



# DIVISION OF ACCOUNTABILITY, VALUE, AND EFFICIENCY (DAVE)

## Background

[Session Law 2025-89](#) created the **Division of Accountability, Value, and Efficiency (DAVE)** within the Office of the State Auditor (OSA) to strengthen the State’s base budget integrity and improve the accuracy of financial information used in decision-making. As part of this mandate, DAVE assessed long-term vacancies<sup>1</sup> and associated lapsed salaries across State agencies in its [January 2026 report](#). In that report, OSA identified 8,845 long-term vacancies spread across North Carolina State agencies. As of **October 1, 2025**, State agencies reported that 819<sup>2</sup> (9.3%) of those long-term vacancies were either eliminated or planned for elimination.

### Did You Know?

*If a State agency job is vacant, agencies may still receive funds for the associated salary and benefits. Those budgeted dollars are called “lapsed salary” and can potentially be used by State agencies for other expenditures until the vacancy is filled.*

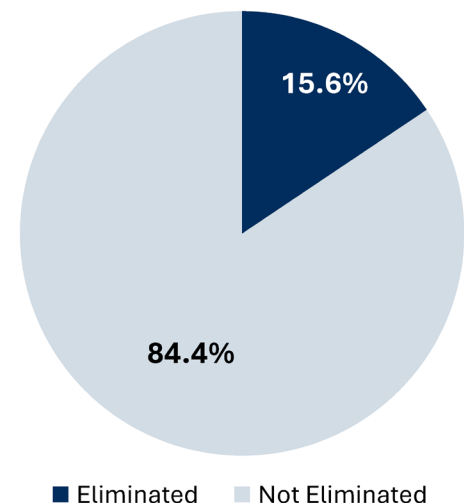
## Objective

The purpose of this report is to answer a simple question: **As of February 1, 2026, four months after the issuance of DAVE’s preliminary report, how many long-term vacancies originally identified as “eliminated” or “planned for elimination” were actually eliminated?**

## Conclusion

As of February 1, 2026, State agencies eliminated **129 (15.6%) of the 819 long-term vacancies reported as planned for elimination**. However, some State agencies pursued **alternative active workforce management strategies** during the scope period, including the Department of Adult Correction’s (DAC) **elimination of 1,519 vacant positions**. Overall, State agency actions show that **eliminating long-term vacancies can effectively fund operational needs, aligning with prior recommendations, but State agencies also made alternative efforts to manage their workforces**.

Planned for Elimination Status



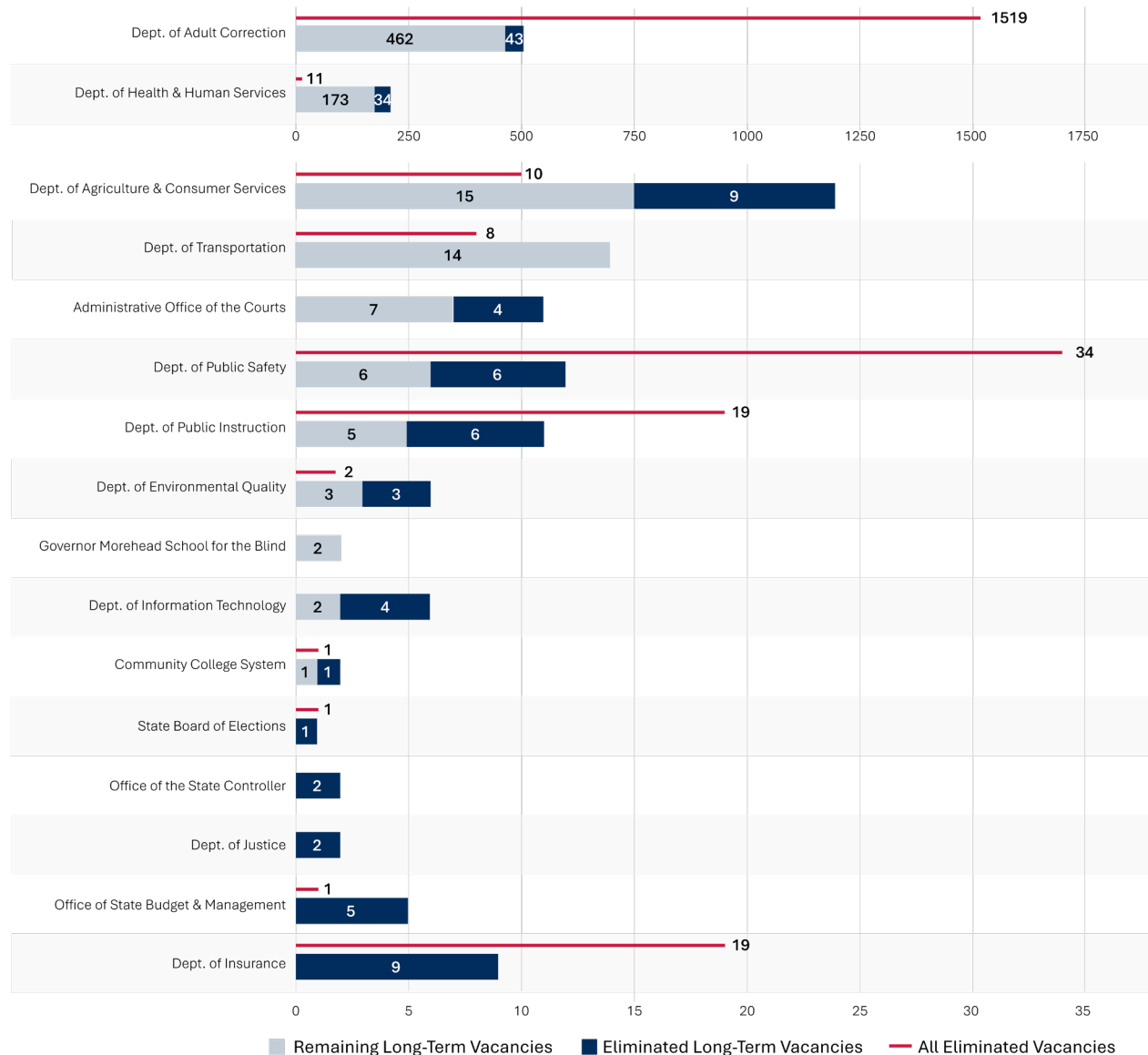
<sup>1</sup> Defined as positions within a State agency that have remained vacant for six months or more as of August 6, 2025.

