

April 1, 2025

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 April 1, 2025, update to our original plan that was originally shared with you on September 12, 2022.

The Chief Transformation Office was established by Governor Glenn Youngkin under Executive Order 5, on January 15<sup>th</sup>, 2022, to improve government efficacy and the customer experience for the Commonwealth's 8.7 million residents.

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

#### **Ongoing Initiatives**

- **The Office of Helene Rebuilding and Recovery** - The Office of Hurricane Helene Recovery and Rebuilding is working to efficiently leverage all state and federal resources to support impacted localities, focusing on transition from recovery to rebuilding. Key initiatives include collaborating with federal leaders, FEMA, HUD, SBA, USDA, EPA, EDA, and USFS to identify funding and address needs, while leveraging workstreams for economic development, housing, infrastructure, and natural resources. Efforts also focus on key projects like the Creeper Trail restoration, supported by FEMA, USDA/USFS, and expedited housing revitalization with HUD support.
- **Partnership for Petersburg** - The Transformation Office provided continued project management assistance to the **Partnership for Petersburg** to work through the nearly 50 in-progress initiatives. In the first quarter, the Partnership, City, and partners hosted its third job fair in Petersburg and recognized the City's commitment to downtown revitalization with the Advancing Virginia Main Street Designation. Additionally, the Partnership focused on preparation for upcoming priorities including a community enhancement center and

- pharmaceutical manufacturing training facility.
- **Right Help, Right Now** - The mental and behavioral health care transformation continues to improve access and quality across the continuum of care. Department of Behavioral Health and Developmental Services (DBHDS) has restarted statewide meetings for Community Services Boards (CSBs) operating Crisis Receiving Centers and Crisis Stabilization Units for technical assistance to support, bi-directional communication between the state and providers. Virginia Crisis Connects launched the facility referral function in February with private hospital participation which has been successful. The regulations governing the restructuring of the Qualified Mental Health Professionals have been approved with the effective date for accepting applications on May 7<sup>th</sup>, 2025. The regulations governing the new professions of Behavioral Health Technician and Behavioral Health Technician Assistant have been approved with the effective date for accepting applications on May 8<sup>th</sup>, 2025. The 1115 Serious Mental Illness Demonstration Waiver application was submitted and is pending approval from the Centers for Medicare and Medicare Services.
- Sponsoring **Commonwealth Leadership Academy** Spring 2025 Cohort which cultivates excellent executive-level state leaders through Virginia Commonwealth University's Center for Public Policy. Senior executives from state agencies complete intensive eight-week program in professional development and team-building.
- **IT Major Program Management Organization Center of Excellence** - Assisting the Secretary of Administration and VITA in building an **IT Major Program Management Organization Center of Excellence** and identifying gaps and opportunities in the **Project Management Division**. This initiative is focused on positioning the Commonwealth for success with multiple upcoming major IT programs to update and replace critical aging infrastructure.
- **Quarterly Management Review Support** - Continued supporting secretariats and their agencies in defining objectives to achieve success and measuring and tracking key results.

**Transitioned (from Office of Transformation to other Secretariat/ Agency leadership)**

- The **DMV transformation** continues to inspire public confidence and drive operational efficiency. Despite a 45.8% increase in customer volume, in-person wait times dropped by 20.9% (from 18.7 minutes to 14.8 minutes) and serve times by 23% (from 12.2 minutes to 9.4 minutes) comparing February 2022 and February 2025. In January, the DMV presented its success at the 2025 OPEX and Business Transformation World Summit, earning an Honorary Mention in the Best Transformation Delivering Customer Excellence category.
- The **VEC transformation** continued to deliver sustained improvements for critical Department of Labor metrics as the VEC team improved timeliness for non-monetary determinations made (86% vs. 4.8% baseline) and timeliness of first payment to (86.5% vs. 75%). The VEC team also enhanced its customer service offering to further improve the call center and online portal experience, increasing the percentage of initial claims filed online from 20% to 80%.

- **Workforce Development Agency (VDWDA) Standup**-Continued partnership with the Secretary of Labor and Director of the **Workforce Development Agency (VDWDA)**. Standup-Completed in partnership with the Secretary of Labor and Commissioner of the VDWDA. Process Improvement Sprints 1-4 nearing completion in April 2025. Sprint 5 – Agency-wide initiatives began with the establishment of Cross Functional Leadership Team meeting cadence and agency reorganization into focus areas: Policy and Strategy, Partnerships and Engagement, Service Delivery, Programs and Grants Management, Technology and Data, and Outcomes, Evaluation, and Improvement. The 5<sup>th</sup> quarter of Commonwealth-wide workforce metrics are due in early April 2025, and the baselining process for all 70+ programs is complete.
- **Stand Tall - Stay Strong - Succeed Together** - Transitioned to DOI / VADOC led (by Dec. 1, 2024) after public rollout in August. Transformation Office and DOI provided consistent support to the Secretary of Public Safety and VA DOC leadership, driving consistent improvement across a variety of metrics. At the end of November 2024, 7,400 more probationers have health insurance, and 9,500 more probationers received mental health assessments, all compared to August 2023 baseline.

