House Bill 4154

Sponsored by Representatives PHAM H, SOSA, WALLAN, BYNUM, DIEHL, LIVELY, NERON, WALTERS, Senators CAMPOS, KNOPP, SOLLMAN; Representatives BOWMAN, DEXTER, GOMBERG, GRAYBER, HELM, HUDSON, LEVY E, MANNIX, MCINTIRE, NGUYEN D, NGUYEN H, OSBORNE, RESCHKE, REYNOLDS, RUIZ, Senators DEMBROW, FREDERICK, HANSELL, JAMA, MEEK, WOODS (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.** The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Creates a fund to help the electronic chip industry. The Act becomes law 91 days after adjournment. (Flesch Readability Score: 63.8).

Establishes the Semiconductor Talent Sustaining Fund and subaccounts of the fund. Requires the Higher Education Coordinating Commission to allocate moneys from the fund and subaccounts to provide education, training and research to assist the semiconductor industry.

Requires the commission to establish a statewide semiconductor industry consortium for the purpose of developing a comprehensive statewide strategy to guide investments and build educational pathways and research capacity for the semiconductor industry and to make recommendations to the commission on how best to allocate moneys in the Semiconductor Talent Sustaining Fund and subaccounts.

Requires the consortium to submit a report to the Legislative Assembly every two years detailing progress and investments made to improve semiconductor education and research.

Requires the commission to award a series of grants to identified entities.

Sunsets the Semiconductor Talent Sustaining Fund and subaccounts on January 2, 2030.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to semiconductors; and prescribing an effective date.

Whereas the federal Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act of 2022, commonly called the CHIPS and Science Act, plans to boost domestic research and manufacturing of semiconductors in the United States; and

Whereas the Oregon Semiconductor Competitiveness Task Force produced recommendations to take advantage of a once-in-a-generation opportunity for equitable prosperity by intentionally creating jobs and investments for a stronger state economy; and

Whereas the Oregon Legislative Assembly's passage of Senate Bill 4 in 2023 directed funding through a competitive process to be utilized by companies applying for CHIPS grants for investments in the Oregon manufacturing facilities and workforces; and

Whereas the Governor has announced SB 4 applications create a potential demand for over 6,000 new semiconductor-related jobs, and there is an urgent need to create semiconductor talent pathways across Oregon's education system, from K-12 STEM through community colleges and universities; and

Whereas Oregon State University, along with the University of Oregon and the Oregon Health and Science University, has a federal planning grant directly related to semiconductors, including a Tech Hub designation focused on microfluidics technologies, that proposes to develop an ecosystem that stimulates, drives and supports commercialization of microfluidics-connected technologies in the focus areas of semiconductor thermal management and high-performance computing, biotechnology, advanced energy technologies, and advanced materials and manufacturing; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

Whereas Oregon State University has an additional federal planning grant to develop a Regional Innovation Engine, in partnership with other universities, community colleges and industry partners throughout Oregon, Washington and Idaho, to advance semiconductor technologies, accelerate workforce development programs and reach populations and areas traditionally underserved in the industry; and

Whereas combined, these two programs could bring over $200 million in federal funding into the region and include significant workforce development; and

Whereas fulfilling the Oregon Semiconductor Competitiveness Task Force's recommendations to expand capacity to serve the semiconductor talent pipeline will enable companies to make good on their pledges to invest up to $40 billion in Oregon communities and hire 6,000 new employees; and

Whereas expanded capacity to serve and expand the semiconductor talent pipeline will be instrumental to securing additional federally supported industry investments based on CHIPS and Science Act requirements and industry requirements for talent availability; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Higher Education Coordinating Commission shall establish a statewide semiconductor industry consortium that is composed of representatives from the semiconductor industry, educational institutions, workforce organizations and community-based organizations.

