

Committee members may also hear that there is no driver shortage in Ohio. In addition to claiming the driver shortage is a myth, some also suggest that the real problem facing the transportation industry is low wages and poor working conditions. We encourage you to speak to any business in your district that relies on the transportation industry and ask if they are having a hard time finding drivers. We are confident the response will be a resounding “yes.” We also agree that turnover or churn in the industry is high; however, it shouldn’t be surprising. A driver with a CDL and an excellent safety record is in extremely high demand. This demand is not only from the trucking industry, but also other industries like construction or oil. Churn is not a bad word; instead, churn tells me that drivers are gaining experience and getting better jobs. Due to the high demand, truck drivers make an excellent salary and companies offer comprehensive benefits. The U.S. Department of Labor places the median pay for drivers at over \$43,000, and this can grow to much more.² Pay for drivers is often based on production, so entry level drivers can expect to make an increased wage shortly after entry into the industry. Salaries for drivers can even top \$100,000 per year.

The Commercial Truck Driver Student Aid Program created in HB 386 will create opportunities for Ohioans seeking higher paying jobs without saddling them with debt. This important legislation will also ensure Ohio’s industries in need of drivers have access to qualified CDL holders. I urge your support.

Sincerely,



Thomas A. Balzer, CAE
President and CEO
Ohio Trucking Association/Ohio Association of Movers

² United States Department of Labor - <https://www.bls.gov/OOH/transportation-and-material-moving/heavy-and-tractor-trailer-truck-drivers.htm>