<sup>2</sup> Two vacancy explanations were reclassified since the release of the January 2026 report.

## Long-Term Vacancy Elimination Follow-up

Of the 819 long-term vacancies originally reported as planned for elimination, State agencies eliminated 129 (15.6%), with five agencies completing all planned eliminations and two eliminating none. The Department of Adult Correction (DAC) and the Department of Health and Human Services (DHHS) accounted for 86.7% of planned eliminations but completed only 8.5% and 16.4% of the plans, respectively.<sup>3</sup>

### Vacancy Elimination History from October 1, 2025 to February 1, 2026<sup>4</sup>



<sup>3</sup> 505 long-term vacancies were initially reported as “planned for elimination,” 1,519 positions were ultimately eliminated.

<sup>4</sup> Some eliminated long-term vacancies were eliminated between August 6 and October 1, 2025, and are therefore not included in the “All Vacancies Eliminated” category.

**The State agencies with the most long-term vacancies planned for elimination, DAC and DHHS, both pursued alternative workforce management strategies during the scope period.**

**The 690 vacancies not eliminated continued to generate lapsed salary, totaling \$10.9 million over four months (\$7.2 million in appropriations and \$3.7 million in receipts) and are projected to generate \$32.7 million annually.** OSA acknowledges a degree of variation and nuance among different vacancy categories exist particularly when it comes to the vacant position’s funding source. Specifically, receipt-funded or federally funded positions may not always produce actual funds for the agencies to use.

While planned eliminations were largely not executed as reported, **State agencies engaged in active workforce management strategies** during the audit period, including the Department of Adult Correction eliminating 1,519 vacant positions which were mostly not initially earmarked for elimination.

## Agency Context

### *Department of Adult Correction (DAC)*

According to DAC management, “DAC abolished 1,515<sup>5</sup> vacant [full-time equivalent] positions effective November 30 and December 22, 2025. DAC and [the Office of State Budget and Management] then made a budget adjustment that took the salary and benefit budget from the abolished positions and transferred it to operating expenses. The funds were redirected to recurring operating expenses, including contract nurses and medical providers, medical supplies, food for incarcerated persons, IT costs and software subscriptions, security service agreements, and construction & maintenance services.”

***DAC abolished 1,515 vacant [positions] . . . then made a budget adjustment that took the salary and benefit budget from the abolished positions and transferred it to operating expenses.***

The 505 long-term vacancies originally reported as planned for elimination in the [January 2026 report](#), were positions identified by the General Assembly for elimination in Senate Bill 257, with the House including a “flex cut” provision that would require agencies to “eliminate vacant positions that remain vacant at the end of the 2024-2025 fiscal year to achieve the budgeted reduction in each of those years.”<sup>6</sup>

<sup>5</sup> A total of four other vacancies were eliminated in October 2025 and January 2026.

<sup>6</sup> Senate Bill 257, Section 5.4.

