

## Funding Opportunity – Commercial Fabrication Facilities

### FACT SHEET:

### Building a Skilled and Diverse Workforce

On February 28, 2023, the CHIPS Program Office released its first funding opportunity to boost domestic semiconductor manufacturing, solidify America’s technological leadership, and promote U.S. economic and national security. This funding opportunity seeks applications for projects for the construction, expansion, or modernization of commercial facilities for the fabrication of leading-edge, current-generation, and mature-node semiconductors, including both front-end wafer fabrication and back-end assembly, testing, and packaging.

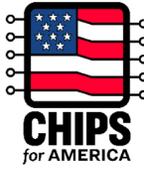
Recruiting, training, and retaining a large, skilled, and diverse workforce will be critical to strengthening the U.S. semiconductor ecosystem. The CHIPS Program Office estimates that building and operating the semiconductor fabrication facilities eligible for awards under the first funding opportunity could require more than 100,000 construction workers to build the facilities and 90,000 workers to operate them. Building a semiconductor ecosystem in the United States will also require training and inspiring a generation of engineers and scientists to fuel the next generation of American innovation and manufacturing.

Delivering on the program’s national and economic security objectives therefore demands major investments in the semiconductor workforce that will support good-paying jobs across the industry. Critically, this must include significant investments to create opportunities for Americans from historically underserved communities, including people of color, people from rural communities, veterans, and women. We need all hands on deck to meet the scale of our ambition. America’s diversity is a competitive advantage, but only if everyone has an opportunity to participate and be rewarded for their talents.

## BIDEN ADMINISTRATION WORKFORCE AGENDA

**The first funding opportunity builds on the Department of Commerce’s broader workforce agenda under the Biden-Harris Administration.** The following overarching priorities will guide program implementation:

- **Highly effective workforce investments.** As part of its workforce development agenda, the Department of Commerce has outlined a [set of principles](#) for highly effective workforce investments. These best practices include investments that: are employer-led, to ensure skilled workers are connected to quality job opportunities; are guided by multiple, empowered community partners, including labor unions and educational institutions; employ wraparound services to support individuals from underserved and economically disadvantaged communities; increase educational and workplace diversity, equity, and inclusion; prioritize proven earn-and-learn models like Registered Apprenticeships; lead to stackable, industry-recognized credentials; and measure and evaluate outcomes such as workers’ employment and earnings.
- **Biden Administration’s Good Jobs Principles.** The Department of Commerce, alongside the Department of Labor, has published a set of Good Jobs Principles, which will provide applicants with a framework to ensure that they are creating high quality jobs. The [Good Jobs Principles](#) outline the essential elements



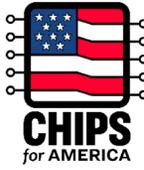
of a good job with respect to recruitment and hiring; benefits; diversity, equity, inclusion, and accessibility; empowerment and representation; job security and working conditions; organizational culture; pay; and skills and career advancement. These principles make clear that workers should be able to form and join unions; have a safe, healthy, and accessible workplace; and have job security without arbitrary or discriminatory discipline or dismissal.

- **Women in construction.** Secretary Raimondo launched the Million Women in Construction initiative to bring one million women into the construction industry over the next decade, roughly doubling women’s representation in the industry. Of the 11.3 million construction workers in the United States, only 1.2 million are women. Applicants for CHIPS funding will be asked to take action to conduct outreach to and retain women in construction jobs because the United States cannot build the semiconductor workforce it needs without them.

## WORKFORCE DEVELOPMENT PLANS

**Consistent with these priorities, companies seeking CHIPS funding will be required to submit workforce development plans for the workers who will operate their facilities.**

- **Facility workforce plan.** The plan must have the following five elements: (1) a workforce needs assessment, including an assessment of job types, skills, and workers required over time; (2) strategies for worker recruitment and retention, including plans to address well-known workplace barriers; (3) the applicant’s approach to meeting the Good Jobs Principles published by the Departments of Commerce and Labor; (4) commitments to provide workforce training and wraparound services, including programming for training and job placement for economically disadvantaged individuals; and (5) the core milestones the program aspires to achieve, as well as metrics and processes to measure, track, and report publicly on these goals and commitments. The plan should also detail the applicant’s engagement with strategic partners, as described below.
- **Consultation, engagement, and coordination with workforce partners.** Applicants will also be required to consult, engage, and coordinate with workforce partners—including educational institutions, training providers, community-based organizations, labor unions, career and technical education organizations, and public-sector organizations—in formulating their workforce plans. The CHIPS Program Office expects that applicants will engage with each of these groups, at a minimum, in formulating their plan, as projects are most likely to succeed in creating a high-skilled and inclusive workforce by committing to close and ongoing coordination with on-the-ground stakeholders. Strong workforce development plans will lay out clear governance, roles, and responsibilities among these groups to create a coordinated and effective workforce system. Applicants should also demonstrate a vision for long-term sustainability by engaging with educational institutions that will be key to training the next generation of workers, including working with K-12 institutions to develop and strengthen career and technical education programs.
- **Sectoral partnerships.** The CHIPS Program Office considers essential and strongly encourages the development of sectoral partnerships to ensure that immediate and long-term pathways are created for local workforces to operate facilities. In strong applications, sectoral partnerships will drive the workforce development plan. A sectoral partnership is a systems-level approach to equitable workforce development that aligns employer demand for a skilled workforce with available workers by bringing together a range of key partners to train and place workers into high-quality jobs. Strategic partners can include state and local governments; educational institutions, such as K-12 institutions and community



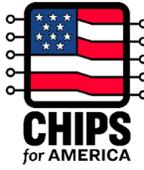
colleges; training organizations; labor unions; industry associations; and other entities that can help meet regional workforce needs.

