

## **Federal and provincial government programs provide the financial assistance that enables many to attend driver training schools.**

*This paper identifies these programs and the challenges involved in ensuring those trained through these programs meet the trucking industry's requirements for qualified drivers.*

### **Introduction**

While private financial institutions have special loan programs, governments provide the financial assistance many individuals require to attend a truck driver training school. In fact, training schools report that 38% of their students are funded from federal and provincial skills development funding programs.

Officials involved with these financial assistance programs report the programs are quite successful, with 75% or more of these individuals obtaining and keeping a job in trucking. However, industry feels changes are required to increase the number of people who can take advantage of these programs, thereby improving the quality of the training obtained and long-term retention rates within the industry.

### **What funding is available?**

The available funding programs generally have remarkable similarity from province to province. A summary table of these programs is attached as Appendix A

#### ***For individuals seeking training these programs include:***

- Student Loans are available to attend approved full time programs which lead to a degree, diploma or certificate.
- Skills Development Programs provide direct financial assistance for individuals to enable them to select, arrange and pay for their own training. To be eligible for these programs, one must be unemployed and receiving social assistance or employment insurance benefits, or recently received EI benefits. Individuals who participate in these programs are normally required to make a contribution towards the cost of their training.

- Social Assistance Recipient Programs provide a range of financial assistance to train social assistance recipients.
- In addition, two provinces support driver training through direct financial assistance:
  - Newfoundland and Labrador: Truck driver training provided at the provincially supported College of the North Atlantic.
  - Quebec: The Provincial government provides subsidized driver training through the CFTR (Centre de Formation en Transport Routier)

### ***Funding Assistance programs available for employers include:***

- Employment Assistance Services available to organizations to help individuals prepare, obtain and maintain employment. Services provided may include counseling, job search skills, and job placement services. A person has to be receiving EI, or recently received EI and still be unemployed.
- Targeted Wage Subsidies assist employers to hire individuals who face barriers to employment. Under normal circumstances, the wage subsidy does not exceed 60% of the total wages paid to the individual for the period of the agreement. A person has to be receiving EI, or recently received EI, and is still unemployed.
- Job Creation Partnerships provide funding to employers to cover wages and employment related costs. A person has to be receiving EI, or recently received EI and is still unemployed.

***Only about 10 truck driver training schools in Canada have programs meeting the 12-week requirement. The funding available only covers about 50% of the cost.***

## **What are the limitations of these programs?**

### ***Student Loan Programs limitations include;***

- A minimum program of 12-weeks is required while most driver training programs are less than this. Only about 10 truck driver training schools in Canada have programs meeting the 12-week requirement. The funding available only covers about 50% of the cost.

### ***Limitations of Skill Development Programs include:***

- The programs being limited to employment insurance eligible persons and those receiving social assistance. There are no programs for the low income earner. Many industry representatives believe the low income earner could be a significant source of new drivers.
- Programs are generally not tied to any national training standard. Participants may not receive the training they need to succeed.
- Employer training programs are seldom used by trucking companies as they do not address industry needs. These programs are aimed at developing general job readiness life style skills as opposed to the specific training trucking companies are seeking.

## Jurisdictional Issues

- Both provincial and federal governments have related funding programs. In general, these are well coordinated. In several provinces, the delivery of federal funding is handled by the province.
- The standards applying to truck driver training differ substantially by province. In some provinces, this can make it more difficult to tie financial assistance to training schools providing the required level of training, as there is little or no formal recognition of these schools.

## Importance of Meeting Industry Requirements

- Many training schools are graduating students to the skill level required to meet the requirements for obtaining a Class 1 licence (Class AZ in Ontario). However, these graduates do not meet the industry requirements for knowledge of the rules and regulations and other job skills needed to be a successful commercial driver.
- As these people do not meet industry requirements for a commercial driver, they often find difficulty finding quality employment. It is also believed these individuals have a much lower long-term retention rate within the industry.
- Industry representatives indicate lack of funding for quality training is a major roadblock for many people who would like to be a commercial truck driver. Improved access to funding should increase the number trained to industry requirements.

*Should student loan  
minimum periods  
be reduced to match  
truck driver training  
school duration?*

## Discussion

### *Student Loans*

- Should student loan minimum periods be reduced to match truck driver training school duration? This is normally a six to eight week program in most jurisdictions.
- Decreasing the 12-week minimum time requirement of student loans to match the 6 to 8 week training period of most training schools, should increase the number of individuals who use these loans to help finance their training. However, this training duration does not always provide the quality of training trucking companies are seeking.
- Opinions on those interviewed were divided. There were those who felt 12 weeks of training (8 weeks of training; 4 weeks of internship) was the minimum time period required to obtain the level of qualifications industry is seeking. Others indicated the 6 to 8 week program produces the quality of drivers industry is looking for (with industry doing follow up in-cab training) and the waiting period should be reduced accordingly.

### ***Tying funding to training standards***

- How can Government funding be better linked to training standards?
- To a considerable extent available government funding is tied to training standards. However, these training standards can vary from jurisdiction to jurisdiction, in some cases with little enforcement.
- Funds provided through the HRDSC Skills Development Program are the main source of funding for students obtaining government financial assistance. These funds are also tied to training standards, although how this is accomplished varies depending upon how the province registers training schools. As one example, Nova Scotia sets standards for their truck driver training schools and only schools training to these standards are allowed to operate. Hence those receiving funding must use these schools. In other provinces designation of approved schools can be much more tenuous.