Given the nature of the General Assembly’s plans, DAC developed their own methodology to proactively eliminate positions, choosing to target the oldest vacancies first. They created a list of positions vacant for the greatest length of time and removed any position that was in the hiring process or undergoing reclassification. This led to 1,515 positions being identified and eliminated, 43 of which were originally reported in the 505 positions planned for elimination. The difference in methodologies explains the 462 vacancies that were originally reported as planned for elimination but not eliminated.

*Department of Health and Human Services (DHHS)*

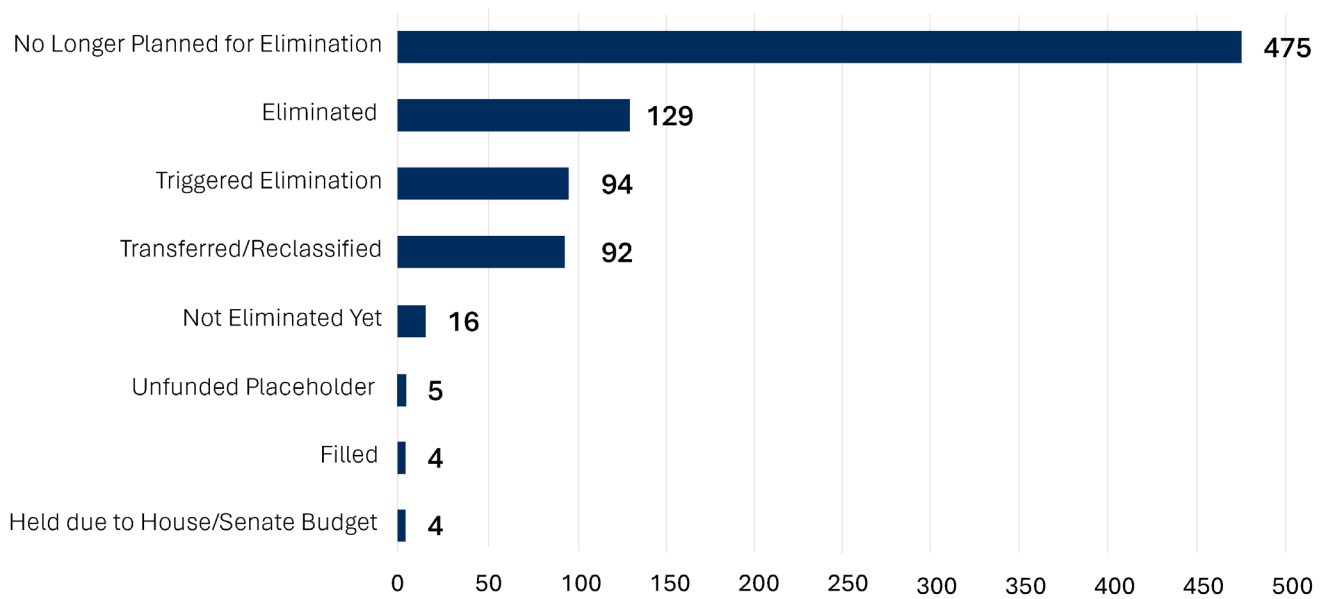
According to DHHS management, DHHS actively managed their workforce by repurposing “86 positions from RJ Blackley, a facility that is closed. The plan for these positions changed since last fall because NCDHHS was awarded funds under the Rural Health Transformation Program (RHTP). Repurposing these positions will be more efficient and timelier because it eliminates certain administrative steps required when creating new positions for RHTP from scratch. These positions do not currently have dollars associated with them and will be funded by RHTP when that funding becomes available.”

**Outcomes for Vacancies Planned for Elimination**

While DAC and DHHS reported the largest number of long-term vacancies planned for elimination, all State agencies reported the current status of their positions. State agency responses were aggregated into outcome categories. 475 vacancies identified in OSA’s [January 2026 report](#) are no longer planned for elimination, 461 of which were because DAC’s eliminations primarily involved vacancies not originally planned for elimination.

In total, 129 vacancies were eliminated before the OSA follow-up, and 94 entered the formal elimination process afterward. 92 vacancies were transferred or reclassified instead of being eliminated, 86 of which were due to DHHS’s workforce management actions. 16 vacancies have not yet been eliminated, five are unfunded placeholder positions to facilitate future hiring, four have been filled, and four others are held due to uncertainty with potential elimination in the House or Senate budgets.

