

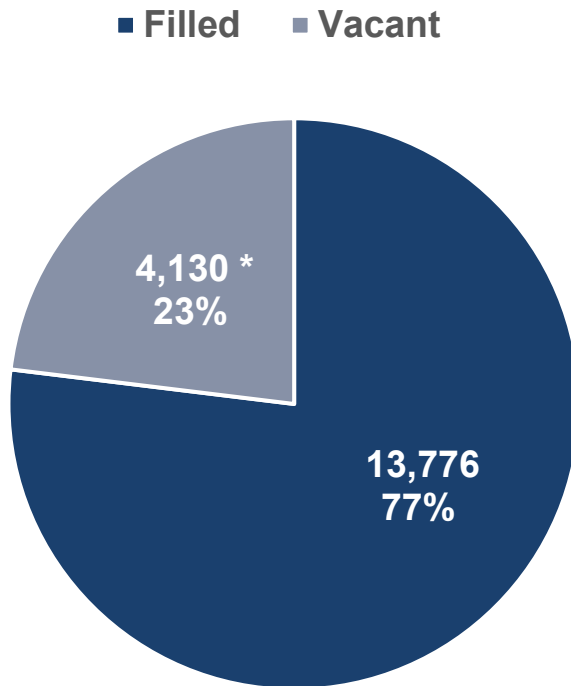
JOINT LEGISLATIVE OVERSIGHT COMMITTEE  
ON HEALTH AND HUMAN SERVICES

# DHHS Vacant Positions

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**October 14, 2025**

# DHHS Vacancy Overview



The Current vacancy rate for DHHS is 23%, which translates to 13,776 filled positions, 4,130\* vacant positions; for a total of 17,906 positions.

*\*A portion of these positions will be held in accordance with G.S. 143C-5-4(b)(4).*

Division	Positions	Vacant	Vacancy Rate
Aging & Adult Services	79	6	7.6%
Black Mountain	434	189	43.5%
Blind Services	256	56	21.9%
Broughton	1,274	329	25.8%
Caswell	1,372	264	19.2%
Cherry	1,242	240	19.3%
Child & Family Well-Being	881	130	14.8%
Child Dev	376	62	16.5%
CRH	1,788	478	26.7%
Deaf and Hard of Hearing	85	24	28.2%
Disability	722	208	28.8%
EIPD	976	202	20.7%
Health Benefits	480	65	13.5%
Health Service Regulation	577	72	12.5%
JFK	186	66	35.5%
Longleaf	501	218	43.5%
Mental Health	167	24	14.4%
Murdoch	1,599	450	28.1%
O'Berry	661	271	41.0%
OOS	123	14	11.4%
Budget Analysis	16	5	31.3%
Contracts Grants	45	3	6.7%
Controller	210	30	14.3%
Council on Dev. Disabilities	11	1	9.1%
Health Services	10	5	50.0%
Human Resources	231	49	21.2%
Info. Tech.	405	73	18.0%
Internal Audit	36	1	2.8%
IT NCFast	233	35	15.0%
Property & Construction	96	17	17.7%
Public Health	1,167	167	14.3%
Riddle	958	242	25.3%
Rural Heath	67	13	19.4%
Social Services	372	49	13.2%
State Operated Facilities	78	12	15.4%
WBJ	149	57	38.3%
Wright	43	3	7.0%
<b>Total</b>	<b>17,906</b>	<b>4,130</b>	<b>23.1%</b>

# Recruitment and Retention Challenges

- **Demand is high for the expertise that DHHS jobs require**
  - Compete with private healthcare systems, managed care organizations, and consulting firms for talent
  - Compete with other state and local government agencies for talent
- **DHHS is bound by statutory hiring requirements and pay structures**
  - Private sector often offers higher salaries, signing bonuses, and accelerated hiring processes
  - Many local government agencies offer competitive salaries and supplemental benefits (ex. 401(k) match)

# Actions Taken to Address Recruitment and Retention Challenges

- DHHS Vacancy Abolishment Project to address salary concerns
- DHHS Temp-to-Perm Program Implementation to speed up the ability to hire qualified talent
- Recruitment events to increase the talent pool
- Session Law 2025-34 (SB 124) Implementation to increase hiring flexibility across all state agencies

