



House Bill 110
House Finance Subcommittee on Higher Education
March 4, 2021

Chairman Cross, Ranking Member Howse and members of the House Finance Subcommittee on Higher Education, my name is Tom Balzer and I am the President & CEO of the Ohio Trucking Association (OTA). I would like to thank you for this opportunity to submit comments on HB 110, the DeWine Administration's main operating budget.

A key part of the governor's budget is the investment in workforce initiatives, which is why I would like to highlight the workforce needs facing the logistics industry. Many of you have likely heard from businesses in your district about the challenges associated with finding qualified drivers to transport their goods. According to the American Trucking Association, the current driver shortage is 60,000 and it could grow to over 160,000 by the year 2028.¹ This is a problem sweeping the nation, yet unfortunately many states, including Ohio, do not have adequate support established to help individuals overcome the financial barrier many face when trying to attend CDL school.

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 \$45,000 per year, 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 entering the industry. Salaries for drivers can even top \$100,000 per year.

For years we have worked to identify ways the state can help address this problem. Last session two bills were introduced, HB 386 and HB 222. HB 386 (which was just reintroduced as HB 129) created the Commercial Truck Driver Student Aid Program and HB 222 established a tax credit aimed at encouraging trucking companies to invest in driver training. The COVID-19 pandemic has shown how critical the trucking industry is to the state, yet essential goods can't be moved without a driver behind the wheel, which is why these workforce development initiatives are so important.

Unfortunately, in the previous operating budget (HB 166) funding was eliminated from the OhioMeansJobs Workforce Development Revolving Loan Program, which was primarily used by students attending CDL school. The funding was transferred to the TechCred program. While the TechCred program is certainly worthy of this investment, CDL training is ineligible because it does not qualify as a "microcredential." The elimination of this funding source means individuals

¹ ATA Truck Driver Shortage Analysis 2019 - <https://www.trucking.org/sites/default/files/2020-01/ATAs%20Driver%20Shortage%20Report%202019%20with%20cover.pdf>

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

seeking to obtain a CDL have few resources available to overcome the financial barrier associated with attending a CDL school. This barrier is often too great for many to enter the industry.

We would encourage this body to consider the two bills mentioned above as amendments to the operating budget to address the workforce shortage facing the industry. Another option is to reinvest in the OhioMeansJobs Workforce Development Revolving Loan Program, as the line item still exists within the State Treasurer's budget. These proposals will all help remove the financial barrier facing many as they pursue a well-paying career that is essential to all Ohioans.

Thank you for taking these suggestions into consideration.

Sincerely,

A handwritten signature in black ink that reads "Tom B". The signature is written in a cursive style with a long, sweeping underline.

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