

August recess can't hide tensions ahead for Congress

Spending, Trump nominations among issues

BY KEVIN FREKING  
ASSOCIATED PRESS

WASHINGTON — Lawmakers have left Washington for the annual August recess, but a few weeks of relative quiet on the U.S. Capitol grounds can't mask the partisan tensions that are brewing on government funding and President Donald Trump's nominees. It could make for a momentous September.

Here's a look at what's ahead when lawmakers return following the Labor Day holiday.

A BITTER SPENDING BATTLE AHEAD

Lawmakers will use much of September to work on spending bills for the coming budget year, which begins Oct. 1. They likely will need to pass a short-term spend-



Sen. Minority Leader Chuck Schumer of N.Y., listens during a news conference on tariffs on Capitol Hill on Thursday in Washington.

ing measure to keep the government funded for a few weeks while they work on a longer-term measure that covers the full year.

It's not unusual for leaders from both parties to blame the other party for a potential shutdown, but the rhetoric began extra early this year, signaling the threat of a stoppage is

more serious than usual.

On Monday, Senate Democratic leader Chuck Schumer and House Democratic leader Hakeem Jeffries sent their Republican counterparts a sharply-worded letter calling for a meeting to discuss "the government funding deadline and the health care crisis

you have visited upon the American people."

They said it will take bipartisanship to avert a "painful, unnecessary shutdown."

"Yet it is clear that the Trump Administration and many in your party are preparing to go it alone and continue to legislate on a solely Republican

basis," said the letter sent to Senate Majority Leader John Thune and House Speaker Mike Johnson.

Republicans have taken note of the warnings and are portraying the Democrats as itching for a shutdown they hope to blame on the GOP.

"It was disturbing to hear the Democratic leader threaten to shut down the government in his July 8 Dear Colleague letter," Thune said on Saturday. "... I really hope that Democrats will not embrace that position but will continue to work with Republicans to fund the government."

DIFFERENT APPROACHES FROM THE HOUSE AND SENATE

So far, the House has approved two of the 12 annual spending bills, mostly along party lines. The Senate has passed three on a strongly bipartisan basis. The House is pursuing steep, non-defense spending cuts. The Senate is rejecting many of those cuts. One

side will have to give. And any final bill will need some Democratic support to generate the 60 votes necessary to get a spending measure to the finish line.

Some Democratic senators are also wanting assurances from Republicans that there won't be more efforts in the coming weeks to claw back or cancel funding already approved by Congress.

"If Republicans want to make a deal, then let's make a deal, but only if Republicans include an agreement they won't take back that deal a few weeks later," said Sen. Elizabeth Warren, D-Mass.

Rep. Chuck Fleischmann, R-Tenn., a veteran member of the House Appropriations committee, said the Democratic minority in both chambers has suffered so many legislative losses this year, "that they are stuck between a rock and their voting base." Democrats may want to demonstrate more resistance to Trump, but they would rue a shutdown, he warned.

Texas Democrats who left state prevent vote, for now, on efforts to add GOP House seats

BY BILL BARROW AND NADIA LATHAN  
ASSOCIATED PRESS

AUSTIN, Texas — Texas Democrats on Monday prevented their state's House of Representatives from moving forward, at least for now, with a redrawn congressional map sought by President Donald Trump to shore up Republicans' 2026 midterm prospects as his political standing falters.

After dozens of Democrats left the state, the Republican-dominated House was unable to establish the quorum of lawmakers required to do business. Texas Gov. Greg Abbott has made threats about removing members who are absent from their seats. Democrats counter that Abbott is using "smoke and mirrors" to assert legal authority he does not have.

The Republican-dominated House quickly issued civil arrest warrants for absent Democrats and Abbott ordered state troopers to help find and arrest them, but lawmakers physically outside Texas are beyond the jurisdiction of state authorities.

"If you continue to go down this road, there will be consequences," House Speaker Rep. Dustin Burrows said from the chamber floor, later telling reporters that includes fines.

Democrats' revolt and Abbott's threats intensified a fight over congressional maps that began in Texas but now includes Democratic governors who have pitched redrawing their district maps in retaliation — even if their options are limited. The dispute also reflects Trump's aggressive view of presidential power and his grip on the Republican Party nationally, while testing the long-standing balance of powers between the federal government and individual states.

California Democrats are considering new political maps that could slash five Republican-held House seats in the liberal-leaning state while bolstering Democratic incumbents in other battleground districts.

The impasse centers on Trump's effort to get five more GOP-leaning congressional seats in Texas, at Democrats' expense, before the midterms. That would bolster his party's chances of preserving its U.S. House majority, something Republicans were unable to do in the 2018 midterms during Trump's first presidency. Republicans currently hold 25 of Texas' 38 seats. That's nearly a 2-to-1 advantage and already a wider partisan gap than the 2024 presidential results: Trump won 56.1% of Texas ballots, while Democrat Kamala Harris received 42.5%.

Speaking Monday on the Fox News show "America's Newsroom," Abbott essentially admitted to the partisan power play, noting the U.S. Supreme Court has determined "there is nothing illegal" about shaping districts to a majority party's advantage. He even acknowledged it as "gerrymandering"



Democratic lawmakers board a plane at Signature Aviation at the South Terminal on Sunday in Austin, Texas.

before correcting himself to say Texas is "drawing lines."

More than 1,800 miles (2,900 km) away from Austin, New York Gov. Kathy Hochul appeared with Texas Democrats and argued their cause is national.

"We're not going to tolerate our democracy being stolen in a modern-day stagecoach heist by a bunch of law breaking cowboys," Hochul said Monday, flanked by several of the lawmakers who left Texas. "If Republicans are willing to rewrite rules to give themselves an advantage, then they're leaving us with no choice: We must do the same. You have to fight fire with fire."