### **New and Potential Projects**

- **Higher Education Dashboard** – The Transformation Office is providing support to SCHEV to expand existing online applications to include new functionality based on behavioral design principles to improve college going rates for Virginia students, as well as improve labor market supply levels for Virginia students post-graduation from postsecondary programs. The project is expected to get underway in early Q2 2025.
- **K-12 Funding Formula** – The Transformation Office is providing support to the Secretary of Education and Virginia Department of Education to modernize and create transparency in the K-12 funding formula.
- **State Parks Revenue Optimization** – The Transformation Office is providing support to Department of Conservation and Recreation on a project that will enable DCR to identify and prioritize potential revenue generating opportunities for state parks with a focus on a more robust retail strategy. As of April 1, this agreement is with DGS-DPS for review, with work expected to get underway in Q2 2025.
- **Reclaiming Childhood** – The Transformation Office is working in collaboration with the Secretary of Health and Human Resources on a project that will educate students on online and social media safety.
- **Maternal Health** – The Transformation Office is working in collaboration with the Secretary of Health and Human Resources to provide supplemental support to the Maternal Health Data and Quality Measures Task Force.
- **Regulatory AI Pilot Program** – The Transformation Office will support the pilot of an AI tool to scan regulations and guidance documents to identify opportunities for reduction and ensure compliance with federal laws.

### **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,



Robert Ward  
Chief Transformation Officer  
Cc: John Littel, Chief of Staff

# Transformation Office Report

April 1, 2025



# Current status of Transformation funds

Transformation Office Report	\$ (000s)	Lead	Status / Outcomes
<b>Spent / Committed</b>			
Procurement Transformation	\$3,740.0	DGS	Secure \$105M+ in savings by establishing category management strategy
VEC Transformation	\$400.0	VEC	Cleared 1M+ work items, eliminated claims backlogs, and increased timeliness from 20% to >80%
Behavioral Health Transformation	\$1,040.0	HHR	Built transformation approach, vision, and infrastructure; provided staff aug and program oversight
Economic Development (VEDP)	\$970.0	VEDP	Partnered with VEDP and the Secretary of Commerce to build Virginia's workforce strategy
Executive search	\$550.0	Gov	Hired 9 transformational executive leaders for key posts in the Commonwealth
Project Management (PMO) pool	\$870.0	Gov	Provided key managers for Transformation projects, from RHRN to Partnership for Petersburg
Early Child Care & Education	\$380.0	Gov	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	Consistent, standardized survey available for agency use, a cost saving measure for agencies as they will not solicit outside contracts
Richard Bland - Governance Evaluation	\$200.0	Gov	Conducted stakeholder engagement, assessed various governance options to inform potential governance model; report published 8/15/24
Department of Tax Support	\$130.0	Tax	Assisted DPB and Tax with budget planning
IT Modernization	\$450.0	VITA	Provided program support, including hiring 2 people, to improve IT modernization project delivery
Transformation Office Resources	\$450.0	Gov	Staffing costs through end of the Administration
VITA PMD Assessment	\$330.0	VITA	Leveraging third party expertise to drive efficiency and capability with high-risk projects in VITA's PMD
Office of Rebuild and Recovery Project Management	\$100.0	VDEM	Providing key project management experience to VDEM for Creeper Trail rebuild in conjunction with USFS
VPT Phase 3	\$95.0	Gov	Enhancing the Virginia Permit Transparency (VPT) Permitting Dashboard
Education K-12 Formula and Integration	\$1,500.0	SOE	Analysis of existing K-12 formula funding and creation of higher ed data dashboards
Foster Care Assessment	\$750.0	HHR	Addressing and outlining key challenges that require transformational change and provide input on how to improve Virginia's Foster Care system
State Parks Revenue Optimization	\$500.0	DCR	Third party support to identify opportunities to optimize state park revenue
Commonwealth Leadership Academy	\$100.0	DHRM	Funding for state leaders' professional development and team-building
Regulation AI Tool	\$150.0	ORM	Pilot of tool to scan regulations and guidance documents, identifying opportunities for reduction
Maternal Health	\$500.0	HHR	Assist VDH with data dashboard and maternal health data taskforce
Reentry (Stand Tall)	Staff	VADOC	Established cross-agency program to improve reentry success
DEB Deferred Maintenance Backlog	Staff	DEB	Provided data visualization and analytical support for deferred maintenance
Virginia Veteran's Network	Staff	DVS	Provided program oversight of Virginia Veterans' Network implementation
DMV Transformation	Staff	DMV	Established and transitioned program to reduce customer wait times by more than 70%
VDH Financial Transformation	Staff	VEC	Stabilized and standardized critical financial functions at VDH
Workforce Development Transformation	Staff	DWDA	Stood up workforce development agency
IEM County Grant Assistance Support	\$500.0	DHCD	Office of Recovery and Rebuild county grant application and support for localities
ABC Financial Support	Staff	ABC	Assisted ABC leadership with financial planning
Lab School Initiative	Staff	DOE	Provided managerial support to DOE
Virginian's Experience Improvements	Staff	VITA	Assessed Virginian's experience across 5 channels; helped HHR with call centers and budget report
Partnership for Petersburg	Staff	SOC	Provided technical and managerial support
<b>Subtotal Spent / Committed</b>	<b>\$14,115.0</b>		
Note: Staff denotes no additional third-party expense			
<b>Unallocated - project(s) TBD</b>	<b>\$885.0</b>		
<b>Total CTO Budget</b>	<b>\$15,000.0</b>		

Note: Staff denotes no additional third-party expense

## 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:

Education K-12 Formula and Integration

SCHEV Higher Education Dashboard

State Parks Revenue Optimization

Maternal Health

Commonwealth Leadership Academy

Reclaiming Childhood

Other Projects

Remaining **\$885K** in Transformation funds to be allocated through ongoing and future projects