(2) The consortium established under subsection (1) of this section shall:

(a) Develop a comprehensive statewide strategy to guide investments and build educational pathways and research capacity for the semiconductor industry in a manner that:

(A) Addresses the semiconductor industry's most demonstrated and pressing needs;

(B) Advances a more diverse workforce, with a focus on increasing career opportunities for historically underrepresented youth and adults;

(C) Utilizes the information compiled in and recommendations made by the commission's semiconductor talent and workforce investment assessment;

(D) Produces the greatest educational benefit with the least short-term and long-term cost to the public;

(E) Avoids duplicating existing public or private resources;

(F) Leverages existing and future private and federal resources for the public benefit;

(G) Makes investments with measurable outcomes to ensure strong linkage between the most urgent semiconductor education needs and the implemented solutions;

(H) Maximizes the leverage of state investment funds to build faculty and program capacity and share existing and new faculty and program resources; and

(I) Creates new economic growth and pathways to opportunity across the state; and

(b) Make recommendations to the commission on how best to allocate moneys deposited into the Semiconductor Talent Sustaining Fund established in section 2 of this 2024 Act and the subaccounts of the fund. These recommendations must include:

(A) Criteria and measurements for the commission to use when allocating moneys; and

(B) Recommendations for future funding requests that the commission should make to the Legislative Assembly.

(3)(a) The commission shall allocate moneys from the Semiconductor Talent Sustaining Fund established in section 2 of this 2024 Act, and the subaccounts of the fund, to provide education, training and research to assist the semiconductor industry in:

(A) Propelling industry innovation and productivity; and

(B) Providing careers to residents of this state who receive technical certificates, credentials, technical degrees, associate degrees, bachelor's degrees and graduate-level degrees in fields related to semiconductors.

(b) When making allocations under this subsection, the commission must consider the recommendations made by the consortium under subsection (2)(b) of this section. If the commission elects not to follow one or more recommendations made by the consortium, the commission shall submit a written explanation for its decision to the consortium.

(4) No later than January 2, 2025, and at least once every two years thereafter, the consortium shall submit a report in the manner provided by ORS 192.245 to the interim committees of the Legislative Assembly related to business and labor, detailing the progress and investments made to improve semiconductor education and research under this section.

SECTION 2. (1) The Semiconductor Talent Sustaining Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Semiconductor Talent Sustaining Fund shall be credited to the fund.

(2) Moneys in the Semiconductor Talent Sustaining Fund shall consist of:

(a) Amounts donated to the fund from individuals, private organizations and state or federal governmental entities;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(c) Interest earned by the fund.

(3) Moneys in the fund are continuously appropriated to the Higher Education Coordinating Commission for the purposes of supporting the semiconductor industry in the manner described in section 1 (3) of this 2024 Act.

SECTION 3. (1) There is established within the Semiconductor Talent Sustaining Fund the STEM Education and Work-Based Learning Subaccount. Interest earned by the STEM Education and Work-Based Learning Subaccount shall be credited to the subaccount.

(2) Moneys in the STEM Education and Work-Based Learning Subaccount shall consist of:

(a) Amounts donated to the subaccount from individuals, private organizations and state or federal governmental entities;

(b) Amounts appropriated or otherwise transferred to the subaccount by the Legislative Assembly; and

(c) Interest earned by the subaccount.

(3) Moneys in the subaccount are continuously appropriated to the Higher Education Coordinating Commission for the purposes of supporting the semiconductor industry in the manner described in section 1 (3) of this 2024 Act, with a particular focus on expanding STEM education and work-based learning, and increasing awareness of STEM career pathways.

SECTION 4. (1) There is established within the Semiconductor Talent Sustaining Fund the Workforce Training Subaccount. Interest earned by the Workforce Training Subaccount shall be credited to the subaccount.

(2) Moneys in the Workforce Training Subaccount shall consist of:

(a) Amounts donated to the subaccount from individuals, private organizations and state or federal governmental entities;

(b) Amounts appropriated or otherwise transferred to the subaccount by the Legislative Assembly; and

(c) Interest earned by the subaccount.

