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Legislators Return to Raleigh Next Week

State lawmakers are set to resume the legislative session on Tuesday, with potential veto override votes expected to take center stage. There are no limits on what else the General Assembly might consider during what is expected to be a one- to two-day reconvening, with budget adjustments and matters related to federal law changes potentially on the agenda as well.

Governor Josh Stein vetoed fourteen legislative proposals this year, blocking those bills from becoming law and returning them to the General Assembly. Under the State constitution, a three-fifths majority of both the House of Representatives and the Senate must vote to override a Governor's veto. While Republicans can muster thirty votes on their own in the fifty-member Senate, House Republicans need a combination of some Democrats being absent or voting with Republicans to reach the seventy-two votes required in the 120-member House. The votes next week set up the first major public conflict between Governor Stein and the General Assembly, with the first-term Governor working to keep his party votes together and uphold his vetoes. House Speaker Destin Hall, also in his first term, and Senate leader Phil Berger, now in his eighth term as Senate leader, are working to hold their caucus members together and persuade enough House Democrats to join with Republicans.

Beyond veto overrides, what else the General Assembly might take up is largely the subject of significant speculation. The Senate Finance Committee is scheduled to meet next week, a potential foreshadowing of state tax law adjustments to match federal tax law changes made through [H.R.1 One Big Beautiful Bill Act](#). Other possible actions could include "mini-budgets," which are smaller sections of the state budget that address only a few specific subject areas, rather than a comprehensive state budget.

When lawmakers left Raleigh just before the July 4th holiday, they did so without having adopted a formal schedule for the remainder of the session and without agreeing on a state budget. While the budget can continue at currently authorized levels, the lack of a formal schedule of adjournment means that the General Assembly is technically still "in session." Aside from casting uncertainty on government spending decisions such as teacher and state employee raises, this approach has practical and political implications.

Without an agreement to adjourn to a specific date, the House and Senate must continue to hold pro forma sessions at least every three days, and lawmakers are prohibited from raising campaign contributions from political action committees. With campaign filing just four months away in December, the lack of an agreed-upon schedule will become increasingly inconvenient for legislators the longer the current situation persists.

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NCLM Advocates to Protect CDBG Program in Federal Budget

In its May 2 ["skinny budget"](#) proposal, the federal Office of Management and Budget recommended a variety of cuts to numerous federal programs. Congressional appropriators have spent the past few months incorporating both the "skinny" and complete presidential budgets into their appropriations plans, which are currently in progress. One such program that was recommended for a full cut was the \$3.3 billion appropriated to the Community Development Block Grant (CDBG) program at the Department of Housing and Urban Development (HUD). The CDBG program was established in 1974 to provide funding for community development initiatives. Annually, more than 1,250 local governments nationwide receive funding through CDBG, with many of those coming in North Carolina.

Last week, NCLM Executive Director Rose Vaughn Williams sent a [letter](#) to Congressman Chuck Edwards, who represents the state's 11th Congressional District and is also the only member of the North Carolina congressional delegation serving on the House Appropriations Committee. The letter outlined the value that the program and its funding have provided to communities across the state, as well as the impact that cuts could have on local government operations in areas such as affordable housing, economic development, and innovative transportation.

While the House appropriators recommended maintaining funding at its current levels for the next fiscal year, it will be essential to continue monitoring congressional discussions throughout the remainder of the 119th Congress, as the appropriations process is likely to be protracted. The NCLM Government Affairs team, in partnership with the National League of Cities (NLC) Federal Advocacy team, will provide updates as they become available.

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FEMA Grant Program Cuts Leave Glaring Needs for Resiliency

In April, the Trump administration shuttered the [Building Resilient Infrastructure and Communities \(BRIC\)](#) program at the Federal Emergency Management Administration (FEMA) as part of their efforts to shrink the size and operations of FEMA and pass many of those responsibilities to states. As we discussed in the July 18 Bulletin, multiple efforts are underway to implement significant reforms to FEMA and its programs. NCLM has weighed in on these efforts and will continue to do so in the coming months.

The BRIC program, created during the first Trump administration, provided grant funding to state and local governments nationwide to support projects aimed at reducing their hazard risk. State officials have estimated that North Carolina governments applied for \$200 million in project funds, with many of those being canceled with little warning. Many of these projects focused on improving or updating local water and sewer systems.

In recent weeks, state officials have toured sites that would have benefited from BRIC program funding, including some that were [damaged by the recent flooding](#) from Tropical Storm Chantal, which impacted multiple counties in the western portion of the Triangle, as well as others in [areas](#) affected by prior storms. Additionally, [Attorney General Jeff Jackson](#), along with nineteen other Attorneys General from across the state, has sued FEMA over its decision to cancel the grant program.

While the future of the BRIC program remains uncertain, it will stay on the NCLM federal advocacy agenda due to its significant importance for local governments across the state, as well as the long-term resiliency of key infrastructure.



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