



The Ohio Senate

Senate Finance Committee

Testimony Concerning Revolving Loan Fund

Amy Perkins-McClellan, Director of Workforce Development, Southern State Community College

May 23, 2019

Chairman Dolan, Vice Chairman Burke, Ranking Minority Member Sykes, and Members of the Senate Finance Committee, my name is Amy McClellan and I am the Director of Workforce Development at Southern State Community College, serving Adams, Brown, Clinton, Fayette, and Highland Counties in Southern Ohio. Thank you for the opportunity to present testimony on the Revolving Loan Fund program, specifically as it pertains to Southern State Community College's Truck Driving Academy. I would also like to acknowledge our appreciation to Ms. Kerissa Jenkins, Senior Financial Analyst, Ohio Department of Treasury, and Mr. John Magill Assistant Deputy Chancellor, Economic Advancement for their tireless efforts in Workforce Development across the State of Ohio.

Southern State Community College's Truck Driving Academy provides a comprehensive, hands-on Commercial Driver's License training program which exceeds the Ohio requirements. The impact of the program extends beyond the Southern State service area, with sites in Meigs, Lawrence, and Pike counties. The program has partnered with institutions that include Marion Technical College, Pike County Career Technical Center, Scioto County Career Technical Center, Rio Grande Community College, Ohio Valley Career Technical Center, University of Cincinnati, and Ohio University – Chillicothe, among others. Since the program began operating in 2005, the program has trained 4,402 individuals in a Class A or Class B licensure. That is an average of 314 students a year. That equates to 4,402 lives that have been changed by entering into a high-demand, high-wage occupation where the starting salary range is between \$40,000 and \$50,000 including benefits and often signing bonuses. All of which can be achieved with just four weeks of training. The Southern State Community College Truck Driving Academy enjoys the highest level of industry support compared to the other programs, credit or non-credit, as it relates to involvement, recruitment, and placement. Industry partners include the likes of R&L Trucking, Schneider, Home Run Trucking, Marathon Corporation, and McElroy trucking.

The most recent Ohio Means Jobs In-Demand Occupations report shows 8,465 openings in the Truck Driving industry. This is just in Ohio. The same trend can be found across the country. According to many truck driving industry statistics, there has been a projected growth of 1.1 million jobs just in the material moving occupations sector. Furthermore, 80% of all transportation of goods are moved by truck drivers. Without transportation needs being addressed, mainly individuals to drive the consumables from location-to-location, the prices on consumables will only increase and be passed down the customer (The Truckers Report). According to industry partners, entry level CDL drivers can far exceed the average wages shown by labor market data for the Ohio region. Students who enter into the training program, often have a little or modest income and cannot afford the funding of the program out of their own

pocket or without assistance. The shortage of drivers can only begin to be addressed if funding options are made available, options like the Revolving Loan Fund program.

The Revolving Loan Fund program is more than a funding source, it is a vessel for student opportunities. The most recent completion survey that was sent to the students, reflected that four students who received the Revolving Loan Fund, three could not have attended if it were not for the funding source. If this funding source is not continued, or a version thereof, the enrollment of students will decrease and the shortage of drivers will only increase.

Governor DeWine has put workforce development in the forefront of his priorities. Stating in the State of the State, "We are going to invest in our career-tech centers and two-year community colleges, and we are going to create at least 10,000 industry certificates." We are a community college and we are also talking about funding opportunities for industry recognized certificates. Potential students will not give programs like the Truck Driving Academy a second look if the process to obtain funding becomes a scavenger hunt. The Revolving Loan Fund, and its institutional and consumer accessibility, drives our current enrollment and without the funding we will struggle and the opportunities to make a difference will be lost.

From a statewide perspective, and as a director for one of the most successful Truck Driving Academies in Ohio, we need the Revolving Loan Fund. Our employers, need this funding source. Our students, need this funding source. Our students' families, need this funding source. Our program, needs this funding source. The alternative is reverting back to the "way it was" and in our program, we practice looking forward and not backwards. The State of Ohio has invested approximately \$716,650 toward Revolving Loan money for the Truck Driving Academy. A benefit to 143 students with an average salary of \$45,000; that is a potential for a combined consumer impact of \$6.4 million dollars annually, money that circulated back into our economy.

Chairman Dolan, Vice Chairman Burke, Ranking Minority Member Sykes, and Members of the Senate Finance Committee, on behalf of Rio Grande Community College, Pike County Career Technical Center, South Point Industrial Park, and Southern State Community College and the 143 students who possibly would not have taken part in the program, thank you for the opportunity to provide testimony today in support of the Revolving Loan Fund program. I would be happy to answer any questions you may have.