

HB 4154 -1 STAFF MEASURE SUMMARY

House Committee On Higher Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6, 2/15

WHAT THE MEASURE DOES:

The measure requires the Higher Education Coordinating Commission (HECC) to establish a statewide semiconductor industry consortium. It requires the consortium to advise the commission and report to the Legislative Assembly every two years on investments in the semiconductor industry. It also establishes the Semiconductor Talent Sustaining Fund, consisting of subaccounts for STEM education, workforce training, and advanced degree workforce training, to provide education and training in fields related to semiconductors. The measure appropriates \$14.9 million in grants to public institutions of higher education and \$15 million to the Semiconductor Talent Sustaining Fund. It repeals the consortium and abolishes the Semiconductor Talent Sustaining Fund on January 2, 2030. The measure takes effect on the 91st day after adjournment.

Detailed Summary:

Section 1: Requires HECC to establish a statewide semiconductor industry consortium. Requires the consortium to develop a comprehensive statewide strategy and make recommendations for how to allocate moneys from the Semiconductor Talent Sustaining Fund and its subaccounts. Requires HECC to allocate moneys from the Semiconductor Talent Sustaining Fund to provide education and training in fields related to semiconductors. Requires the consortium to submit a report to the Legislative Assembly on progress and investments in the semiconductor industry at the start of each biennium.

Section 2: Establishes the Semiconductor Talent Sustaining Fund.

Section 3: Establishes the STEM Education and Work-Based Learning Subaccount. Specifies that funds in this subaccount will be appropriated to HECC for the purpose of expanding science, technology, engineering, and mathematics (STEM) education and work-based learning.

Section 4: Establishes the Workforce Training Subaccount. Specifies that funds in this subaccount will be appropriated to HECC for the purpose of building capacity and strengthening workforce training at the prebaccalaureate level.

Section 5: Establishes the Advanced Degree Workforce Training Subaccount. Specifies that funds in this subaccount will be appropriated to HECC for the purpose of building capacity and strengthening workforce training at the baccalaureate, graduate, and research levels.

Section 6: Repeals Sections 1 through 5 on January 2, 2030.

Section 7: Appropriates \$14.9 million General Fund to HECC, to be distributed in the following grant amounts:

- \$3 million to the University of Oregon;
- \$2.9 million to Portland State University;
- \$3 million to Oregon State University;
- \$1 million to Oregon Institute of Technology;
- \$2.5 million to Portland Community College;
- \$2.5 million to Mt. Hood Community College.

Specifies purpose of grant for each institution.

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Section 8 and 9: Abolishes Semiconductor Talent Sustaining Fund and subaccounts on January 2, 2030, and reverts any remaining moneys to the General Fund.

Section 10: Provides a blank appropriation to HECC for the purpose of establishing the statewide semiconductor industry consortium in Section 1.

Section 11: Appropriates \$5 million General Fund to each subaccount of the Semiconductor Talent Sustaining Fund for the 2023-2025 biennium.

Section 12: Takes effect on the 91st day after adjournment.

ISSUES DISCUSSED:

- Ability to leverage federal funds
- Opportunities for hands on learning and early exposure
- Ability to address immediate and future labor needs

EFFECT OF AMENDMENT:

-1 The amendment exempts Oregon CHIPS grant recipients that receive certain federal assistance from requirements to generate revenue or jobs in Oregon. It also permits Business Oregon to fund the Semiconductor Talent Sustaining Fund using Oregon CHIPS Funds.

Detailed Summary:

Exempts programs that receive assistance from the federal National Semiconductor Technology Center (NSTC) from sections of Senate Bill 4 (2023) that require the recipients of state semiconductor grants to generate minimum amounts of state and local revenue or to create a minimum number of Oregon jobs. Permits the Oregon Business Development Department (Business Oregon) to transfer moneys in the Oregon CHIPS Fund to the Semiconductor Talent Sustaining Fund.

BACKGROUND:

In July 2022, Congress passed the \$52 billion Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act to strengthen domestic semiconductor manufacturing, design and research, fortify the economy and national security, and reinforce America's chip supply chains. In response, the Oregon Semiconductor Readiness Task Force (Task Force) convened, led by U.S. Senator Ron Wyden, former Governor Kate Brown, and Portland General Electric President Maria Pope. The Task Force was charged with analyzing the state of the semiconductor industry in Oregon and developing a strategy to secure CHIPS Act funds to expand Oregon's semiconductor design and manufacturing sector. The Task Force released a [report](#) on its initial findings in August 2022.

[Senate Bill 4 \(2023\)](#) established the Oregon CHIPS fund to provide grants and loans to qualifying businesses for the purpose of growing the semiconductor and advanced manufacturing industry in Oregon. The measure appropriated \$190 million to support loans and grants from the Fund; \$10 million for the University Innovation Research Fund; and \$10 million for the Industrial Lands Loan Fund.