



NECHAMBER

BUDGET BREAKDOWN

On May 2, the Appropriations Committee released the 2023 biennial budget. It represents a 2.3% growth in spending per year over the next two years– slightly lower than the average growth rate for the last three fiscal years at 3.6%.

Proposed spending: \$11 billion over the next two years

Annual spending growth: 2.3% per year

Cash Reserve: \$950 million (16%)

Invest in our Children – our Future Talent

- \$1 billion for the Education Future Fund– a Pille Administration priority that will set aside a total of [\\$2.5 billion to K-12 public education](#) over the next six years
- A 2.5% increase for the University of Nebraska system, in part to help fund plans to increase college and university enrollment, a [NE Chamber priority](#)
- A 1.9% per year increase for Nebraska’s community colleges and over \$3 million total in additional funding for the state college system
- About \$20 million each fiscal year for [career scholarships](#) in high-demand fields
- \$4.9 million will go toward mentoring programs to help improve elementary reading skills
- Just over \$5 million to support career and technical education programs, a NE Chamber priority shared with partners in business, manufacturing and academia

Invest in our Infrastructure

Water

- \$574 million for the construction of the Perkins County Canal
- Funding for various water projects throughout the state, including \$180 million to bolster Southeast Nebraska’s water supply, including the City of Lincoln

Housing

- \$40 million for the [Rural Workforce Housing Fund](#) (\$10 million/year in new allocations; \$20 million transfer)
- \$40 million for the [Middle-Income Housing Fund](#) (\$10 million/year in new allocations; \$20 million transfer)

Other

- \$20 million to the [Economic Development Cash Fund](#), which would award state grants to semiconductor manufacturers using federal CHIPS funds
- \$90 million over the biennium for [Shovel Ready projects](#)
- Permit use of Site and Building Development Fund for megasite development, a NE Chamber priority

Return Excess Funds to Nebraska Taxpayers

- \$715 million for income tax relief (including lowering top individual and corporate rates to 3.99% by 2027)
- An additional \$50 million in FY23-24 and \$85 million in FY24-25 for the [Property Tax Credit Cash Fund](#) (plus over \$27 million over the biennium to correspond with the casino gaming tax that’s credited to the fund)
- Additional property tax savings due to added K-12 funding, plus soft caps on education revenue growth

More Highlights for Business

- \$10 million additional for workforce retention and recruitment grants
- Medicaid provider rates will increase 3% this fiscal year and 2% next year
- \$2 million for the Precision Agriculture Infrastructure Grant Program
- Nearly \$2 million for grants to cities for riverfront improvement projects