FACT SHEET:

Supporting Regional Semiconductor Industry Growth through Workforce Partnerships

With an estimated need for 90,000 skilled technicians in the U.S. by the year 2030, and a need for more than 100,000 construction workers across the country to build new semiconductor manufacturing facilities, investing in sustainable workforce development strategies is important to meet the national security and economic objectives of the CHIPS and Science Act.

To ensure that semiconductor companies in the U.S. have the workforce necessary for advancing individual projects, CHIPS for America is allocating dedicated workforce funds across its investment portfolio. This proposed funding—approximately $190 million of which has already been included in preliminary announcements—will seed strategic workforce development efforts in regions across the country and support CHIPS-funded facilities. CHIPS workforce investments will both complement private funds allocated by companies and spur the development of robust workforce ecosystems to support scaling up industry and cluster growth. They will also build on the historic funding that the Biden-Harris Administration has deployed to creating equitable workforce development pathways in construction and advanced manufacturing—including nine workforce hubs around the country that intermediaries will leverage to form connections.

To implement this strategy, the Department of Commerce is working with companies to help them identify and utilize workforce intermediaries, a promising practice in workforce development. Workforce intermediaries will help mobilize the regional workforce ecosystems necessary for supporting both the construction and facility workforces of large-scale semiconductor investments. By collaborating with a variety of strategic partners, intermediaries will create connective tissue in the community for recruiting workers and creating pipelines to good jobs, especially for economically disadvantaged individuals. The Department of Commerce is utilizing this partnership model in regions across the country to ensure companies can meet their projected hiring needs, mitigate disruptions to project implementation, and develop long-term, self-sustaining semiconductor workforce development ecosystems that will continue to serve the semiconductor industry.

What is a workforce intermediary?

- Workforce intermediaries are neutral, trusted, and credible entities in the region that have established relationships with solution providers such as industry associations, workforce or economic development organizations, labor unions, non-profit/philanthropies, state or local workforce boards, and educational institutions such as community colleges.
- A workforce intermediary is a backbone organization that brings industry together with a full range of strategic partners in a regional workforce system, which helps stakeholders address shared workforce problems by aligning on a strategy and resources to meet hiring goals and needs.
- Workforce intermediaries convene and coordinate with stakeholders across a region's workforce ecosystem including education and training providers, labor unions, and community-based organizations and other non-profits that work with economically disadvantaged
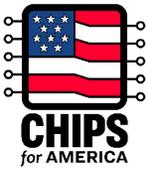
individuals to develop collaborative, performance-based strategies for meeting workforce needs while creating new pathways to good jobs.

- By using an intermediary model, a region can create a sustainable approach to workforce development that produces effective workforce solutions that are aligned and integrated to benefit companies and local communities in the long-term.

What will CHIPS workforce partnerships look like?

- The Department of Commerce will provide dedicated workforce development funding as part of the funding terms with select CHIPS incentives recipients to support projects where the CHIPS Program Office has identified strategically critical workforce needs, with a particular focus on leading-edge manufacturing clusters.
- As a condition of the workforce funding, the company will be required to enter into an agreement with one or more workforce intermediaries in its host region(s) to implement the workforce strategy for the awarded project and expend federal funds on workforce development.
- Workforce intermediaries will consult a variety of strategic partners (such as regional educational and training providers, institutions of higher education, child care providers, community-based organizations, and labor unions), and create partnerships to develop workforce solutions to meet company needs.
- The CHIPS Program Office will work with the selected workforce intermediary/intermediaries and company on an ongoing basis to ensure alignment and effectiveness of the workforce strategy to meet recruiting, training, hiring, and retention needs and to support the growing regional industry cluster.

How do intermediaries accelerate and sustain cluster economic development?

- The workforce intermediary will utilize dedicated CHIPS workforce funding to seed and scale effective workforce solutions in regional semiconductor industry clusters.
- The regional partnerships developed by intermediaries will remain flexible and iterate as needed to adjust alongside evolving company and cluster needs as well as community capacity.
- This collaborative model aims to foster an effective and impactful workforce strategy that will also incent and leverage follow-on funding from the public, private, and philanthropic sectors – making the CHIPS investment sustainable in the long-term for the community and the semiconductor industry cluster.

What are the expectations of each partner?

Department of Commerce will:

- Provide initial seed funding for the workforce intermediary and workforce solutions selected by the company;
- Deliver the framework for developing world-class workforce clusters and help develop the core elements that best align with regional opportunities;
- Serve as a resource to companies and workforce intermediaries to ensure this collaborative model is durable and embraced across the region's industry ecosystem;
- Provide technical assistance to companies and selected intermediaries to help them effectively deploy workforce funds and execute this strategy; and
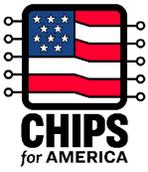
- Link regions to a national network of intermediaries to benefit from shared best practices, including facilitating opportunities to collaborate with the National Semiconductor Technology Center Workforce Center of Excellence.

Semiconductor Manufacturing Companies will:

- Select an entity or entities in the region to serve as workforce intermediaries that can best ensure workforce performance goals are achieved and that federal funds are used for authorized purposes;
- Choose workforce solutions from options presented by the workforce intermediary for receipt of funding based on their ability to deliver specific solutions for recruiting, training, child care, and other wraparound services; and
- Designate points of contact to monitor the activities of each intermediary and lead the company's work on a day-to-day basis to conceive, develop, and approve workforce solutions.

Workforce Intermediaries will:

- Convene strategic partners in the region such as but not limited to labor unions, education and training providers, and state and local workforce development boards, who will train and support workers in the region to align people and activities, and define clear measures of success;
- Develop solutions that meet company workforce needs with strategic partners and execute agreements with those entities to provide solutions based on specific performance outcomes and budgets;
- Conduct data collection and sharing and provide performance reports on the effectiveness of the workforce solutions, amending the regional approach as needed; and
- Pursue additional funds for workforce solutions through a mixture of public, private, and philanthropic sources for ongoing implementation.

More on Workforce Intermediaries

- For more resources on workforce intermediaries, please see the CHIPS for America Workforce Development Planning Guide.