

July 1, 2023

The Honorable Glenn Youngkin  
Governor  
1111 E. Broad Street  
Richmond, Virginia 23219

The Honorable Janet D. Howell  
Chair, Senate Finance and Appropriations Committee  
Pocahontas Building, Room E509  
Richmond, Virginia 23219

The Honorable Barry D. Knight  
Chair, House Appropriations Committee  
Pocahontas Building, Room W1312  
Richmond, Virginia 23219

Dear Governor Youngkin, Senator Howell and Delegate Knight:

Please find attached the updated plan detailing uses for the funds made available for the Transformation Office from the current general fund. This report shall act as the July 1, 2023 update to our original plan that was originally shared with you on September 12, 2022.

As you know, \$10,000,000 from the general fund was made available for transfer to state agencies to help implement government transformation initiatives identified by the Chief Transformation Officer and approved by the Governor. Prior to the transfer of funds, the Chief Transformation Officer shall submit a plan detailing the intended use of the funds to the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees.

The objectives for Transformation, specified in Executive Order 5, are to help build a culture of transparency, accountability, and constructive challenge across government, ensure employees at all levels are reminded that our government works for the citizens of Virginia, and drive changes improving the effectiveness and efficiency of our government. In short, we work to help make Virginia's government more responsive, efficient and transparent.

Our focus has been to continue working with a wide variety of Agencies to improve Virginian's experiences with government services and improve their effectiveness both rapidly and sustainably. Highlights from the most recent quarter include:

- Transitioned leadership of the ongoing **DMV** transformation to the new DMV Commissioner. DMV transformation team members executed 30 new transformation initiatives for a total of 65 through June. During this time, we maintained low in-person waiting times at DMV service centers, reduced service times to an average of 9.9 minutes

in May, identified process efficiencies, improved training, and continued working with 52 individual DMV employees who each own an average of 3.5 transformation initiatives.

- At the **VEC**, we increased First Level Appeals weekly output over 100% by fostering an environment of innovation, collaboration and measured testing; integrated Robotic Process Automation (RPA) to augment staff capabilities in manually repetitive tasks; raised Adjudication Timely Decisions by over 20% to give claimants quicker resolutions for issues on their claims and raised First Pay Timeliness over 30% for faster payment turnaround. VEC successfully launched UIDirect, the rebranded Customer portal, to better stop fraudulent activity and simplify the customer experience
- Launched a multi-agency transformation effort to sustainably improve prisoner re-entry success. This is focused on improving **VADOC** supervisees' access to six success factors, including housing, medical, behavioral health and substance abuse treatment, employment, and appropriate supervision utilizing a first-of-its-kind dashboard.
- The Chief Transformation Officer worked closely with VEDP's President/CEO and leadership team to provide expertise and project guidance to the Governor's priority effort to implement new approaches to **accelerate Economic Growth** across the Commonwealth through improved strategic focus and improved collaboration across Agencies.
- Partnered with the Secretary of Labor and third-party experts to develop detailed plans to successfully stand-up, transition, and operationalize the new **Workforce Development Agency (VDWDA)** over the next 15 months. Began a cadence of weekly updates and Program Management Office (PMO) meetings to ensure rapid progress.
- Collaborated with the Secretaries of Administration and Finance to develop and launch multiple workstreams to identify opportunities to improve government effectiveness.
- Provided continued project management resources to the **Partnership for Petersburg**, "**Right Help Right Now**" behavioral health transformation, and **Secretary of Education**.

Specific planned projects are listed on the attached schedule with information about their costs, partner agency, objectives, and uses for the funds with updated amounts. All amounts estimated.

### Next Steps

The Secretary of Finance, in consultation with the CTO, shall authorize the transfer of additional amounts from this list to the identified agencies in support of the transformation initiatives.

I look forward to providing continuing quarterly program updates to you and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. As always, please share any questions or additional suggestions you may have as we continue to work together to make Virginia the best place to live, work, and raise a family.

