



COMMONWEALTH of VIRGINIA

Office of the Governor

Glenn Youngkin
Governor

July 1, 2024

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

The Honorable L. Louise Lucas
Chair, Senate Finance and Appropriations Committee
General Assembly Building
Richmond, Virginia 23219

The Honorable Luke E. Torian
Chair, House Appropriations Committee
General Assembly Building
Richmond, Virginia 23219

Dear Governor Youngkin, Senator Lucas and Delegate Torian:

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, 2024, 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. Additionally, \$5,000,000 was made available through the 2023 Special Session I Acts of Assembly Chapter 1. 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 and accountability across government, ensure employees at all levels are reminded that our government must be focused on serving Virginians, and help improve the effectiveness and efficiency of our government. We achieve sustainable transformation by working with secretariates and their agencies, providing complimentary expertise, oversight, program

management, and training. Our goal is to equip government leaders with the infrastructure and capabilities to sustain and improve upon transformations prioritized.

Highlights from the most recent quarter's work of the Transformation Office include:

- We continued leading an innovative, cross-agency **Re-entry Optimization** team with VADOC focused on sustainably improving re-entry success for 50,000 VADOC supervisees (i.e., probationers/parolees). Recently, we expanded the optimization to include jails and the State Compensation Board, piloted a partnership with DHCD to secure housing for supervisees with the highest barriers to housing placement, rolled-out a state 2nd chance hiring policy with DHRM, began scaling up parenthood programming in prisons to help address apathy and generational incarceration, and streamlined the VADOC volunteer approval process.
- Continued partnership with the Secretary of Labor and Director of the **Workforce Development Agency (VDWDA)**. All employees were functionally transitioned in Q1 of 2024; this approach has ensured non-interruption of critical services. Physical transition efforts associated with the new agency have been ongoing to include identification of a new facility, establishment of inter-agency memorandums of understanding, and relocation plans which will occur throughout Q3. Improvement efforts have focused on Sprint 1 (Rapid Response, RESEA, and Monitors) transitioning into implementation. Sprint 2 (Registered Apprenticeships, EIA, and Workforce Services) kicked-off and is in development and planning. The 2nd quarter of workforce metrics were collected on May 31st. Proposals for the Workforce Tech Hub solicitation were due June 7th.
- The **DMV transformation** continued to deliver sustained improvements as DMV team members executed **10** new initiatives during the most recent release cycle (FY24 Cycle 5, 4/5-5/17) for a total of 92 as of **June** while maintaining low in-person waiting times at 13 minutes and serve times at 10 minutes.
- **VEC** surpassed the national average in unemployment benefit check deliveries, issuing 85.3% of all first payments within the 14-to-21-day window to comply with U.S. Department of Labor (DOL) standards (up from a baseline of 22% in 2022). Additionally, VEC surpassed DOL standards for timely decision-making, with 87.1% of determinations issued within 21 days (up from a baseline of 19.9% in 2022). Lastly, VEC enhanced its online services resulting in a record number of customers filing their claims online.
- The Chief Transformation Officer provided continued project management assistance to the **Partnership for Petersburg** to work through the nearly 50 in-progress initiatives. Key achievements, include: launching the Goodr Mobile Grocery Store (while a brick and mortar store is built), hosting a job fair with nearly 1,000 job seekers, selecting the preferred build alternatives to apply for SMART Scale funding (to ensure Petersburg has safe entrances and exits along I-95 and I-85), tutored more than 370 students, launched a microloan program that will provide up to \$300,000 to Petersburg-based businesses (building on the 2023 Founders Fund), hosted a meeting with Petersburg-based pharmaceutical leadership to discuss opportunities to expand the Pharmaceutical Cluster.
- The Chief Transformation Officer provided continued project management assistance to the **“Right Help Right Now”** behavioral health transformation. The transformation office

funded the hiring of an Executive Director to lead *Right Help, Right Now* efforts. The Right Help Right Now transformation has improved access with the creation of 70 new mobile crisis teams and increase in licensed clinical social workers by 51.4%. Reprocurved Medicaid Managed Care Organization contracts prioritizing behavioral health as a key outcome.