# NC DHHS Vacancy Abolishment Project

- **In 2024, DHHS initiated a Department-wide review of vacant positions**
- **Through this effort, 520 positions were abolished which impacted funding for 3,920 positions across DHHS**
  - 2,584 In-range Salary Adjustments
  - 1,181 Vacant Position Budgeted Salary Increases
  - 155 Position Reclassifications

# Temp-To-Perm Pilot Success

- S.L. 2024-23 created a pilot program allowing temporary staff to transition into equivalent permanent roles
- In 2024, DHHS filled 63 permanent positions through this program
- In July 2025, through S.L. 2025-34, the NC General Assembly made this pilot program permanent and expanded the program State-wide
- DHHS has continued to fill permanent positions through this program

# Recruitment Events



# Session Law 2025-34 Implementation

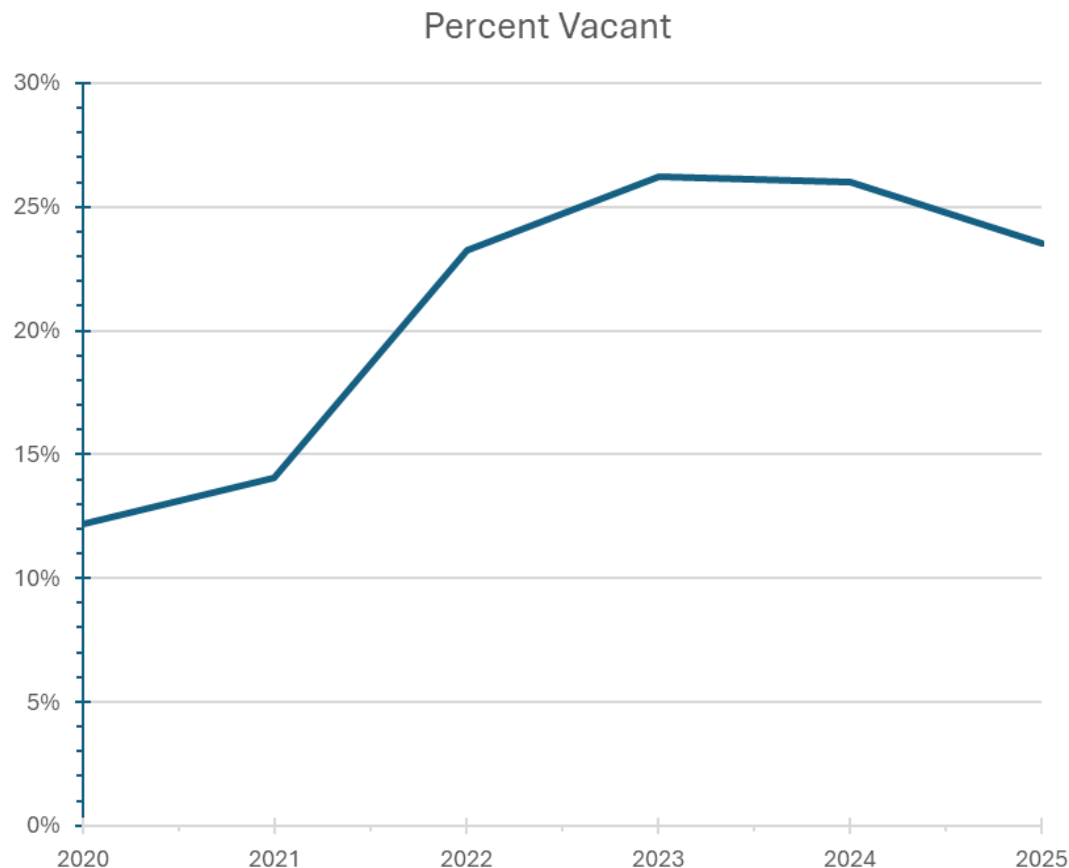
**The implementation of S.L. 2025-34 helps reduce hiring barriers:**

- **Makes job postings easier to understand and easier for employees to qualify**
  - Ability to “screen-in” more applicants based on necessary qualifications
- **Grants employing agency flexibility in hiring authority**
  - Applicants can be considered for future postings
  - Ability to hire applicants from job postings across all agencies
- **Allows agencies to immediately hire one of the most qualified candidates from a previous posting**
  - Ability to hire without having to repost a position

# Reviewing DHHS Vacancy Rate Over Time

Vacancy rates rose sharply from 12.5% in 2020 to a peak of 26.5% in 2023.

