

July 1, 2025

The Honorable Glenn Youngkin
Governor of Virginia
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, Chair Lucas, and Chair 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 June 30, 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, issued on January 15, 2022, to improve government efficacy and the customer experience for the Commonwealth's 8.8 million residents.

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

Ongoing Initiatives

- **The Office of Recovery and Rebuilding** – The Office of Recovery and Rebuilding is working to efficiently leverage all state and federal resources to support impacted localities. Key initiatives include collaborating with federal leaders, U.S. Department of Housing and Urban Development, United States Department of Agriculture, U.S. Small Business Administration, U.S. Economic Development Administration, and state agencies, Virginia Department of Housing and Community Development, Virginia Department of Conservation and Recreation, and Virginia Resources Authority to identify funding and assist localities. The purview of the office was expanded beyond the damage caused by Hurricane Helene to include the damage caused by heavy rain and flooding in February 2025, otherwise known as Winter Storm Jett. Further disaster declarations have allowed funding and resources to be allocated to additional counties in Virginia. The Office of Recovery and Rebuilding expedited the timeline for DHCD's Community Development Block Grants, reducing the time between completion of the action plan and fund availability from 12 months to just three months.

- **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 second quarter, the Partnership and partners collaborated on a health education and career day for Petersburg High School students, concluded the second year of mentoring at Blandford Academy in partnership with Communities in Schools, and supported the coordination of maintenance and upkeep at the Petersburg Health Department.
- **State Parks Revenue Optimization** – Providing state parks in the Commonwealth with viable and sustainable revenue sources to ensure longevity of park operations and accessibility across the state. Initial work that is underway includes categorizing parks based on their complexity and amenities, and identifying external and internal points of contact for interviews. Final recommendations are scheduled to be completed by the week of August 11th.
- **Maternal Health Data** – Providing support to the Secretariat of Health and Human Resources and the Maternal Health Data and Quality Measures Task Force, as outlined in Executive Order 32. Ensure this work aligns with Executive Directive 11 (2024) which called for improved publication of actionable data on maternal health and the development of a comprehensive maternal health resource website. The Task Force met in May and June and has begun formulating findings on maternal health opportunities or unmet needs.
- **SCHEV Post-Secondary Pathways** – Supporting SCHEV on a behavioral analysis of Virginia high school students, families, and school counselors to understand the logistical and cognitive barriers faced in navigating post-secondary decisions. In the second quarter, the Behavioral Analysis Report was completed with a final project wrap up complete by early in the third quarter.
- **Quarterly Management Review Support** – Continued supporting secretariats and their agencies in defining objectives to achieve success and measuring and tracking key results.

New and Potential Projects

- **Agency Optimization**
- **Foster Care**
- **DEQ Permitting Efficiency**
- **AI Project for Regulatory**

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

- **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.
- The **DMV transformation** has led to significant improvements in both customer experience and operational efficiency. Despite a 6.4 percent increase in customer volume,

in-person wait times dropped by 67.1 percent (from 38 to 12.5 minutes) and serve times by 16.4 percent (from 11.6 to 9.7 minutes) between October 2019 and October 2024.

- 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 (85.6 percent vs. 4.8 percent baseline) and timeliness of first payment to (80.1 percent vs. 75 percent).
- **Right Help Right Now** – The mental and behavioral health care transformation has improved access across the continuum of care through the increase in mobile crisis teams from 36 to 102 and the increase in build out of crisis receiving centers, crisis stabilization units, and crisis therapeutic homes from 216 to 663 beds and chairs.
- **Workforce Development Agency (VDWDA) Standup** – Partnered with the Secretary of Labor and Director of the **Workforce Development Agency (VDWDA)**.
- **Stand Tall – Stay Strong – Succeed Together** – Transitioned to DOI / VADOC led (by Dec. 1, 2024) after public rollout in August.

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 your staff. 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

July 1, 2025



Current status of Transformation funds

Transformation Office Report	\$ (000s)	Lead	Status / Outcomes
Spent / Committed			
Procurement Transformation	\$3,740	DGS	Secure \$105M+ in savings by establishing category management strategy
VEC Transformation	\$400	VEC	Cleared 1M+ work items, eliminated claims backlogs, and increased timeliness from 20% to >80%
Right Help Right Now	\$1,040	HHR	Built transformation approach, vision, and infrastructure; provided staff aug and program oversight
Economic Development (VEDP)	\$970	VEDP	Partnered with VEDP and the Secretary of Commerce to build Virginia's workforce strategy
Executive search	\$550	Gov	Hired 9 transformational executive leaders for key posts in the Commonwealth
Project Management (PMO) pool	\$870	Gov	Provided key managers for Transformation projects, from RHRN to Partnership for Petersburg
Early Child Care & Education	\$380	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	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	Gov	Conducted stakeholder engagement, assessed various governance options to inform potential governance model; report published 8/15/24
Department of Tax Support	\$130	Tax	Assisted DPB and Tax with budget planning
IT Modernization	\$450	VITA	Provided program support, including hiring 2 people, to improve IT modernization project delivery
Transformation Office Resources	\$450	Gov	Staffing costs through end of the Administration
VITA PMD Assessment	\$330	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	\$400	VDEM	Providing key project management experience to VDEM for Creeper Trail rebuild in conjunction with USFS
VPT Phase 3	\$95	Gov	Enhancing the Virginia Permit Transparency (VPT) Permitting Dashboard
SCHEV Post-Secondary Pathways	\$1,500	SCHEV	Creation of higher ed data dashboards
Foster Care Assessment	\$750	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	DCR	Third party support to identify opportunities to optimize state park revenue
Commonwealth Leadership Academy	\$100	DHRM	Funding for state leaders' professional development and team-building
AI Project for Regulatory	\$150	ORM	Pilot of tool to scan regulations and guidance documents, identifying opportunities for reduction
Maternal Health Data	\$500	HHR	Assist VDH with data dashboard and maternal health data taskforce
IEM County Grant Assistance	\$500	DHCD	Office of Recovery and Rebuild county grant application and support for localities
DEQ Permitting Efficiency	\$100	DEQ	Support to increase permitting efficiency for DEQ
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	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
Virginian's Experience	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
Subtotal Spent / Committed	\$14,515		

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:

Foster Care Assessment

DEQ Permitting Efficiency

Agency Optimization

AI Project for Regulatory

Other projects

Remaining **\$485k** in Transformation funds to be allocated through ongoing and future projects