A DEBATE OVER WHO IS ABUSING POWER

Abbott insisted lawmakers have "absconded" in violation of their sworn duties.

"I believe they have forfeited their seats in the state Legislature because they are not doing the job they were elected to do," he said in the Fox News interview, invoking his state's hallmark machismo to call the Democrats "un-Texan."

"Texans don't run from a fight," he said.

Hours after Monday's halted House session, a gaggle of Democrats — state lawmakers who left and members of Congress whose lines would be redrawn — mocked Abbott as the weak figure in this battle.

"I never thought as a Texan ... that I would see the governor of the proud state of Texas bend a knee to a felon from New York," said U.S. Rep. Julie Johnson, a state legislator before voters sent her to Washington.

Legislators themselves showed no plans to heed Abbott's demands.

"He has no legal mechanism," said state Rep. Jolanda Jones, one of the lawmakers who was in New York on Monday. "Subpoenas from Texas don't work in New York, so he can't come and get us. Subpoenas in Texas don't work in Chicago.

... He's putting up smoke and mirrors."

A refusal by Texas lawmakers to show up is a civil violation of legislative rules. As for his threat to remove the lawmakers, Abbott cited a nonbinding legal opinion issued by Republican Attorney General Ken Paxton amid an partisan quorum dispute in 2021. Paxton suggested a court could determine that a legislator had forfeited their office.

University of Houston law professor David Froomkin cast doubt on that interpretation. He said it's "baseless" to claim lawmakers abandoned their seats when their absence is clearly tied to current legislative debate.

Still, the Republican response is accelerated compared with the 2021 dispute, when weeks passed before the GOP majority opted for civil arrest warrants. Froomkin said Abbott could be using the mere possibility of legal wrangling over their jobs to intimidate lawmakers into returning.

STATUS OF THE VOTE

Legislators who left the state declined to say how long they'll hold out.

"We recognized when we got on the plane that we're in this for the long haul," said Rep. Trey Martinez Fischer, who has served in the Legislature since 2001.

Texas House Democratic Caucus leader Gene Wu said members "will do whatever it takes" but added, "What that looks like, we don't know."

Legislative walkouts often only delay passage of a bill, including in 2021, when many Democrats left Texas for 38 days to protest proposed voting restrictions. Once they returned, Republicans passed that measure.

Lawmakers cannot pass bills in the 150-member House without two-thirds of members present. Democrats hold 62 seats in the majority-Republican chamber, and at least 51 left the state, according to a Democratic aide.

Tesla awards CEO Musk shares valued at about \$29 billion

BY MICHELLE CHAPMAN  
ASSOCIATED PRESS

Tesla gave Elon Musk a stock grant of \$29 billion on Monday as a reward for years of "transformative and unprecedented" growth despite a recent foray into right-wing politics that has hurt its sales, profits and its stock price.

In giving its billionaire CEO 96 million in restricted shares, the electric car company noted that Musk hasn't been paid in years because his 2018 compensation package has been rejected by a Delaware court. The award comes eight months after a judge revoked the 2018 pay package a second time. Tesla has appealed the ruling.

Tesla on Monday called the grant a "first step, good faith" way of retaining Musk and keeping him focused, citing his leadership of SpaceX, xAI and other companies. Musk said recently that he needed more shares and control so he couldn't be ousted by shareholder activists.

"Rewarding Elon for what he has done and continues to do for Tesla is the right thing to do," the company said in a regulatory filing, citing an increase of \$735 billion in Tesla's value on the stock market since 2018.

Tesla shares have plunged 25% this year largely due to blowback over Musk's affiliation with President Donald Trump. But Tesla also faces intensifying competition from both the big Detroit automakers, and from China.

In its most recent quarter, Tesla reported that quarterly profits plunged from \$1.39 billion to \$409 million. Revenue also fell and the company fell short of even the lowered expectations on Wall Street.

Investors have grown increasingly worried about the trajectory of the company after Musk had spent so much time in Washington this year, becoming one of the most prominent officials in the Trump administration in its bid to slash the size of the U.S. government.

The electric vehicle maker said in the regulatory filing that Musk must first pay Tesla \$23.34 per share of restricted stock that vests, which is equal to the exercise price per share of the 2018 pay package.

In December Delaware Chancellor Kathleen St. Jude McCormick reaffirmed her earlier ruling that Tesla must revoke Musk's multibillion-dollar pay package. She found that Musk engineered the landmark pay package in sham negotiations with directors who were not independent.

The rulings came in a lawsuit filed by a Tesla stockholder who challenged Musk's 2018 compensation package.

That pay package carried a potential maximum value of about \$56 billion, but that sum has fluctuated over the years based on Tesla's stock price.

Musk appealed the order in March. A month later Tesla said in a regulatory filing that it was creating a special committee to look at Musk's compensation as CEO.

Musk has been one of the richest people in the world for several years.

Wedbush analyst Dan Ives feels Musk's stock award may alleviate some Tesla shareholder concerns.

"We believe this grant will now keep Musk as CEO of Tesla at least until 2030 and removes an overhang on the stock," Ives wrote in a client note. "Musk remains Tesla's big asset and this comp issue has been a constant concern of shareholders once the Delaware soap opera began."

Under pressure from shareholders last month, Tesla scheduled an annual shareholders meeting for November to comply with Texas state law.

A group of more than 20 Tesla shareholders, which have watched Tesla shares plummet, said in a letter to the company that it needed to at least provide public notice of the annual meeting.

Tesla's stock rose nearly 2% in midday trading.



Elon Musk