



North Carolina Department of Health and Human Services

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Beverly Eaves Perdue, Governor

February 25, 2010

Lanier M. Cansler, Secretary

The Honorable William Purcell, Co-Chair
Appropriations on Health and
Human Services
North Carolina General Assembly
Room 625, Legislative Office Building
Raleigh, NC 27603

The Honorable Doug Berger, Co-Chair
Appropriations on Health and
Human Services
North Carolina General Assembly
Room 526, Legislative Office Building
Raleigh, NC 27603

Dear Senators Purcell and Berger:

Session Law 2009-451, Section 10.35A, requires the North Carolina Department of Health and Human Services to submit a report on positions eliminated in the budget for the 2009-2010 fiscal year, the total number of positions to include those vacant and filled, and the savings generated through salary and fringe benefits and severance paid out. Under this legislation, the report is to be submitted to the House of Representatives Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division by March 1, 2010.

In order to address this objective, there will be a delay in submission of this report until April 1, 2010 as information is still being compiled and additional time is needed to complete this report.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Lanier M. Cansler for".

Lanier M. Cansler

LMC:mth

cc:	Allen Feezor	Leza Wainwright	Michael Watson
	Dan Stewart	Rennie Hobby	Sharnese Ransome
	Jim Slate	Jennifer Hoffmann	Legislative Committees
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**Report to
House of Representatives Appropriations Subcommittee on Health and Human
Services,
Senate Appropriations Committee on Health and Human Services, and
Fiscal Research Division**

On

DHHS Position Eliminations

Session Law 2009-451, Section 10.35A

April 1, 2010

**North Carolina Department of Health and Human Services,
Division of Mental Health, Developmental Disabilities, and Substance Abuse
Services and Division of State Operated Healthcare Facilities**

Report on DHHS Position Eliminations
April 1, 2010

The Special Provision outlined in Session Law, 2009-451, Section 10.35A, granted the Secretary for the Department of Health and Human Services flexibility in achieving the required budget savings for State fiscal years 2009-2010 and 2010-2011. The provision is listed below:

The Secretary of the Department of Health and Human Services may achieve the savings from position eliminations by reducing a lesser number of positions than prescribed in the money report for Department of Health and Human Services. If the Secretary determines that the designated positions targeted for elimination in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services jeopardize services, patient safety, quality of patient care, certification or accreditation, the Secretary may reduce other operating expense to meet these savings. The Secretary shall report on the number of positions eliminated in the budget for the 2009-2010 fiscal year. The report shall include the total number of positions, including positions filled and vacant positions, and savings generated through salary and fringe benefits and any severance paid out. The Secretary shall submit the report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on or before March 1, 2010.

In the DHHS Money Report for 2009, Item 13 on the Elimination of Positions, calls for the eliminations of 350 positions within DMH/DD/SAS at a reoccurring savings of \$12,858,290. This budget savings was achieved through a combination of position elimination and a reduction of operating expenses. The following information in the table below outlines the actions taken to meet this objective:

Filled Positions	48
Vacant Positions	179.50
Total Positions Eliminated	227.50
Salary	\$6,060,871
Fringe Benefits	\$1,632,653
Total Salary and Fringe Cost Savings	\$7,693,524
Total Operating Costs Savings	\$5,164,766
Total Severance Costs Paid	\$568,093