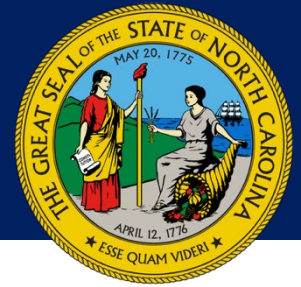


# Lapsed Salary Report



## Introduction

North Carolina General Statute 120-208.4(b) requires the Department of Health and Human Services (DHHS) to submit an annual report on the use of lapsed salary funds by each Division within the Department. For each Division, the report shall include the following information about the preceding State fiscal year:

- (1) The total amount of lapsed salary funds
- (2) The number of full-time equivalent (FTE) positions comprising the lapsed salary funds.
- (3) The purposes for which the Department expended lapsed salary funds.
- (4) The Fund Code for each full-time equivalent position included in the number reported pursuant to subdivision (2) of this section.

Lapsed salary is the dollar amount not expended for salary and associated benefits (social security, retirement, longevity, and medical insurance contributions) during the period in which a position is vacant within the course of the fiscal year because of the employee's separation, reassignment, leave or unpaid leave of absence. Lapsed salary can only be used for one-time, non-recurring expenditures. These funds may not be used to establish new permanent positions or to raise the recurring salary of existing employees.

## Amount of Lapsed Salary Funds

Per Exhibit 1 below, in SFY 2024-25, vacant positions at NCDHHS generated \$130,619,601 in lapsed salary funded by State appropriations. Of that amount, NCDHHS used \$90,686,761 for operating expenditures, primarily for staffing. The remaining \$39,932,839 reverted to the State General Fund.

**Exhibit 1: SFY 2024-25 NCDHHS Lapsed Salary: Generated and Usage**

Budget Code	NCDHHS Division	Generated				Usage		
		Lapsed Salary from State Appropriations	Lapsed Salary from Receipts <sup>1</sup>	Total Lapsed Salary Available (State + Receipt)	Full Time Equivalent (FTE) Positions That Created Lapsed Salaries	Lapsed Salary Used - State Appropriations	Lapsed Salary Used - Receipts	Total Lapsed Salary Used
14410	Central Administration	\$ 8,693,778	\$ 9,686,570	\$ 18,380,348	134.77	\$ 3,864,020	\$ 2,718,306	\$ 6,582,326
14411	Division of Aging and Adult Services	\$ 219,615	\$ 338,340	\$ 557,955	6.22	\$ 40,624	\$ 55,004	\$ 95,628
14420	Division of Child Development & Early Education	\$ 318,061	\$ 4,576,016	\$ 4,894,076	56.41	\$ 209,117	\$ 320,664	\$ 529,781
14430	Division of Public Health	\$ 5,207,773	\$ 14,238,697	\$ 19,446,470	193.09	\$ 2,141,442	\$ 2,787,615	\$ 4,929,057
14435	Division of Child and Family Well-Being	\$ 2,943,563	\$ 6,005,106	\$ 8,948,670	97.59	\$ 1,176,224	\$ 2,435,109	\$ 3,611,333
14440	Division of Social Services	\$ 2,795,139	\$ 3,035,764	\$ 5,830,903	66.91	\$ 766,664	\$ 681,564	\$ 1,448,228
14445	Division of Health Benefits	\$ 2,035,983	\$ 5,283,179	\$ 7,319,162	63.62	\$ 2,035,983	\$ 5,283,179	\$ 7,319,162
14450	Division of Services for the Blind, Deaf and Hard of Hearing	\$ 877,685	\$ 5,183,250	\$ 6,060,935	80.06	\$ 230,035	\$ 659,646	\$ 889,681
14460	Division of Mental Health\DD\SUS	\$ 20,865,955	\$ 1,798,559	\$ 22,664,513	52.87	\$ 5,060,608	\$ 294,835	\$ 5,355,443
14460	Division of State Operated Health Care Facilities	\$ 79,743,453	\$ 146,237,563	\$ 225,981,015	3,090.82	\$ 70,501,570	\$ 61,830,357	\$ 132,331,927
14470	Division of Health Services Regulation	\$ 3,488,212	\$ 4,559,450	\$ 8,047,662	76.12	\$ 2,095,888	\$ 1,777,719	\$ 3,873,607
14480	Division of Vocational Rehabilitation (EIPD)	\$ 3,430,385	\$ 11,852,740	\$ 15,283,125	204.60	\$ 2,564,586	\$ 7,260,556	\$ 9,825,142
	<b>NCDHHS Totals</b>	<b>\$ 130,619,601</b>	<b>\$ 212,795,234</b>	<b>\$ 343,414,834</b>	<b>4,123.08</b>	<b>\$ 90,686,761</b>	<b>\$ 86,104,554</b>	<b>\$ 176,791,315</b>

