



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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Bill Title: Relating to semiconductors; prescribing an effective date.

Government Unit(s) Affected: Higher Education Coordinating Commission, Office of the Governor, Oregon Business Development Department

Summary of Fiscal Impact

2023-25 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Higher Education Coordinating Commission	\$ 30,141,851	\$ -	\$ -	\$ -	\$ 30,141,851	2	1.38
Total Fiscal Impact	\$ 30,141,851	\$ -	\$ -	\$ -	\$ 30,141,851	2	1.38

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Higher Education Coordinating Commission	\$ 559,112	\$ -	\$ -	\$ -	\$ 559,112	2	2.00
Total Fiscal Impact	\$ 559,112	\$ -	\$ -	\$ -	\$ 559,112	2	2.00

Measure Description

The measure directs the Higher Education Coordinating Commission (HECC) to establish a statewide semiconductor industry consortium. The measure requires the consortium to be composed of representatives from the semiconductor industry, educational institutions, workforce organizations, and community-based organizations. The measure requires the consortium to develop a specified comprehensive statewide strategy to guide investments and build educational pathways and research capacity for the semiconductor industry.

In addition, the consortium shall submit a report, no later than January 2, 2025, and at least once every two years thereafter, 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. The measure provides a blank one-time General Fund appropriation to HECC for the 2023-25 biennium, for the purpose of establishing the semiconductor industry consortium.

The measure establishes the Semiconductor Talent Sustaining Fund, separate and distinct from the General Fund, credits interest earned back to the fund, and requires the monies to be continuously appropriated to HECC for the purpose of supporting the semiconductor industry, to provide education, training, and research to the industry. The measure establishes three subaccounts within the Semiconductor Talent Sustaining Fund, and appropriates a total of \$15 million General Fund to HECC for deposit of \$5 million into each of the subaccount:

1. The Science, Technology, Engineering, and Math (STEM) Education and Work-Based Learning Subaccount Monies in the subaccount are continuously appropriated to HECC for the purposes of supporting the semiconductor industry, with a focus on expanding STEM education and work-based learning and increasing the awareness of STEM career pathways.

Only impacts on original or engrossed versions are considered official

2. The Workforce Training Subaccount Monies in the subaccount are continuously appropriated to HECC for the purposes of supporting the semiconductor industry, with a focus on building capacity and strengthening workforce training for the semiconductor industry at the prebaccalaureate level.
3. The Advanced Degree Workforce Training Subaccount within the Semiconductor Talent Sustaining Fund and credits interest earned back to the subaccount. Monies in the subaccount are continuously appropriated to HECC for the purposes of supporting the semiconductor industry, with a focus on building capacity and strengthening workforce training for the semiconductor industry at the baccalaureate, graduate, and research level.

The provisions creating the statewide semiconductor industry consortium, Semiconductor Talent Sustaining Fund, STEM Education and Work-Based Learning Subaccount, Workforce Training Subaccount and Advanced Degree Workforce Training Subaccount are repealed on January 2, 2030. The measure directs the agency to transfer any remaining monies in the fund and subaccounts to the General Fund for general government purposes operative on January 2, 2030.

The measure provides a one-time \$14.9 million General Fund appropriation to HECC for the biennium ending June 30, 2025, for distribution to the following institutions:

- \$3 million to the University of Oregon to expand and modernize training facilities for workforce development related to the semiconductor industry.
- \$3 million to Oregon State University to invest in semiconductor infrastructure including faculty, graduate students, equipment, and curriculum development.
- \$2.9 million to Portland State University to establish a center for semiconductor research, education, and workforce development.
- \$2.5 million to Portland Community College to increase career readiness connections for students in high school and adult learners, expand stackable micro-credential, certificate, and apprenticeship programs, provide tuition assistance and support to students pursuing semiconductor workforce training, and support faculty and staff.
- \$2.5 million to Mt. Hood Community College to build the semiconductor career pipeline, through career awareness, expansion of stackable credentials, increasing skills of incumbent workers, tuition assistance and support to students, supporting faculty and staff.
- \$1 million to the Oregon Institute of Technology for semiconductor manufacturing training facilities in Klamath Falls.

Under current law, the Oregon CHIPS Fund continuously appropriates money to the Oregon Business Development Department for specified purposes. However, the measure expands recipients of the distributions to include transferring monies to the Semiconductor Talent Sustaining Fund.

Fiscal Analysis

Higher Education Coordinating Commission

The fiscal impact on HECC is \$30.1 million General Fund and two positions (1.38 FTE) for the 2023-25 biennium and \$559,112 General Fund and two positions (2.00 FTE) for the 2025-37 biennium. The agency anticipates needing one permanent Operations & Policy Analyst 3 and one Research Analyst 3 to establish and support the required work of the semiconductor industry consortium.

The Legislative Fiscal Office notes that the measure does not provide Other Funds expenditure limitation to expend the monies in the fund and subaccounts.

HECC reports the measure does not specify how much money will be transferred from the Oregon CHIP Fund. The agency reports that the additional workload for additional funding is indeterminate at this time.

Public Universities and Community Colleges

If this bill becomes law, a total of \$14.9 million will be distributed to four public universities and two community colleges. The measure directs these institutions to use the funds distributed from HECC for specified semiconductor purposes and workforce training. The additional workload for can absorbed within current resources.

Other agencies

There is no fiscal impact on the Office of the Governor or Oregon Business Development Department.

Relevant Dates

The measure takes effect on the 91st day after sine die.

The consortium is required to submit a report, no later than January 2, 2025, and at least once every two years thereafter, 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.

The provisions creating the statewide semiconductor industry consortium, Semiconductor Talent Sustaining Fund, STEM Education and Work-Based Learning Subaccount, Workforce Training Subaccount and Advanced Degree Workforce Training Subaccount sunset on January 2, 2030.