
OLR Bill Analysis

sSB 479

AN ACT ESTABLISHING A COMMERCIAL DRIVER'S LICENSE TRAINING PROGRAM.

SUMMARY

This bill establishes a program, administered by the Office of Policy and Management (OPM), to provide tuition expense support to people seeking a commercial driver's license (CDL) to become a commercial truck driver. OPM must select to receive funding under the bill "training programs" offered by charitable nonprofits, which must offer enrollees the use of "income share agreements" to finance their training. These selected programs must be offered at three locations around the state, as the OPM secretary determines, provided each is in a different distressed municipality (see BACKGROUND).

The bill funds the program's start-up costs by authorizing up to \$6.5 million in general obligation bonds, which are subject to standard statutory bond issuance procedures and repayment requirements. It earmarks \$1.5 million of this amount for necessary equipment, trucks, trailers, garages, and other capital expenditures for each of the program locations. The bill establishes within the General Fund the nonlapsing "commercial driver's license training account," which must contain the bond funds and any other funds the law requires to be deposited into it. OPM must use funds in the account for the program.

EFFECTIVE DATE: July 1, 2022

TRAINING PROGRAM

Under the bill, a "training program" is a CDL education and training program offered by a charitable nonprofit (i.e., one that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code) that (1) focuses on career workforce training for a CDL, (2) provides enrollees with hands-on training and permanent commercial truck driver job placement

assistance, and (3) offers enrollees the use of an “income share agreement” to finance their training.

An “income share agreement” is a contract between an enrollee and an organization offering a training program in which the enrollee agrees to pay a percentage of his or her future earnings for a fixed period in exchange for funding to cover the training program’s costs.

PROGRAM ADMINISTRATION

Under the bill, OPM must establish criteria for the following:

1. selection of nonprofit training program providers,
2. the amounts of funding that may be provided to enrollees who have entered an income share agreement,
3. the maximum amount of interest, if any, that enrollees may be charged under these agreements, and
4. any other requirements the secretary deems necessary.

Nonprofits may apply to OPM, as the secretary prescribes, to participate in the program. Participating organizations must give priority to individuals who are unemployed, underemployed, disadvantaged, or veterans or who were previously incarcerated, as long as the individuals are not disqualified to drive a commercial motor vehicle or subject to operating privilege suspension, revocation, or cancellation in any state.

Under the bill, selected organizations may enter into vendor agreements to administer income share agreements.

REPORTING

Beginning July 1, 2023, the OPM secretary must annually submit a progress report on the program’s operations to the governor and the Transportation; Labor; Commerce; and Finance, Revenue and Bonding committees. The report must include, for the previous fiscal year, the number of (1) program enrollees, (2) enrollees completing the program, and (3) enrollees getting a permanent commercial truck driving job.

BACKGROUND

Distressed Municipalities

The Department of Economic and Community Development annually designates distressed municipalities based on factors including high unemployment and poverty, aging housing stock, and low or declining rates of job, population, and per capita income growth (CGS § 32-9p). The current (2021) distressed municipalities are Ansonia, Bridgeport, Chaplin, Derby, East Hartford, East Haven, Griswold, Groton, Hartford, Meriden, Montville, New Britain, New London, Norwich, Plainfield, Putnam, Sprague, Sterling, Stratford, Torrington, Voluntown, Waterbury, West Haven, Winchester, and Windham.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 40 Nay 11 (04/06/2022)