- **Combatting harassment, discrimination, and retaliation.** As part of their recruitment and retention plans, applicants are expected to guarantee all workers access to a safe environment that is free of harassment, discrimination, and retaliation; set clear expectations about workplace conduct and anti-harassment policies, including consequences for violating policies; and establish clear procedures for reporting misconduct in the workplace. In addition, the CHIPS Program Office seeks applicants that commit to policies such as skills-based hiring and removing degree requirements, setting diverse hiring slate policies, and eliminating personal and demographic information from the hiring process.
- **Removing barriers to equity, including through wraparound services.** To ensure that companies are accessing a diversity of talent, applicants are expected to lay out a robust plan for outreach and recruiting. In addition, applicants must describe any wraparound services—such as adult care, transportation assistance, or housing assistance—they will use to increase access to and completion of training.
- **Support for career technical education, Registered Apprenticeships and other work-and-learn programs, and proven training models.** Workforce development plans should include commitments to provide workforce training on the job or in conjunction with a training partner connected to jobs the employer is aiming to fill. Plans should include a particular focus on training for economically disadvantaged individuals and underrepresented groups in the semiconductor industry. Applicants should strongly consider partnering with programs that train workers with the needed skills and then connect workers to good jobs, such as Registered Apprenticeships and other work-and-learn programs; programs at community and technical colleges with a successful track record of putting students into good jobs; and career pathways programs in high schools.

## CONSTRUCTION WORKFORCE PLANS & PROJECT LABOR AGREEMENTS

**The funding opportunity will also require applicants to submit a construction workforce plan and strongly encourages the use of project labor agreements.**

- **Construction Workforce Plan.** Each applicant will be required to submit a construction workforce plan that includes a detailed description of the steps that will be taken by the applicant and their construction partners to recruit, hire, train, and retain a diverse and skilled construction workforce. The construction workforce plan will include the same five elements discussed above: a workforce needs assessment, strategies for worker recruitment and retention, an approach to meeting the Good Jobs Principles, plans for workforce training and wraparound services, and metrics. The plan should also include identification of existing programs that successfully train diverse populations and that can be scaled appropriately, including high-quality apprenticeship readiness programs and Registered Apprenticeships. In addition, the construction workforce plan must include information regarding wages and project labor agreements (PLAs).
- **Prevailing wage.** Consistent with the CHIPS Act and the Davis-Bacon Act, laborers and mechanics on CHIPS-funded projects must receive wages at rates not less than those prevailing on similar projects in the locality.



- **Project Labor Agreements.** Applicants are strongly encouraged to use PLAs in connection with their construction projects. PLAs help secure the skilled and trained workforce required to complete a high-quality project on schedule; encourage increased apprentice utilization, local hiring, and the employment of veterans, women, and people from disadvantaged communities; and facilitate compliance with labor and employment standards and laws, as well as regulations governing safety and health. In addition, PLAs include provisions on apprenticeship and pre-apprenticeship programs that enable workers to “earn while they learn” and put them on the path to becoming highly skilled construction workers. Applicants that do not commit to using a PLA will be required to submit workforce continuity plans and show that they have taken other measures to reduce the risk of delays in project delivery.

## ACCESS TO CHILD CARE

**In addition to submitting workforce development plans, applicants requesting Direct Funding over \$150 million must submit a plan to provide their facility *and* construction workers with access to child care.** This first-of-its kind commitment will be essential to getting people—especially women—into the workforce. A recent review of research on child care costs and women’s labor supply found that a 10 percent decrease in the cost of child care leads to a 0.5 to 2.5 percent increase in maternal employment. That effect is even stronger for mothers with lower incomes. If women participated in the labor force at the same rate as men, there would be more than 10 million additional workers. Making it easier for women to join the workforce will therefore be critical to the success of individual projects and of the program as a whole. Applicants that request less than \$150 million are very strongly encouraged to provide access to child care.

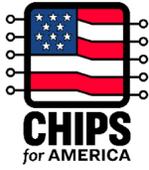
Applicants for funding should submit a plan to provide access to child care that is:

- **Affordable, accessible, reliable, and high quality.** Child care should be within reach for low- and medium-income households, be located at a convenient location with hours that meet workers’ needs, grant workers confidence that they will not need to miss work for unexpected child care issues, and provide a safe and healthy environment that families can trust.
- **Responsive to workers’ needs.** The CHIPS Program Office recognizes that care needs will vary across communities and employers. It expects applicants to devise solutions that are responsive to their workers’ needs, such as providing access at extended hours and addressing both supply and demand constraints in their communities. In addition, the CHIPS Program Office encourages applicants to craft access to child care plans in tandem with community stakeholders, including state and local governments and local groups with expertise administering child care.

## COMPLIANCE, MONITORING, AND ACCOUNTABILITY

**Finally, the CHIPS Program Office will ensure that applicants stick to their workforce commitments.**

- **Compliance with federal employment and labor laws.** All applicants must comply with all applicable Federal labor and employment laws, including but not limited to Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Occupational Safety and Health Act; and the National Labor Relations Act, which states that employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.



## CHIPS for America Fact Sheet

- **Robust monitoring of workforce commitments.** Workforce commitments will be codified in the terms of an award and subject to detailed reporting requirements. Applicants' workforce development plan must include metrics and processes to measure, track, and report publicly on these goals and commitments. Awardees will be expected to collect granular data that will inform the evaluation of their workforce efforts and to help track the success of their workforce commitments. Applicants will also be expected to make data publicly available in a form that protects individual worker information, including personally identifiable information. The CHIPS Program Office will hold companies accountable to their workforce commitments, including by imposing remedies for noncompliance as appropriate in the circumstances.