- We continued our **Call Center Transformation** in partnership with the Secretary of Administration. This initiative is focused on improving call center performance and efficiencies. Specifically, the team supported DSS and several other agencies with procurement negotiations on expiring contracts, resulting in cost avoidance, increased revenues and additional savings.
- Collaborated with senior Department of Health leadership to support the **VDH Financial Management Transformation** project to develop the future state of the VDH Office of Financial Management, managed third-party resources to ensure timely delivery of high-quality work products, and provided interim managerial support for existing vacancies within the organization. Office transitioned interim managerial support back over to VDH at end of March 2024.
- Assisted the Department of Veterans Services in their deployment of the **Virginia Veterans Network** hub (VVN) applying program oversight and technology implementation best practices. VVN will be a free online hub of resources and services for veterans, service members, and their families. VVN will provide direct access to resources and services from trusted veteran service organizations, nonprofits, and state agencies. Resources and services offered will range from job training and employment to health care and wellness.
- At **Virginia's Alcoholic Beverage Commission (ABC)**, our office transitioned analytical support and other responsibilities to the new CEO and executive team. The Transformation Office is available for any additional assistance at the request of the CEO.
- We collaborated with **Department of Education** to assist agency and applicants on the College Partnership Laboratory Schools initiative, resulting in 15 operational lab schools by school year 2025-2026.
- The Chief Transformation Officer continued to work with VEDP's President and CEO and several Cabinet Secretaries to provide expertise and guidance to the Governor's priority effort to implement new approaches to accelerate **Virginia's Innovative Framework for Economic Growth**.

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,

A handwritten signature in black ink, appearing to read 'R. Ward', with a long horizontal stroke extending to the right.

Robert Ward
Chief Transformation Officer
Cc: Jeffrey Goettman, Chief of Staff

Transformation Office Report

July 1, 2024



The Transformation Office offers specialized skills and expertise to support secretaries & agencies across the Commonwealth

- Provides **in-house** transformation support in the form of experience, knowledge, and oversight
- Aids effective management of **third-party resources**
- Introduces discipline and formal frameworks to **measure** change management efforts
- Standardizes and structures approach to problem solving and project management to **drive initiatives to completion**
- Identifies and shares **best practices** across government secretariats, agencies, and departments
- Equips agency leaders with the capabilities and skills to **foster continued development**



Current status of Transformation funds

Transformation Office Report	\$ (000s)	Sec/ Agency	Consultant	Outcomes
Spent / Committed				
Procurement Transformation	\$3,740.0	DGS	BCG, Civic Initiatives	\$105M+ saved through re-procurement in executive agencies across the Commonwealth
VEC Transformation	\$400.0	VEC	Accenture, BrownGreer, SLOK	Cleared over 1M work items, eliminated crucial claims backlogs, and increased timeliness from 20% to >80%
Behavioral Health - transformation	\$1,040.0	HHR	McKinsey	Built transformation approach, vision, and infrastructure; provided staff aug and program oversight
Economic Development - strategy & roadmap	\$970.0	VEDP	McKinsey	Partnered with VEDP and the Secretary of Commerce to build Virginia's workforce strategy
Executive search	\$550.0	Gov	Korn Ferry, Fahrenheit Group	Hiring or hired 9 transformational executive leaders for key posts in the Commonwealth
Project Management (PMO) pool	\$870.0	Gov	Impact Makers	Provided key managers for Transformation projects, from RHRN to Partnership for Petersburg, and others
Early Child Care & Education	\$380.0	Gov	BCG	Led task force to ensure continued access to child care for 27,000 children amidst the expiration of federal dollars while delivering best-in-class model
DHRM Employee Survey	\$410.0	DHRM	Thundercat Technology	Planning to pilot with 20 agencies
Richard Bland - Governance Eval	\$200.0	Gov	BCG	Evaluated new governance model for RBC to enhance educational attainment, delivery methods, efficiencies, and regional development.
Department of Tax Support	\$130.0	Tax	Ernst & Young	Assisted DPB and Tax with budget planning
Education/Gov Office resource	\$60.0	Gov		Transformation resource in the Secretary of Education's Office
Transformation Office Resources	\$1,240.0	Gov		Staff cost through end of the Administration
Virginia Veteran's Network	Staff	DVS		Successfully managed VVN network project and initial implementation
DMV Transformation	Staff	DMV		100+ initiatives resulting in customer wait time reduction of >70%
VDH Financial Transformation	Staff	VEC		Stabilized and standardized critical financial functions at VDH
Workforce Development Transformation	Staff	DWDA		Stood up workforce development agency
ABC Financial Support	Staff	ABC		Assisted ABC leadership with financial planning
Lab School Initiative	Staff	DOE		Provided managerial support to DOE
Partnership for Petersburg	Staff	SOC		Technical and managerial support for PFP Transformation
Call Centers	Staff	HHR		Working alongside HHR to maintain call center report compliance

