



Joint Committee on Semiconductors

February 22, 2023

## Testimony Recommending Amendments to SB 4

Co-Chairs Sollman and Bynum, Vice-Chairs Knopp and Wallan, and members of the Committee,

My name is Nhi Nguyễn, Policy Analyst for the Oregon Center for Public Policy, and I respectfully submit this testimony recommending amendments to SB 4 on behalf of the Center.

The Oregon Center for Public Policy is a nonpartisan think tank dedicated to improving the economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

While creating a package to incentivize investment by the semiconductor industry, the legislature should prioritize investments in people and place rather than direct corporate subsidies. Investments to expand the state's talent pool, promote equity, and strengthen vital infrastructure would foster industry growth.

We applaud the sponsors of SB 4 for including a set of clawbacks and guardrails to access these subsidies. This is the right approach.

However, SB 4 should be strengthened in the following ways:

- Measures of job quality should include wages above the industry average, robust benefits, and explicit safety standards. Companies receiving a direct public subsidy must be leaders in paying their employees high wages, so tying it to the region's median income is insufficient. Instead, to create a true community benefit, they should be required to pay more than the semiconductor industry's regional average wage.
- Clearly define what "revenue" means for the purposes of community benefits agreements. As drafted, it's possible that revenue can be defined in such a way as to make nearly any investment look revenue positive, even if it



depends on dubious assumptions. For example, only revenue from direct employment should count, not “induced jobs” that are theoretically associated with the investment.

- Require that hiring include communities with barriers to employment, not just preference for businesses owned by members of underrepresented communities.

While we do not believe direct corporate subsidies are a wise use of public resources, if the Committee chooses to move forward with them, we urge you to strengthen the protections by amending SB 4.

Our mission is to achieve economic justice for all Oregonians through research, analysis, and advocacy.

6420 S Macadam, Suite 200 ■ Portland, OR 97239-0127 ■ 971-279-4732 ■ OCPP.org