<sup>1</sup> "Lapsed Salary Generated" reflects employee costs in the integrated HR-payroll system and does not consider whether receipts needed to fund a position were realized. For example, in the Division of State Operated Health Care Facilities, receipts are earned when services are provided to patients with an eligible payor source. If receipts are under collected and funds are not available, payroll data would continue to show lapsed salary generated at full cost.

# Purposes for which the Department Expended Lapsed Salary Funds

Across NCDHHS, the vast majority of SFY 2024-25 lapsed salary dollars were redeployed to provide *contract staffing* for operations that have difficulty recruiting and retaining permanent state employees for needed functions.

A smaller portion of lapsed salary dollars were redeployed to cover other operating shortfalls that exist primarily because *State General Fund-support for operating budgets*, such as for travel or IT/software and other maintenance contracts, *have not kept pace with increased costs*. For example, if General Fund support for a program’s operating budget remains flat over time, but the cost of a mission-critical software contract increases 3% per year, the program will have a growing operating deficit. Lapsed salary is often redeployed to fill these gaps.

The vast majority of DHHS lapsed salary dollars are generated in the Division of State Operated Health Facilities (DSOHF) and used in that same division to meet the staffing needs of the facilities. The majority of the dollars redeployed in this way are to hire contract staff (primarily nurses) to deliver care in the facilities in situations where the facilities have experienced challenges in hiring permanent staff. Some of the lapsed salary dollars are used to provide shift pay, overtime pay, premium/holiday pay, bonuses, and other compensation costs associated with being able to recruit and retain the permanent staff who provide care in the facilities. A smaller portion of lapsed salary dollars generated by DSOHF is used, as in other divisions, to fill critical operating budget gaps.

Lapsed salary dollars from SFY 2025 General Fund appropriations that were not redeployed for other expenditures reverted to the General Fund at the end of the fiscal year.

Lapsed salary dollars from federal receipts were either redeployed within the allowable uses of their respective funding sources (typically, for work in service of a particular federal grant or program) or they remained as part of the unspent balances of their respective grants.

## Fund Codes for FTE included in Exhibit 1

Fund	Fund Title	Full Time Equivalent Positions That Generated Lapsed Salary
<b>Central Administration</b>		
131013	1119 DEPARTMENT-WIDE ADMIN BC 14410	11.61
131014	1120 CENTRAL MANAGEMENT BC 14410	19.48
131015	1121 CONTROLLER'S OFFICE BC 14410	31.25
131016	1122 DIRM INFO SYSTEM SERV BC 14410	54.81
131017	1124 NC COUNCIL ON DEV DISAB BC 14410	0.56
131018	1126 CENTRAL REG MAINT DIX BC 14410	9.14
131019	1129 RURAL HEALTH SVCS ADMIN BC 14410	0.47
131206	1162 RECRUITMENT & RETENTION BC 14410	2.65
131212	1169 RURAL HLTH INFRASTRUCTURE BC 14410	3.83
132011	1262 HEALTH DISPARITIES BC 14410	-
133505	1374 LOW INCOME DRUG/MED ASST BC 14410	0.98
<b>Central Administration Totals</b>		<b>134.77</b>
<b>Division of Aging and Adult Services</b>		
131004	1110 ADMINISTRATION BC 14411	2.14
132000	1260 OTRCH & ACCESS-AGING BC 14411	0.33
134500	1451 COMM BASED SERVICES BC 14411	0.67
134504	1452 ALZH & DEMENTIA SUPPORT BC 14411	0.14
134510	1454 KEY PROGRAM BC 14411	0.83
135000	1510 ADULT PROT SERV GUARDIAN BC 14411	0.29
135300	1550 LT CARE OMBUDSMAN BC 14411	0.58
135500	1570 SPECIAL ASSISTANCE BC 14411	1.25

**Division of Aging and Adult Services Totals****6.22****Division of Child Development and Early Education**

131005	1110 ADMINISTRATION BC 14420	16.11
131100	1151 CHILD CARE REGULATION BC 14420	20.95
131103	1152 CRIMINAL RECORD CHECKS BC 14420	0.83
131203	1161 CHILD CARE CAPACITY BLDG BC 14420	13.75
133400	1330 PRE-K SERVICES BC 14420	1.07
133600	1380 SUBSIDIZED CHILD CARE BC 14420	3.7

