



April 27, 2023

To: The Honorable Julie Fahey, Chair  
and members of the House Committee on Rules

Re: HB 3254 – Semiconductor Talent & Research

From: Kyle Ritchey-Noll, Education & Workforce Policy Director, OBC

Chair Fahey and members of the House Committee on Rules,

For the record, my name is Kyle Ritchey-Noll, and I am the Education & Workforce Policy Director for the Oregon Business Council. I appreciate the opportunity to be here today to provide an overview of HB 3254, a semiconductor talent and research package that will help Oregon build and retain a diverse, world-class semiconductor workforce.

Before I describe the bill, I'd like to share some context that helped shape the legislation.

Last year as part of the Semiconductor Competitiveness Task Force, I staffed the Talent and Workforce Subcommittee.

Through that process, we learned that the success of Oregon's semiconductor industry depends on building and attracting a world-class workforce. Talent is often called out by companies as a top factor driving decisions about where to invest.

Oregon begins in a strong position. Oregon is home to 15 percent of the national semiconductor workforce. In terms of employment, we trail only California and Texas.

Despite these strengths, talent shortages remain a serious constraint for semiconductor manufacturers in the state.

Although many think of the semiconductor workforce as either highly specialized engineers with PhDs or cleanroom employees in bunny suits, Oregon's semiconductor workforce is quite diverse. About 44% of the semiconductor workforce have high school or community college degrees and credentials, 30% have bachelors, and 26% have graduate degrees.

Oregon's education systems are producing high-quality graduates, but not enough to meet the industry's large and growing demand.

The CHIPS Act and the Legislature's recent passage of SB 4 are already spurring expansion of Oregon's semiconductor industry, making support for technology talent development even more urgent.

HB 3254 is built on the recommendations outlined by the Semiconductor Competitiveness Task Force.

It calls for the creation of a statewide Semiconductor Industry Advisory Committee, composed of representatives from the semiconductor industry, education institutions, workforce organizations, and community-based organizations, to collaborate around workforce needs. This group is modeled after the successful Engineering Technology Industry Council (ETIC) created by the Legislature in 1997 that helped triple engineering graduates and research in Oregon.

The Advisory Committee will work with the HECC to develop a comprehensive statewide strategy to guide investments and build education pathways and research capacity to create employment opportunities, advance a more diverse workforce, and improve the productivity of the industry.

It also directs the HECC to establish the Semiconductor Talent Sustaining Fund to provide investments in education, training, and research. The advisory committee will make recommendations to the HECC on how to allocate the funds.

HB 3254 outlines a semiconductor talent and research investment package in three areas across the P-20 education and workforce continuum:

1. STEM Education and Work-based Learning – expanding STEM education and work-based learning, and increasing awareness of STEM career pathways, especially for historically underrepresented youth and adults - \$10 million
2. Workforce Training – build capacity and strengthen semiconductor workforce training at the prebaccalaureate level at our community colleges - \$20 million
3. Advanced Degrees and Research – build capacity and strengthen baccalaureate and graduate degrees and research at our universities - \$30 million

In addition, HB 3254 includes direct funding requests from Representative Bynum to support minority businesses and workforce development activities to reach communities that have been historically underrepresented in the semiconductor industry.

HB 3254 is an investment in Oregon's future workforce. I urge your support. Thank you for your time and I'd be happy to answer any questions you may have.