



Republican Budget Would Harm Hawaii's Economy

The Republican budget would rig the rules in favor of special interests and against millions of hard-working Americans. The Republican budget would pave the way for more tax breaks for millionaires and big corporations and tax hikes on middle-class Americans while gutting investments needed to grow the economy and killing jobs in the process.

10,300 jobs in Hawaii could be lost. The Republican budget would pull hundreds of billions of dollars out of the economy by slashing job-creating investments in things like infrastructure, education and scientific research, killing demand, depressing economic activity, and hurting job creation. The drag caused by these extreme cuts could cost 10,300 jobs in Hawaii in 2017. [DPCC Calculations based on EPI, [3/20/15](#)]

The Republican budget rigs the rules for their long-standing plan to raise taxes on the middle class while showering the wealthy with tax cuts. The Senate budget paves the way for the Republicans' \$349 million middle class tax hike in Hawaii, with a tax cut for millionaires of \$177 million. Instead of asking the wealthiest Americans to pay their fair share, the Republican budget paves the way for plans like their existing proposals to drastically lower the top tax rate from 39.6% to 25%. Based on previous analysis, even if the Republican tax plan asked millionaires to give up a variety of existing tax breaks, they would still receive an average net tax cut of \$200,000 while middle-class families would see a tax hike. [DPCC Calculations Based on TPC, [8/1/12](#); CTJ, [4/2/14](#); IRS]

Support for the equivalent of 20 schools and 10,900 students would be cut off, endangering the jobs of 60 Hawaii teachers and staff. Title I grants under the Elementary and Secondary Education Act provide financial assistance to schools with high numbers of children from low-income families to help them meet educational performance standards. The Republican budget cuts nearly \$2 billion from Title I in FY2016 alone, which averages \$4.2 million in cuts from Hawaii over the next 10 years. These cuts scale back the number of schools and students served, and eliminate education jobs. [White House, [3/24/15](#)]

\$2.63 million will be cut from job-creating research in Hawaii. Under the Republican budget, Hawaii would lose roughly \$2.63 million in funding from the National Science Foundation (NSF), resulting in fewer awards to support job-creating research. The NSF is the funding source for approximately 20% of all federally supported basic research conducted by America's colleges and universities. [DPCC calculations based on [NSF](#)]

8,000 workers in Hawaii would lose training that prepares them to compete for 21st century jobs or job search assistance to help them rejoin the workforce. Workforce Investment Act (WIA) funds are the primary source of workforce training and job search assistance funneled to the states. The Republican budget cuts off these resources when

Hawaii needs more resources, not less, to keep up with the ever-changing global economy. [White House, 3/24/15; [DoL](#)]

The dream of earning a college degree will be harder for 22,000 students in Hawaii, as more than \$90 billion in Pell funding is cut over the next decade nationwide. The Senate Republican budget would slash Pell Grant funding by nearly 30% and kick thousands of students out of the program. The Senate Republican budget would eliminate all mandatory funding for Pell Grants (cutting \$90 billion over 10 years) and it would freeze the maximum Pell Grant award at its current level of \$5,775. These changes will force students to borrow more to attend college or to forgo going at all. [Senate Budget Committee; White House, 3/24/15; TICAS, [3/19/15](#); CBPP, [4/1/14](#)]