

FUNDING OPPORTUNITY – COMMERCIAL FABRICATION FACILITIES

FACT SHEET:

PRINCIPLES FOR ENGAGEMENT WITH CHIPS APPLICANTS DURING DUE DILIGENCE PHASE TO ENSURE A SKILLED AND DIVERSE WORKFORCE

Every company that enters a preliminary memorandum of terms with the Department of Commerce (DOC) for a CHIPS award is required to engage with DOC on a range of issues during the due diligence phase, including on their workforce plans. During this due diligence phase, DOC's CHIPS Program Office (CPO) will work with applicants across the CHIPS portfolio to confirm and further refine their workforce commitments and standards to meet the priorities of the CHIPS Act and the [Notice of Funding Opportunity](#), and fulfill the ambitions of their proposed projects.

Under DOC's CHIPS Incentives Funding Opportunity, applicants should commit to appropriate investments to recruit, train, hire, retain, and upskill a diverse workforce in good jobs at their facilities, including by proposing an approach to meeting the Good Jobs Principles.

These efforts are critical to ensure the skilled and diverse workforce needed to build and operate the semiconductor fabrication facilities proposed in projects under the Funding Opportunity and to grow and sustain the overall U.S. semiconductor ecosystem.

This fact sheet is an informational resource for applicants.¹ The fact sheet is neither comprehensive nor exhaustive of all areas that CPO may discuss with applicants, and the specific areas for each applicant may differ depending on the nature of the project. For additional information on strategies to hire a skilled and diverse workforce, applicants can consult official resources such as the [CHIPS Workforce Development Planning Guide](#). For official information on program requirements and guidelines, applicants should consult the [Funding Opportunity](#).

Workforce Training and Hiring Practices

Recruiting, training, hiring, and retaining a skilled and diverse workforce to build and operate semiconductor fabrication facilities is essential for the U.S. semiconductor industry to compete in a global economy. During this due diligence phase, applicants are asked to demonstrate how they are meeting priorities to:

- Operationalize the **Good Jobs Principles** through their workforce strategies for both construction and manufacturing workforces;
- **Execute workforce strategies via sectoral partnerships**, including those led by regional intermediaries that convene and coordinate across a wide array of strategic partners such as labor unions, workforce development organizations, community-based organizations, state and

¹ This fact sheet does not supersede or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the NOFO.

local workforce boards, educational institutions, and non-profit organizations to provide a systems-level approach to solving workforce challenges;

- Establish high-quality education and training programs or strategies, such as **labor-management training partnerships, Registered Apprenticeship programs, pre-apprenticeship programs with direct entry into registered apprenticeship programs, and career and college pathways**;
- Recruit, train, and retain a skilled and diverse construction and manufacturing workforce through an equity strategy that includes activities that **build new pipelines for workers, creates equitable workforce pathways** for economically disadvantaged individuals, including women, in their region, and provides wraparound supportive services such as child care, housing, and transportation;
- Investing in solutions that expand the size of the construction workforce by increasing representation of **women in construction** and taking concrete steps to improve women's recruitment and retention;
- **Invest in training, education benefits, and programs** to expand employment opportunity for economically disadvantaged individuals;
- Ensure incumbent workers have pathways to **career advancement** to progress to future good jobs within their organizations, or outside them;
- Support long-term, crosscutting initiatives — such as **competency development, curriculum design, and credentialing** — that will strengthen the U.S. national semiconductor workforce, and
- **Provide a plan for accessible and affordable child care** for the facility and construction workforce — a requirement for applicants requesting CHIPS Direct Funding over \$150 million and encouraged for other applicants.

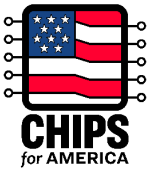
Employment Standards for All Workers

Compliance with federal labor laws and applicant engagement with strategic partners will help minimize risks of labor disputes and disruptions that could jeopardize timeliness and cost-effectiveness of the proposed project. During this due diligence phase, applicants can expect to be asked further about whether they are meeting priorities to:

- **Ensure workers are paid stable, predictable living wages**, including payment of fair, transparent and equitable wages for all workers, provision of family-sustaining benefits for full and part-time workers, and adherence to the [Davis-Bacon and Related Acts \(DBRA\)](#) for construction workers;
- **Ensure workers have the right to organize without retaliation**. Applicants will adhere to federal law that requires that employees have the right to join a union, to bargain collectively through representatives of their own choosing, to engage in other concerted activities for the purpose of collective bargaining; and
- **Ensure workers benefit from safe working conditions**. Applicants will be asked how they are ensuring workers have access to a safe, healthy, and accessible workplace, built on input from workers and their representatives.

Construction Standards

Construction projects are subject to several additional considerations under the CHIPS Act and Funding Opportunity. All construction projects are subject to the DBRA and related prevailing wage requirements. Applicants that commit to using best-practice PLAs will generally be likely to produce a



successful construction workforce plan. During this due diligence phase, applicants can expect to be asked further about whether they are meeting priorities to:

- Reduce the risk of delays in project delivery either through use of a **project labor agreement (PLA)**, or through **demonstration of workforce continuity with other measures**, such as commitments to **target labor hours expected to be performed by registered apprentices**;
- Ensure the project has ready access to a sufficient supply of appropriately skilled labor to ensure construction is completed in a competent manner throughout the life of the project, including any **required professional certifications and/or in-house training, Registered Apprenticeships or labor-management partnership training programs, and partnerships with entities like unions, community colleges, or community-based groups**; and
- In cases where an applicant's project costs are above \$35 million, be prepared to partner with the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) in the [Mega Construction Project Program](#), if selected by OFCCP, as a condition of the award.