

HB 4154 A STAFF MEASURE SUMMARY

House Committee On Higher Education

Action Date: 02/15/24

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Bowman, Elmer, Hudson, Lively, Mannix, McIntire, Ruiz, Sosa, Wright

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Ellen O'Brien, LPRO Analyst

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 establishes requirements for the consortium as well as the Semiconductor Talent Sustaining Fund. It appropriates \$14.9 million in grants to public institutions of higher education and \$15 million to the Semiconductor Talent Sustaining Fund. It exempts Oregon CHIPS Fund grant recipients that receive certain federal assistance from requirements in [Senate Bill 4 \(2023\)](#) to generate revenue or jobs in Oregon. 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.

HB 4154 A STAFF MEASURE SUMMARY

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.

Section 8 and 9

Abolishes the Semiconductor Talent Sustaining Fund and its 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

Adds assistance from the National Semiconductor Technology Center (NSTC) to the types of federal assistance for which the Oregon CHIPS Fund can be used to apply. Exempts programs that receive assistance from the 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 permanent, full-time jobs in Oregon with above-average pay.

Section 13

Permits the Oregon Business Development Department (Business Oregon) to transfer moneys in the Oregon CHIPS Fund to the Semiconductor Talent Sustaining Fund.

Section 14

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
- Provisions of amendment
- Intent to allow flexibility for unspent funds in the Oregon CHIPS Fund

EFFECT OF AMENDMENT:

The amendment expands the types of federal assistance for which the Oregon CHIPS Fund can be used to apply. It exempts Oregon CHIPS Fund grant recipients that receive certain federal assistance from requirements in [Senate Bill 4 \(2023\)](#) to generate revenue or jobs in Oregon. It also allows Business Oregon to fund the Semiconductor Talent Sustaining Fund using the Oregon CHIPS Fund.

BACKGROUND:

HB 4154 A STAFF MEASURE SUMMARY

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. [15 U.S.C. 4656\(c\)](#) establishes the National Semiconductor Technology Center (NSTC), a public-private consortium that is one of four research and development programs created by the federal CHIPS and Science Act. The U.S. Department of Commerce announced the signing of a formal agreement to establish the NSTC consortium on [February 9, 2024](#).

[Senate Bill 4 \(2023\)](#) established the Oregon CHIPS Fund to provide grants and loans to qualifying businesses for the purpose of securing CHIPS and Science Act funds and 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. Senate Bill 4 (2023) Section 1(4) requires the recipient of a grant or loan from the Oregon CHIPS Fund to either 1) generate a total of at least \$1.25 million in state and local revenues for every \$1 million in funds received or 2) commit to the creation of new jobs in Oregon that are primarily permanent, full-time positions and pay at least the average median income for the region of the state where they are located.