

Cozen Currents: Elon Everywhere All at Once

“President Trump has given Elon Musk unprecedented power and room to run to remake the executive branch. But to the extent that Musk deviates from remaking it in Trump’s image, the former runs the risk of becoming more of a liability than an asset to the latter.” — Howard Schweitzer, CEO, Cozen O’Connor Public Strategies

The Cozen Lens

- Elon Musk, leader of the Department of Government Efficiency, is moving quickly to reshape the federal government. His purchase and transformation of Twitter, now X, provides a template.
- Musk is also leading the charge for the executive branch to cut back on government spending. Still, there are limits to what he can achieve despite having strong internal allies like Office of Management and Budget Director Russell Vought.

The Twitter-fication of the Federal Government

Major Personnel Changes. Elon Musk and his Department of Government Efficiency (DOGE) are moving quickly to reshape the federal government.

- Musk has approached his bid to cut federal spending and rid Washington of programs deemed too “woke” as he did with his purchase of Twitter, complete with an email seeking to shrink employee headcount with the subject line “Fork in the Road,” and, according to a New York Times report, beds moved into a DC office to allow for round-the-clock work.
- Musk aims to slim the size of the federal workforce. Before the buyout was put on pause in the courts, about 60,000 employees accepted. After the deferred resignation offer expires, the Trump administration reportedly plans to make major layoffs. President Trump and Musk are aiming to shut down some agencies. DOGE has already taken moves to shutter the US Agency for International Development (USAID). The Department of Education and the Consumer Financial Protection Bureau are also in Musk’s crosshairs.
- Musk has quickly brought allies into the government. He has installed former employees at the Office of Personnel Management (OPM), the federal government’s HR department. Former Tesla employee Thomas Shedd has taken over the reins at the General Services Administration’s (GSA) Technology Transformation Service (TTS) and said at a meeting last week that he envisions using TTS as a hub for deploying AI across the government, including in the analysis of contracts.

Musk’s Relationship with Trump. Musk enjoys close ties with the president, at least for now.

- So far, Trump has given Musk a long leash to pursue his mandate of improving government efficiency, and he plays a useful role as a heat shield for the president. Letting Musk take credit for some of the administration’s more controversial moves allows Trump to minimize the risk to his own approval ratings.
- While voters rewarded Trump’s promises to cut spending and make the government more efficient in November, Musk’s popularity is taking a hit. Polling from Democratic-



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aligned House Majority Forward found 43 percent approval and 51 percent disapproval for Musk last month. The Economist and YouGov's polling found that only 26 percent of Republicans want Musk to have "a lot" of influence in the White House now, compared to 43 percent in November after the election.

- Even a good heat shield eventually burns up, however, and there may come a point where Musk's liability outweighs his value for Trump. It's just not clear when that may be. If Musk's agenda no longer aligns with Trump's, he could wear out his welcome. Targeting popular government programs could risk creating more blowback for the administration. For example, the Education Department's student loans impact Americans more directly than USAID's humanitarian efforts in Africa.
- Even if Musk were to break with Trump, that doesn't mean that he would be out of his circle permanently. Trump has a history of cyclical relationships with his allies. Individuals out of favor can find their way back into Trump's orbit. Falling out with Trump doesn't mean that you'll be on the outs forever; just that you have to spend some time on ice in the penalty box.

Challenges Ahead for DOGE. Though DOGE has major opportunities to disrupt business as usual in Washington, it faces some obstacles.

- Musk and members of his DOGE team bring private-sector perspectives to the federal government, an asset for Trump, the businessman-turned-politician, but the flip side is that they lack extensive experience in government. This could make their job harder.
- Process fouls could open DOGE's actions to legal challenges. Federal judges have already put the federal employee buyout offer on a temporary hold, blocked DOGE's access to a Treasury payments system, and prevented DOGE from putting USAID employees on leave. Personnel at Treasury, DOE, USAID, GSA, OPM, the Equal Employment Opportunity Commission and the White House Office of Management and Budget have reportedly alleged legal infractions by DOGE. Nevertheless, while DOGE could be vulnerable to litigation, it takes a long time to play out in the courts, and not everything can be blocked, at least not expediently.

How Much Spending Can Elon Really Cut?

Musk's Ambitions. Elon Musk has become the face of the Trump administration's efforts to reduce spending through his Department of Government Efficiency.

- Musk initially claimed he would seek to cut \$2 trillion in spending but has now set the target closer to \$1 trillion. Meeting this lower goal is still an astronomical task, representing about half of the government's total expenditures. With cuts to Social Security and Medicare, which represent nearly one-third of the overall federal budget, off the table and defense spending accounting for another roughly 20 percent, achieving Musk's target would require cutting almost every other dollar the federal government spends.
- Musk's plans to reduce spending appear to be focused on the Treasury Department's payment system, to which he has recently gained access. Musk's access to the system has caused significant controversy in Washington, with conflicting reports over the level of access he and his team have, which are focused on whether they have read-only access or can actually stop payments. Oversight of the Treasury payment system could provide Musk with a more direct way to influence what invoices and grants to pay and minimize the role of the various federal agencies.

Musk's New BFF. One of Musk's most important allies in this process will be Office of Management and Budget (OMB) Director Russell Vought, who brings a deep technical knowledge to the partnership.

- Vought, who served in the same role during President Trump's first term, is one of Trump's more controversial appointees but faces relatively minimal Republican resistance in the Senate. Among his most contentious views is a belief that budget impoundment, the withholding or delaying of funds appropriated by Congress, despite being illegal under current law, is within the executive branch's constitutional prerogative. Further tests of this authority are expected despite the legal defeats to OMB's now rescinded order freezing funding for federal grant programs, the idea for which has been publicly credited to Vought by members of the Trump administration.

- What exactly Musk and Vought's relationship will be is unclear, as the latter has only just been confirmed by the Senate. However, they share similar goals of reducing government spending and the size of the bureaucracy, which they refer to as the "deep state." While their mutual objectives could result in personality clashes and turf battles, a strong relationship could result in a more effective realization of their goals.

The Limits on Musk. As big as Musk's ambitions are, there are checks on his authority, and the most effective means to reduce spending remains beyond his control in Congress' power of the purse.

- The biggest check on Musk is Trump and how much latitude the president is willing to give Musk. Trump recently stated that Musk cannot do anything without the White House's blessing. This has so far proven to be a long leash allowed to Musk, but could be shortened if Trump feels overshadowed by the credit Musk is receiving or if he sees him becoming a political liability.

- While some Republican lawmakers have voiced support for Musk's goals, others acknowledge that the reality of legislating may limit the budget cuts that Congress can pass. Musk may involve himself in the appropriations process, which could raise the chances of a shutdown in March as Democrats have signaled a need for assurances that the budget they pass will be respected.

Legal challenges against Musk's agenda will likely continue to rise, such as the lawsuits that sought to block the pause of funding for federal grant programs. These cases are unlikely to dissuade Musk from trying but may slow his work and force it to follow more traditional government processes.