### ***Low Income Worker***

- How to change eligibility requirements to include the “low income worker”?
- Skill development funding programs are available to those persons who are EI eligible or on social assistance. Many industry members believe the low income worker could be a major source of new drivers if similar funding was available to this group. In some cases, this individual could come from within the trucking industry; perhaps a dock worker or from the warehouse. These individuals do not have the financial capability to attend a driver training school and are not EI eligible and hence “fall through the cracks”

### ***Employer Assistance programs***

- How to make Employer Assistance programs attractive to the trucking industry?
- Available evidence indicates little use of these programs. There is some indication this is because these programs are not attractive to the trucking industry, as they are not targeted towards the in-cab training new drivers require. In some provinces, these programs are directed towards job creation, while trucking fleets may be hiring to maintain their current driver requirement and not create new jobs.
- These programs should be examined to determine how they could be made more attractive to the trucking industry. It is possible industry needs to be made more aware of these programs and, if so, an awareness strategy developed.

### *Wage Assistance Programs*

- Are wage assistance programs available to help defray in-cab training costs of new drivers?
- The industry appears to be making very limited use of any wage assistance programs to help defray the cost of training. There is limited knowledge of the existence of such programs. As well, there is apprehension by some fleets to become involved in a government program as it could turn out to be “more trouble than it is worth”. Nevertheless, several fleets quickly indicated they would certainly make full use of such a program to help train new drivers.
- The Quebec tax credit program is being extensively used by some fleets in the Province. Some form of tax credit for driver training is popular with several fleets and appear to be more acceptable than ones involving “bureaucratic red tape”.

### *Considerations for Future Direction*

- Canada Student Loans do not represent a significant funding source for truck driver training, as most driving schools do not meet the 12 week minimum requirement. As well, the funds available only cover about half of the tuition fee.
- Skills development funds available through HRSDC and their provincial counterparts represent a major funding source, with an estimated 38% of those attending truck driver training schools using this source of funding.
- Graduates trained to meet occupational standards for commercial drivers are strongly perceived to have higher long term retention rates within industry . This could mean funds spent for training are better spent training fewer drivers to the higher standards.
- While the Skill Development funding available is linked to recognized/accredited schools, a national accreditation program would strengthen this connection thereby producing more graduates meeting industry requirements.
- Intercity and international trucking fleets indicate a need for training to occupational standards followed by apprenticeship or internship to provide the quality of driver they need. Industry representatives indicate those trained to lower standards often have difficulty finding employment with a reputable trucking company and often quickly leave the industry.
- Many industry representatives indicate the “low income” worker could be a significant source of new drivers, if funding programs were available for them.
- Employer Assistance programs should be reviewed to determine how they can be made more attractive to the industry and a follow up awareness strategy developed.
- Wage subsidy programs are rarely used by industry and should be promoted to industry from a federal and provincial level. While some fleets indicated they are leery of such programs, others are ready to endorse them. A tax credit system was felt to be a popular approach.

**Questions for Discussion**

- How can the linkages between funding programs and schools training to industry standards be strengthened? How can this be tied to a national accreditation program?
- How can Employer Assistance Programs and Wage Subsidy Programs be made more attractive to industry? Is an awareness strategy required?
- How can programs for low income workers be developed?

**Source:**

*Canada's Driving Force  
Driver Training and  
Employment Assistance  
Programs Report*

**Note:**

*Since this summary was  
prepared changes in  
programs have occurred.*

*While the exhibit has  
been updated to reflect  
some of these changes,  
it does*

*not necessarily  
reflect all the changes  
that may have occurred.*

**APPENDIX A**

**SUMMARY OF FEDERAL AND PROVINCIAL  
FINANCIAL ASSISTANCE PROGRAMS**

**EXHIBIT A.1**

Program	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
HRSDC direct delivery of Skill Development, Self-employment, Wage Subsidy and Job Creation Partnership Programs.	Yes	Yes	Yes	HRSDC providing EI funds for provincially delivered programs	HRSDC providing EI funds for provincially delivered programs
Canada and Provincial Student Loans	Approved minimum 12 week programs.	Approved minimum 12 week programs.	Approved minimum 12 week programs.	Approved minimum 12 week programs.	Depends on program and institution.
Provincial programs for EI Eligible persons	None. See HRSDC programs above	None. See HRSDC programs above	None. See HRSDC programs above	Training and Skills Development Program	Social integration measures
Provincial Programs for Social Assistance Recipients	Employment Generation Program.	Job Creation and Employment Enhancement Programs.	Employment Support Services Program	Social Assistance Program	Social integration measures
Other Truck Driver Training Initiatives	Provincially supported College of the North Atlantic	None identified during course of project	Nova Scotia Human Resources Sector Council provides advisory services on training and program needs as well as screening of training candidates.	Provincial program for candidate screening and training recently ended.	Provincial government subsidizes driver training through driver training centres.

**SUMMARY OF FEDERAL AND PROVINCIAL  
 FINANCIAL ASSISTANCE PROGRAMS**

Program	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
HRSDC direct delivery of Skill Development, Self-employment, Wage Subsidy and Job Creation Partnership Programs.	Yes (in process of being transferred to the Province)	HRSDC providing EI funds for provincially delivered programs	HRSDC providing EI funds for provincially delivered programs	HRSDC providing EI funds for provincially delivered programs	Yes
Canada and Provincial Student Loans	Approved minimum 12 week programs.	Approved minimum 12 week programs	Approved minimum 12 week programs	Depends on program and institution	Depends on program and institution
Provincial programs for EI Eligible persons	None. See HRSDC programs above	Employment Skills Training Program	Skills Training Benefit.	Skills Development Program	None. See HRSDC programs above
Provincial Programs for Social Assistance Recipients	Job Connect	Employment Skills Training Program	Provincial Training Allowance	Skills Development Program	Employability Skills program
Other Truck Driver Training Initiatives	None identified	Manitoba Trucking Industry Education Advisory Committee recently terminated.	None identified	Driver training available through Keyano College	None identified