(3) Moneys in the subaccount are continuously appropriated to the Higher Education Coordinating Commission for the purposes of supporting the semiconductor industry in the manner described in section 1 (3) of this 2024 Act, with a particular focus on building capacity and strengthening workforce training for the semiconductor industry at the prebaccalaureate level.

SECTION 5. (1) There is established within the Semiconductor Talent Sustaining Fund the Advanced Degree Workforce Training Subaccount. Interest earned by the Advanced Degree Workforce Training Subaccount shall be credited to the subaccount.

(2) Moneys in the Advanced Degree Workforce Training Subaccount shall consist of:

(a) Amounts donated to the subaccount from individuals, private organizations and state or federal governmental entities;

(b) Amounts appropriated or otherwise transferred to the subaccount by the Legislative Assembly; and

(c) Interest earned by the subaccount.

(3) Moneys in the subaccount are continuously appropriated to the Higher Education Coordinating Commission for the purposes of supporting the semiconductor industry in the manner described in section 1 (3) of this 2024 Act, with a particular focus on building capacity and strengthening workforce training for the semiconductor industry at the baccalaureate, graduate and research levels.

SECTION 6. Sections 1 to 5 of this 2024 Act are repealed on January 2, 2030.

SECTION 7. In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium ending June 30, 2025, out of the General Fund, the amount of $14,900,000 for the following purposes:

(1) A $3,000,000 grant to the University of Oregon to expand and modernize training facilities for workforce development related to the semiconductor industry;

(2) A $2,900,000 grant to Portland State University to establish a center for semiconductor research, education and workforce development;

(3) A $3,000,000 grant to Oregon State University to invest in semiconductor infrastructure including faculty, graduate students, equipment and curriculum development;

(4) A $1,000,000 grant for Oregon Institute of Technology for semiconductor manufacturing training facilities in Klamath Falls;

(5) A $2,500,000 grant to Portland Community College to:

(a) Increase career readiness connections for students in high school and adult learners;

(b) Expand stackable micro-credential, certificate and apprenticeship programs;

(c) Provide tuition assistance and support to students pursuing semiconductor workforce training; and

(d) Support faculty and staff; and

(6) A $2,500,000 grant to Mt. Hood Community College to build the semiconductor career pipeline, with a focus on historically underserved populations, through career awareness, expansion of stackable credentials, increasing skills of incumbent workers, tuition assistance and support to students, supporting faculty and staff.

SECTION 8. The Semiconductor Talent Sustaining Fund established under section 2 of this 2024 Act, and all subaccounts of the fund, are abolished. Any moneys remaining in the fund or subaccounts on the operative date specified in section 9 of this 2024 Act shall be

transferred to the General Fund for general government purposes.

SECTION 9. Section 8 of this 2024 Act becomes operative on January 2, 2030.

SECTION 10. In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for the biennium ending June 30, 2025, out of the General Fund, the amount of $_____, for the purpose of establishing the consortium described in section 1 of this 2024 Act.

SECTION 11. In addition to and not in lieu of any other appropriation, there is appropriated to the Higher Education Coordinating Commission, for deposit into the following subaccounts of the Semiconductor Talent Sustaining Fund, for the biennium ending June 30, 2025, out of the General Fund, the following amounts:

(1) $5,000,000 shall be deposited into the STEM Education and Work-Based Learning Subaccount established in section 3 of this 2024 Act for the purposes described in section 3 of this 2024 Act;

(2) $5,000,000 shall be deposited into the Workforce Training Subaccount established in section 4 of this 2024 Act for the purposes described in section 4 of this 2024 Act; and

(3) $5,000,000 shall be deposited into the Advanced Degree Workforce Training Subaccount established in section 5 of this 2024 Act for the purposes described in section 5 of this 2024 Act.

SECTION 12. This 2024 Act takes effect on the 91st day after the date on which the 2024 regular session of the Eighty-second Legislative Assembly adjourns sine die.