**Division of Child Development and Early Education Totals****56.41****Division of Public Health**

131006	1110 ADMINISTRATION BC 14430	35.33
131101	1151 FORENSIC TESTS ALCOHOL BC 14430	7.15
131104	1152 ABESTOS & LEAD BSD PAINT BC 14430	3
131106	1153 ENVIRONMENTAL HEALTH REG BC 14430	5.41
131204	1161 PH CAPACITY BLDG BC 14430	3.06
131300	1171 CENTER FOR HLTH STATS BC 14430	7.07
131301	1172 MEDICAL EXAMINER BC 14430	11.44
131302	1173 VITAL RECORDS BC 14430	13.71
131303	1174 PUBLIC HEALTH LAB BC 14430	39.41
131304	1175 PH SURVEILLANCE BC 14430	15.03
132008	1264 PH PREPAREDNESS BC 14430	3.1
132009	126C CHRONIC DISEASE BC 14430	1.5
132102	1271 CHILD/ADULT PREVENTION BC 14430	1.99
133000	13A1 MATERNAL & INFANT HLTH BC 14430	7.59
133100	13B0 ORAL HEALTH SERVICES BC 14430	2.32
133200	1311 HIV/STD PREVENTION BC 14430	16.73
133201	1312 MEDICAL AND RISK ASSESS BC 14430	1
133202	1313 WISEWOMAN BC 14430	1.75
133300	1320 BREAST & CERVICAL CANCER BC 14430	1.5
133401	1331 IMMUNIZATION BC 14430	8.29
133403	1332 CARRY FORWARD - EHDI BC 14430	0.5
133501	1370 REFUGEE HEALTH ASSESS BC 14430	0.83
134001	14A0 SICKLE CELL - CHILDREN BC 14430	0.29
134201	1421 SICKLE CELL - ADULT BC 14430	-
134600	1460 COMMUNICABLE DISEASE BC 14430	5.06

**Division of Public Health Totals****193.09****Division of Child and Family Well-Being**

131007	1110 ADMINISTRATION BC 14435	12.96
132105	1271 Child/Adult Prevention BC 14435	6.96
132106	1272 Child/Adult Nutrition BC 14435	6.5
133001	13A2 WIC BC 14435	7.01
133405	1331 ADMINISTRATION BC 14435	1
133406	1332 Children Health Services BC 14435	6.03
133508	1372 Food And Nutrition Serv BC 14435	4.17
134400	1441 Early Intervention BC 14435	52.96
134806	1482 Food & Nutr Employ&Trng BC 14435	-

## Division of Social Services

131008	1110 ADMINISTRATION BC 14440	13.01
131201	1160 CHILD WELFARE TRAINING BC 14440	1.98
133402	1331 FAM PRESERVATION&SUPPORT BC 14440	1.3
133502	1371 CHILD SUPPORTENFORCEMENT BC 14440	23.87
133503	1372 FOOD AND NUTRITION SERV BC 14440	4.74
133602	1381 REFUGEE CASH&SOCIAL SERV BC 14440	0.42
134300	1430 CHILD PROTECTIVE SERVICES BC 14440	13.38
134802	1481 WORK FIRST EMPLOYMENTSERV BC 14440	0.17
135100	1531 ADOPTION SERVICES BC 14440	1
135101	1532 FOSTER CARE BC 14440	7.04
<b>Division of Social Services Totals</b>		<b>66.91</b>

## Division of Health Benefits

131000	1101 DHB ADMINISTRATION BC 14445	44.2
131002	1103 HIT BC 14445	0.5
131003	1104 MEDICAID TRANSFORMATION BC 14445	18.92
<b>Division of Health Benefits Totals</b>		<b>63.62</b>

## Division of Services for the Blind, Deaf and Hard of Hearing

131009	1110 ADMINISTRATION BC 14450	6.54
132003	1261 OUTRCH & ED-LOCAL AGENCY BC 14450	11.48
134100	1410 IND LIVING SERVICES BC 14450	6.24
134200	1420 MEDICAL EYE CARE SERV BC 14450	1.08
134502	1451 IND LIVING-CHORE&ADJUST BC 14450	8.78
134505	1452 IND LIVING REHAB SERVICES BC 14450	5.45
134803	1481 VR EMPLOYMENT BC 14450	30.49
134805	1482 SMALL BUS EMPLOY BC 14450	10
<b>Division of Services for the Blind, Deaf and Hard of Hearing Totals</b>		<b>80.06</b>