Sincerely,



Eric J. Moeller  
Chief Transformation Officer  
Cc: Jeffrey Goettman

# Transformation Plan

*Second Quarter 2023 Update*

July 1, 2023



## Current Status of 2023 Transformation Funds – Third-Party Expertise

Transformation Initiatives Identified by the CTO	Amount (\$000)		Agency	Intended Uses and Objectives
	Revised Plan	Transferred		
<b>Procurement Reform</b> Phase 1: assessment and initial planning	495	495	DGS	Third party expertise to assess operating model and identify opportunities for process improvement, transparency, accountability, and savings
<b>Procurement Reform</b> Phase 2: detailed planning & implementation	2,700	2,700	DGS	Third party expertise to help implement operating model improvements and capture opportunities for process improvement , transparency, accountability, and savings (revised +1,200 from original plan)
<b>DMV</b> Phase 1: quick wins, focus on customer experience	0	0	n/a	CTO, Deputy CTO, and Associates working directly with Agency personnel to reduce in-person wait times and improve customer experience. No outside resources utilized.
<b>DMV</b> Phase 2: digital/IT, operating model, costs, & performance mgmt	0	0	DMV	Transformation leadership transitioned to new DMV Commissioner. CTO staff providing light support. No outside resources utilized. (revised -500 from original plan)
<b>VEC</b> Phase 1: backlog reduction and best-in-class roadmap	360	360	VEC	Third party expertise to help reduce backlogs, improve customer service, & prioritize key improvement levers to reach best-in-class (b-i-c). (revised downward from original plan to reflect lower actual cost)
<b>VEC</b> Phase 2: streamline front-end intake process, redesign first level of appeals, best-in-class implementation, resiliency plan design	45	45	VEC	Third party legal expertise and technical resources to help reduce appeals backlogs, eliminate manual processing, move towards best-in-class. in all areas (revised downward to reflect lower actual costs)
<b>Behavioral Health Transformation</b>	1,040	1,040	HHR	Third party expertise to work with Secretary of HHR and internal teams to develop the overall 3-year transformation plan (“Right Help, Right Now”) to transform Virginia’s behavioral health system (revised downward -260 as same funds moved to Project Management (PMO) pool for Behavioral Health Project Manager)
<b>Economic Development</b> - strategy & roadmap	970	970	VEDP	Third party expertise to help design the strategy and roadmap to develop a best-in-class economic development approach and organization to help achieve the Governor’s 400,000 employment growth goal (revised downward -30 from original plan to reflect lower actual cost)
<b>Employee Talent Management</b>	0	0	DHRM	Third party expertise to help DHRM and Agency HR develop common tools, metrics and processes for improving and streamlining recruiting, training and employee performance improvement (revised -700)
<b>SOC</b> - process improvement	0	0	SOC	Leverage process improvement expertise and software to consolidate data, streamline, and speed processes for appointments. No outside resources utilized. (revised downward -250 from original plan)
<b>Subtotal Third-Party Expertise</b>	<b>5,610</b>	<b>5,610</b>		



## Transformation – Manpower and Other Expenses

Transformation Initiatives Identified by the CTO	Amount (\$000)		Agency	Intended Uses and Objectives
	Revised Plan	Transferred		
<b>Project Management (PMO) pool</b>	1,560	868	Office of the Governor	Provide project managers (PMs) to help lead and manage Transformation projects prioritized by the Governor and CTO (revised +260 from original plan for Behavioral Health Project Manager)
<b>Transformation Office Resources</b>	1,800	170	Office of the Governor	Provide internal team members to help CTO support priority transformation projects. Funds will be used to fund 3 Deputy CTO and other time-limited roles through 12/31/2025 (revised +490)
<b>Executive Search</b>	255	254	Office of the Governor	Executive search firm services to find key leadership positions (revised +35 from original plan to reflect actual costs)
<b>Subtotal Manpower</b>	<b>3,615</b>	<b>1,292</b>		
<b>Travel, software, and other</b>	190	18	Office of the Governor	Travel to learn from best-in-class states on key processes and purchase tools to increase productivity and track transformation initiatives
<b>Unallocated - project(s) TBD</b>	585	0	n/a	Additional resources for current project(s) or others yet to be named (revised balance to reflect all net changes from Original to Revised Plan, incl. 500 to Procurement)
<b>Subtotal Travel, Software, and Other Expenses</b>	<b>775</b>	<b>18</b>		
<b>Grand Total</b>	<b>10,000</b>	<b>6,920</b>		
<b>Balance Remaining to Transfer</b>	<b>0</b>	<b>3,080</b>		Balance to be used to fund current projects and transformation and project manager resources