## Outcomes of Positions Planned for Elimination After Four Months

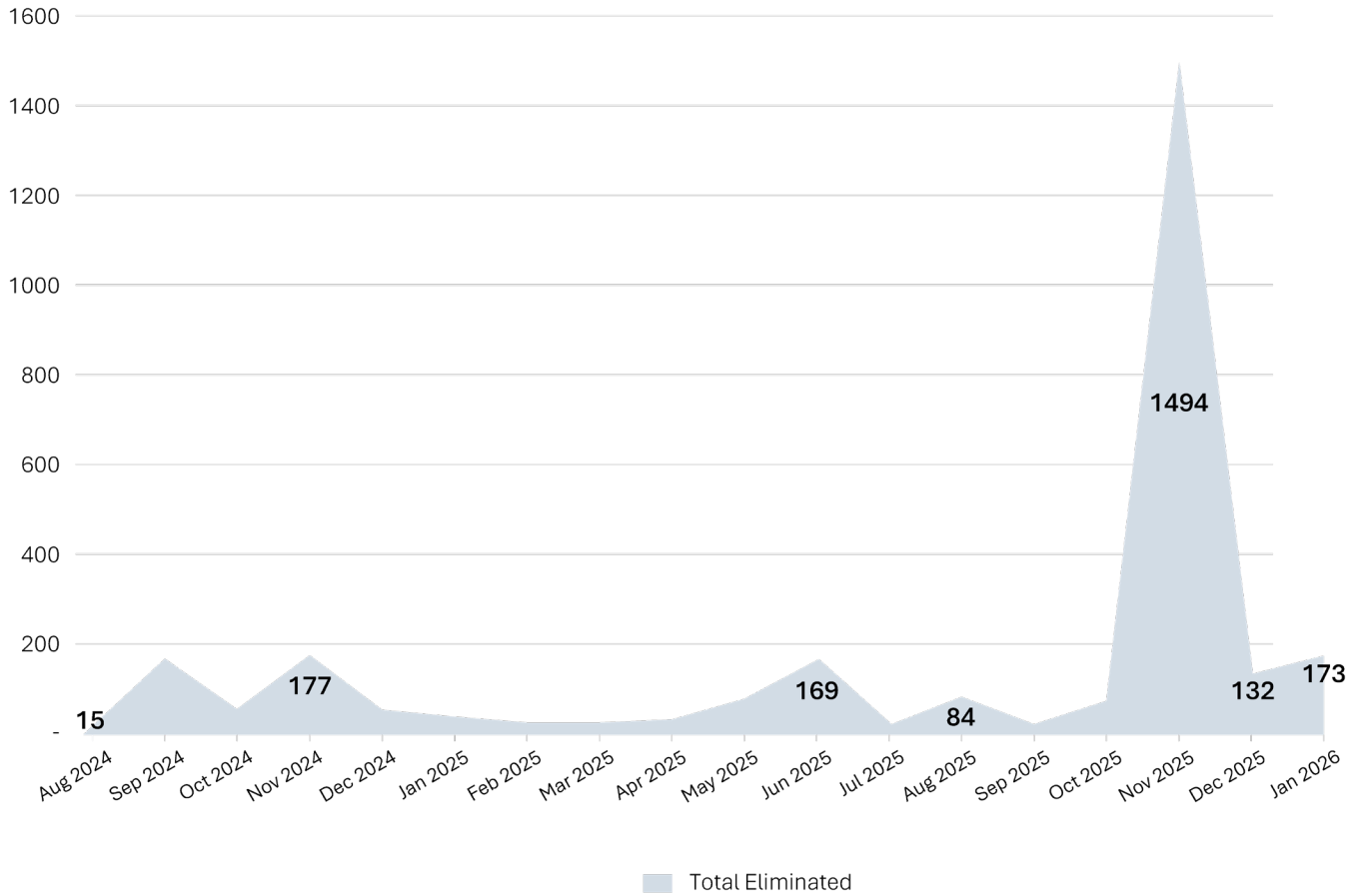


DAC's approach to eliminating long-term vacancies to fund operational expenses demonstrates alignment between budgeted positions and actual expenditures. As recommended in OSA's [January 2026 report](#), State agency budgets should reflect the expenditures necessary to deliver services and meet statutory responsibilities, strengthening oversight and accountability.

Vacancy elimination data from the Integrated HR/Payroll System (BEACON) illustrates the trend in positions eliminated by State agencies, including a sharp increase during the period of OSA's long-term vacancy and lapsed salary analysis. The data reflects the composition of DAC's elimination wave as well as prior elimination activity across State agencies.

For example, DHHS reported that in 2024 it abolished 520 positions, which affected funding for 3,920 positions across DHHS, including in-range salary adjustments, vacant position salary increases, and position reclassifications. According to DHHS management, minimum salaries of registered nurses were raised by \$5,980, health care technician I's by \$1,768, health care technician II's by \$1,872, and health care technician leads by \$2,028.

## Number of Vacancies Eliminated from All State Agencies



## Ordering Information

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