## Division of Mental Health\DD\SUS and State Operated Health Care Facilities

131010	DHSMENHLTH 1110 ADMINISTRATION BC 14460	41.46
132103	DHSMENHLTH 1271 GENERAL SUB ABUSE PREV BC 14460	-
134402	DHSMENHLTH 1443 COMM SERV-CHILD FIPP BC 14460	4.68
134403	DHSMENHLTH 1444 COMM MH SERV-CHILD BC 14460	0.17
134601	DHSMENHLTH 1461 COMM MH SERV-ADULT BC 14460	-
134603	DHSMENHLTH 1463 SUB ABUSE SERVICES-TASC BC 14460	5.55
134604	DHSMENHLTH 1464 CRISIS SERVICES-ADULT BC 14460	1
135200	DHSMENHLTH 1543 WHITAKER SCHOOL BC 14460	14.47
135201	DHSMENHLTH 1546 WRIGHT SCHOOL-CHILD BC 14460	4.34
135400	DHSMENHLTH 1561 BROUGHTON HOSP-ADULT BC 14460	338.92
135401	DHSMENHLTH 1562 CHERRY HOSP-ADULT BC 14460	271.33
135402	DHSMENHLTH 1563 CENTRAL REG HOSP-ADULT BC 14460	508.27
135403	DHSMENHLTH 1565 CASWELL DEV CENTER BC 14460	303.55
135404	DHSMENHLTH 1566 MURDOCH DEV CENTER BC 14460	486.76
135405	DHSMENHLTH 1567 RIDDLE DEV CENTER BC 14460	202.15
135406	DHSMENHLTH 156A LONGLEAF NM CENTER BC 14460	233.58

135407	DHHSMENHLTH 156B BLACK MT NM CENTER BC 14460	190.16
135408	DHHSMENHLTH 156C O'BERRY NM CENTER BC 14460	280.01
135409	DHHSMENHLTH 156D JULIAN F KEITH ADATC BC 14460	55.11
135410	DHHSMENHLTH 156E R J BLACKLEY ADATC BC 14460	145.17
135411	DHHSMENHLTH 156F WALTER B JONES ADATC BC 14460	57.02
<b>Division of Mental Health\DDISAS and State Operated Health Care Facilities Totals</b>		<b>3,143.69</b>

#### Division of Health Services Regulation

131011	DHSHSR 1110 ADMINISTRATION BC 14470	7.23
131102	DHSHSR 1151 ACUTE & HOME CARE LICENSURE BC 14470	11.48
131105	DHSHSR 1152 NURSING & ADULT CARE BC 14470	27.9
131107	DHSHSR 1153 CONSTRUCTION BC 14470	7.5
131108	DHSHSR 1154 HEALTH CARE PERSONNEL REG BC 14470	3.41
131109	DHSHSR 1155 JAILS & DET INSPECTIONS BC 14470	2.22
131110	DHSHSR 1156 MENTAL HEALTH LIC\CERT BC 14470	3.29
131111	DHSHSR 1157 RADIATION PROTECTION BC 14470	8.06
131205	DHSHSR 1161 STATEWIDE HEALTH PLAN BC 14470	1.83
131208	DHSHSR 1162 HOSPITAL PREPAREDNESS BC 14470	1.92
131209	DHSHSR 1163 LOCAL EMERGENCY MED SERV BC 14470	1.29
<b>Division of Health Services Regulation Totals</b>		<b>76.12</b>

#### Division of Vocational Rehabilitation

131012	DHHSVOCREH 1110 ADMINISTRATION BC 14480	11.81
132004	DHHSVOCREH 1261 OTRCH & ACCESS-VR IL BC 14480	0.42
132007	DHHSVOCREH 1263 OTRCH & ACCESS-GRANT BC 14480	-
133606	DHHSVOCREH 1384 ECONOMIC OPPORTUNITY BC 14480	4.37
134507	DHHSVOCREH 1452 IND LIVING REHAB BC 14480	10.07
134700	DHHSVOCREH 1470 ASSIT TECHNOLOGY EQUIP BC 14480	0.67
134801	DHHSVOCREH 1480 VOCATIONAL REHABILITATION SERVICES BC 14480	177.26
<b>Division of Vocational Rehabilitation</b>		<b>204.6</b>



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