Subtotal Spent / Committed

\$9,990.0



Successful Transformation outcomes across the Commonwealth



DMV

Delivered dramatically improved customer service results while driving improved data reporting and efficiencies throughout the agency.

DMV has implemented \$9.0 million in recurring savings items with another \$1.6 million in additional opportunities that are being researched along with \$4.4 million as targets for FY25 budget planning.

Over 90 initiatives at the DMV resulted in a >70% reduction in customer wait times, falling from an average wait of nearly 40 minutes down to 11 minutes.



VEC

The Virginia Employment Commission (VEC) has significantly improved service delivery since 2022.

First payments are now issued within 14-21 days for 85.3% of cases, and 87.1% of determinations are made within 21 days.

Enhancements in online services led to a record number of online claims. VEC also augmented in-house expertise, optimized processes, automated backend tasks, and implemented RPA for hearings, resulting in superior performance metrics and customer satisfaction.



Successful Transformation projects



Workforce

Supported the stand up of the Department of Workforce Development and Advancement (Virginia Works).

Guided transition by aligning roles and responsibilities across multiple agencies and secretariats, incorporating stakeholder input through Commonwealth-wide townhalls and Stakeholders Advisory Group meetings.

Initiated business engagement strategy and program development. Ensured the sustainable success of Virginia Works by instituting reporting expectations and ongoing collection of workforce metrics.



Reentry

The re-entry transformation focused efforts on improving reentry success, to enhance public safety, economic productivity, and community well-being. This transformation leveraged cross-agency partnerships and strategic metric management.

More than 10 cross-agency partnerships were leveraged to improve metrics across 8 key metrics linked to improving reentry success, including probationer employment, healthcare enrollment, housing. The initiative also leveraged strategic public-private partnerships.



Successful Transformation projects



Right Help Right Now

Facilitated the creation of the multi-agency Right Help Right Now initiative to improve accessible, behavioral healthcare and reorient behavioral health systems towards people and prevention rather than incarceration.

Improved access with the creation of 70 new mobile crisis teams and increase in licensed clinical social workers by 51.4%. Reprocurd Medicaid Managed Care Organization contracts prioritizing behavioral health as a key outcome.

Developed educational programs to prevent youth opioid addiction and facilitated efficient hospital placement for individuals under Temporary Detention Orders.



Veteran's Network

The Transformation Office provided program oversight to ensure DVS veterans' outreach effort remained on time and on budget.

VVN is an online hub connecting veterans, service members, and their families to critical services. VVN provides direct access to resources from trusted veteran service organizations, nonprofits, and state agencies.

Resources and services offered will range from job training and employment to health care and wellness.



Further uses for Transformation funds

Assessing multiple requests from Secretaries as we evaluate the Transformation Office's next round of projects

Ongoing / Potential Future Projects:

Prisoner Reentry

IT Modernization

VITA Application Study

Surplus FF&E

DEB Deferred Maintenance Backlog

DMV Property Study

Artificial Intelligence Regulatory Initiative

Remaining **\$5.01M** in Transformation funds to be allocated through ongoing and future projects

