



Republican Budget Would Harm California's Economy

Senate Democrats are working to provide a fair shot for everyone to succeed by creating good paying jobs and opportunity for working families. Our country is strongest when our economy grows from the middle out, not the top down, but the Republican budget introduced by Paul Ryan takes the opposite approach. It benefits the few at the top by showering tax breaks on millionaires and corporate special interests while shifting the burden to middle-class families.

334,278 jobs in California 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 and scientific research, killing demand, depressing economic activity, and hurting job creation. The drag caused by these extreme cuts could cost 334,278 jobs in California in 2016. [DPCC Calculations based on EPI, [4/1/14](#)]

The Republican budget's tax plan would hit California with a \$8.8 billion middle class tax hike, while cutting taxes for millionaires by \$9.4 billion. Instead of asking the wealthiest Americans to pay their fair share, the Republican budget would drastically lower their top tax rate from 39.6% to 25%. Even if the Republican plan asked millionaires to give up all of their tax breaks, except for those Chairman Ryan has consistently made clear he would preserve, 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 890 schools and 522,870 students would be cutoff, endangering the jobs of 3,460 California 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 FY16 alone, which averages \$322 million in cuts from California over the next 10 years. These cuts scale back the number of schools and students served, and eliminate education jobs. [NEA, [4/1/14](#); NEA, [4/1/14](#); White House, [4/9/14](#)]

\$141.8 million will be cut from job-creating research in California. Under the Republican budget, California would lose roughly \$141.8 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](#)]

Child care access and services would be cut for 6,590 kids in California, making it harder for families to work and make ends meet. The Child Care and Development Block Grant (CCDBG) is the primary discretionary program devoted to child care services for approximately 1.5 million children nationwide. The Republican budget slashes \$36.1 million from CCDBG funding for California, endangering the services and care provided for 6,590 kids. [DPCC calculations based on CRS, [2/26/14](#); White House, [4/9/14](#)]

175,300 workers in California would lose training that prepares them compete for 21st century jobs, while another 313,200 workers would lose job search assistance that helps 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 California needs more resources, not less, to keep up with the ever-changing global economy. [White House, [4/9/14](#); DoL]

The dream of going to college will be even harder with \$246.7 million less in Pell Grant money going to students in California and 51,350 students no longer receiving these grants at all. The House Republican budget freezes the maximum Pell Grant award at its current level, cuts mandatory funding for Pell Grants, and eliminates the in-school interest subsidy that helps student borrowers while they are still enrolled. These changes will force students to borrow more to attend college or to forgo going at all. [White House, [4/9/14](#); TICAS, [4/1/14](#); CBPP, [4/1/14](#)]