The rate slightly eased in 2024, then declined more noticeably to 23.5% in 2025 – suggesting early signs of stabilization and a potential realignment with service needs.

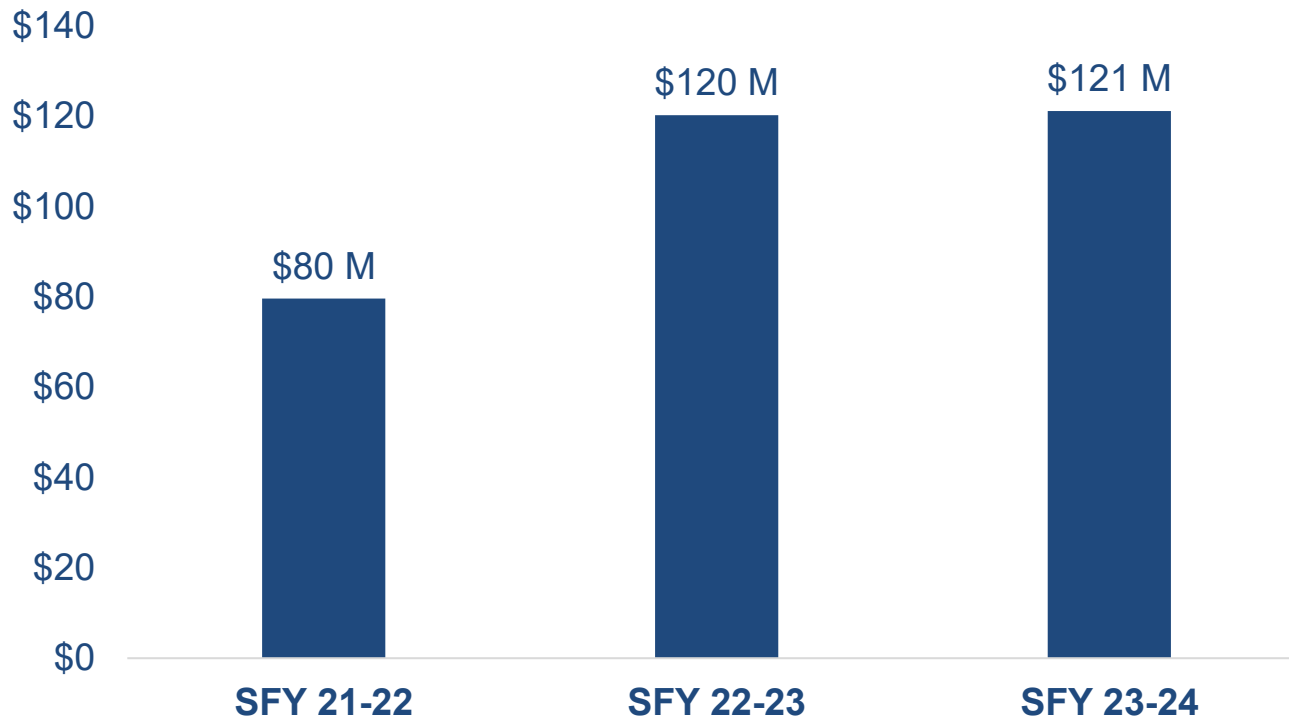


## Impact of G.S. 143C-5-4(b)(4): Vacant Position Freeze

- **G.S. 143C-5-4(b)(4) ensures that “vacant positions subject to proposed budget reductions in either or both versions of the bill shall not be filled.”**
- **Both the House and Senate budget proposals reduce NC DHHS funding by eliminating positions and associated salary reserves, but they take very different approaches to implementing these cuts**
  - As a result, DHHS is holding state appropriated dollars equating to 1,300+ positions
  - Because many positions are not 100% state funded and have some federal funding, holding these positions (and associated funding) equates to an even larger budgetary impact for DHHS.
  - Over half of these frozen positions are at the three State Psychiatric Hospitals

# Review of DHHS Lapsed Salary by Fiscal Year

## Lapsed Salaries from State Appropriations



Source: NCDHHS Reports on the Use of Lapsed Salary

# Role of Lapsed Salary in Department Operations

**DHHS relies on lapsed salary funds to cover operating expenses that are not otherwise funded through recurring appropriations.**

