



TO: Members, Senate Committee on Economic and Workforce Development

FROM: Evan Umpir, Director of Tax, Transportation, and Legal Affairs

DATE: February 23, 2022

RE: Support for SB 929, Relating to: a commercial driver recruitment program.

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in **support of Senate Bill (SB) 929**. WMC supports this proposal as it addresses an existing and ongoing critical need.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes advocating for legislation like SB 929 that promotes the training of needed skills for employment in a critical sector of the economy.

In 2019, Wisconsin shipped nearly 584 million tons of freight by all modes of transportation led by **shipments via truck at more than 368 million tons with a value of \$354 billion** across Wisconsin's more than 115,000 miles of public roads.¹ During the pandemic, the transportation sector kept Wisconsin and the nation moving vital goods and materials, including Personal Protective Equipment, to their destinations. Wisconsin's freight-dependent sectors, manufacturing, agriculture and forestry, retail, and construction, all rely on the movement of raw materials, finished goods, and other supplies and products around, into, and out of the state.

The national **truck driver shortage currently stands at 80,000 and is projected to double to 160,000 by 2030** based on driver demographics and expected freight growth.² Overall though, in the next decade, the trucking industry will **need to recruit nearly one million new drivers**. In Wisconsin, as of February 22, 2022, there were 3,268 job openings listed on the Job Center of Wisconsin website for "Heavy and Tractor-Trailer Truck Drivers." While that statistic is not a perfect representation of the exact need for Commercial Driver License (CDL) truck drivers in our state, it is clear evidence of the need that SB 929 can quickly and easily address.

The bill addresses this challenge by targeting students and employers for training and incentivizing retention once drivers are on the job by creating three grants:

¹ Wisconsin Department of Transportation, *Wisconsin Statewide Commodity Flow (Tons and Value by Mode)*, 2019, available at: <https://wisconsindot.gov/Documents/doing-bus/freight/flow2019.pdf>.

² *Driver Shortage Update 2021*, American Trucking Associations, Inc., Oct. 25, 2021, available at: https://www.trucking.org/sites/default/files/2021-10/ATA%20Driver%20Shortage%20Report%202021%20Executive%20Summary.FINAL_.pdf.

1. For students, or potential students who may be on the fence due to the cost of tuition, the first grant creates a 50% scholarship to pay for that tuition. CDL training programs have very high placement rates after graduation. This student-eligible grant will help remove barriers due to cost that may give potential CDL trainees hesitation, especially a near-guarantee of a driving position upon successful completion of the training course.
2. The employer-training grant provides the same 50% grant (capped at \$3,000) for employers who train their own drivers. This option will get individuals directly into the driver pipeline and meeting employers' exact needs upon successfully completing the training program.
3. Retaining drivers is crucial to have a sustained impact on the driver shortage. The \$500 retention bonus may go to drivers who are employed, using their CDL, for at least a year. Likewise, \$500 will also go to the employer for retaining the driver. Developing a good relationship between employers and drivers will help foster long-term employment in the industry.

There is no one, single solution to addressing the shortage of CDL truck drivers, but this bill will have a direct impact on the industry by setting up students for employment, reducing the entry-costs associated with CDL training, and incentivizing retention in an already-hurting, vital industry.

Thank you for your consideration. I am happy to answer any questions.