**Examples include:**

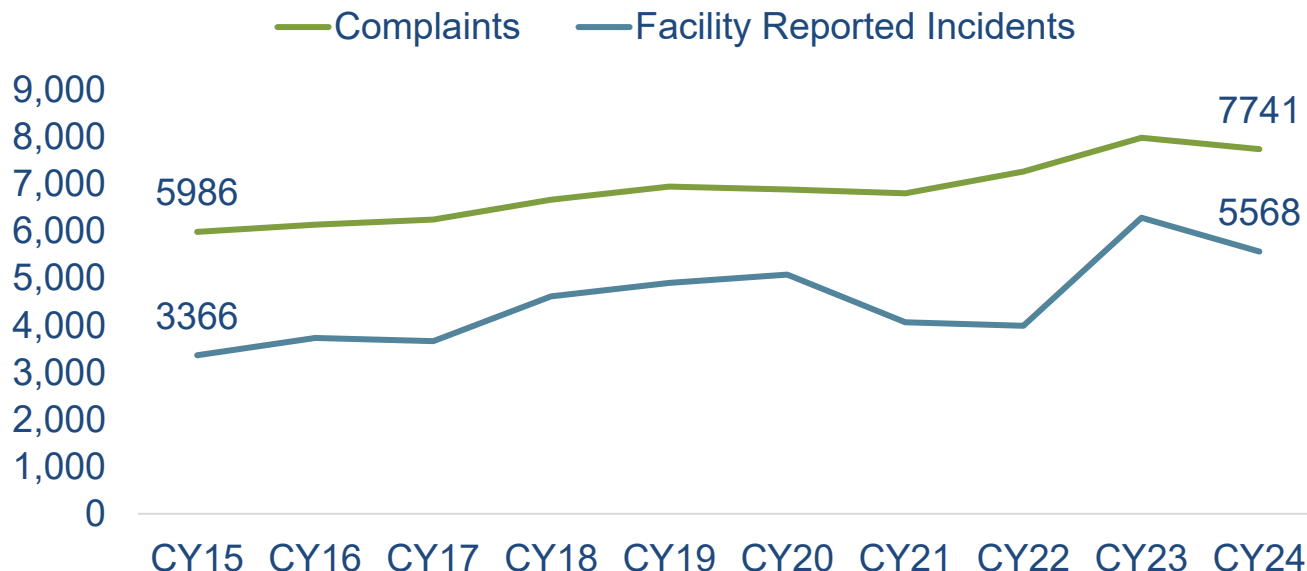
- Temporary and contracted staffing for critical positions during the period that they are vacant
- Overtime expenses, holiday pay, longevity pay, and shift premium differential pay
- Staff training and travel
- Equipment (laptops, monitors, phones)
- OSA engagements
- NCDOJ attorney expenses to represent the Department
- Communication access services (ex. ASL interpreting)
- Workers' compensation claims

**Without lapsed salary, DHHS would face severe constraints in meeting service mandates, oversight responsibilities, and staff support requirements**

# Division of Health Service Regulation Case Study

- DHSR has significant regulatory responsibility to protect the health and safety of North Carolinians through licensing and inspecting licensed health care facilities, complaint intake and investigations.
- In 2024, DHSR received 7,741 complaints about licensed health care facilities (**29% increase since 2015**) and 5,568 facility reported incidents (**65% increase since 2015**)

## DHSR Increase in Demand



## Division of Health Service Regulation Case Study

- **DHSR's vacancy rate is 12-13% over the past year, lower than NC DHHS overall**
- **DHSR is increasingly dependent on lapsed salary funds to cover operating budget shortfalls** because:
  - Operating requirements continue to increase without any increase in state appropriations to cover the increase in costs
- **The estimated SFY26 operating budget shortfall is \$2.6M.**
- **Lapsed salary funds sustain core operations each year:**
  - Employee travel to conduct surveys/inspections and complaint investigations at facilities. Estimated \$971K of lapsed salary needed in SFY26 to cover travel.
  - Legal expenses, including NCDOJ attorneys. Estimated \$74K of lapsed salary needed in SFY26 to cover legal expenses.

## Looking Ahead

- **DHHS is largely funded through a mix of federal and state funds**
- **DHHS is mandated to provide many critical services, within an increasingly tight budget**
- **Despite challenges with recruitment and retention, DHHS has maintained current staffing levels and decreased vacancy rates**
- **Increasing costs of operations to deliver mandated services have consistently required the use of lapsed salary funds**