

October 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, 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 October 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 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 (ORR) continues to support funding agencies in designing program guidelines and creating outreach strategies to inform localities and individuals. ORR contracted IEM, experts in disaster recovery and preparedness, to provide comprehensive communications services on behalf of ORR for all funding opportunities, to include on-the-ground support. IEM will also provide additional program design and administrative support specifically for DHCD's Community Development Block Grant Disaster fund, one of the largest and most flexible opportunities for Virginian localities recovering from Hurricane Helene and the February 2025 storms.
- **Partnership for Petersburg** – The Transformation Office provided continued staff support to the Partnership for Petersburg and its nearly 50 initiatives. In August, the Partnership for Petersburg celebrated its third anniversary with an event at the Petersburg Public Library highlighting progress and future opportunities. Other accomplishments in the past quarter include a \$750,000 Industrial Revitalization Fund grant to demolish the

blighted Travel Inn; \$3 million in state funds committed to Civica Rx supporting the expansion of affordable fast-acting insulin production at the company's Petersburg facility; and \$7.5 million in funds from the Department of Conservation and Recreation to support resiliency projects to mitigate flooding.

- **State Parks Revenue Optimization** – The Transformation Office provided resources to an initiative that will provide state parks in the Commonwealth with viable and sustainable revenue sources to ensure longevity of park operations and accessibility across the state. This quarter, KPMG, working in collaboration with the Department of Conservation and Recreation, completed interviews of state park managers, visited state parks, and conducted a visitor's survey. Additionally, KPMG delivered its recommendations, which include opportunities to increase the visibility of parks and online store options, improved in person shopping experiences, and quality-of systems improvements.
- **Maternal Health Data** – The Transformation Office provided 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, ensuring this work aligns with Executive Directive Eleven (2024) which called for improved publication of actionable data on maternal health and the development of a comprehensive maternal health resource website. Building on initial efforts, in August, the Task Force convened a facilitated provider panel discussion. The responses from the provider panel provided insights into maternal and child health and informed both the Task Force members and the public about gaps in maternal and child health. These responses will help shape the recommendations for the upcoming report due to the General Assembly and the Governor.
- **SCHEV Post-Secondary Pathways** – The Transformation Office continued to support 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. This quarter, the project was completed and included recommendations for programmatic interventions, digital solutions, and blended experience to support Virginia's students.
- **Virginia Department of Labor and Industry (DOLI) Apps Initiative** – The Transformation Office is supporting an initiative in collaboration with DOLI and VITA to support agency adoption of VITA-approved digital applications through a central Microsoft PowerApps marketplace. Targeted areas include HR onboarding, mileage tracking, travel reimbursement, and FOIA requests. Funding will provide a technical resource to bridge VITA and agency teams, ensuring faster implementation, smoother management changes, and greater adoption. Centralizing this effort reduces redundancies, lowers costs, and improves efficiency across state agencies.
- **Agency Optimization** – The Transformation Office is working in collaboration with the Virginia Employment Commission to identify agencies across the state in need of support to implement optimization projects. This quarter four projects were identified with work to commence early next 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**

- **SNAP Error Rate Review**
- **DEQ Permitting Efficiency**
- **AI Project for Regulatory**

### **Transformation Office Budget Update**

The June 2025 report to the General Assembly reflected \$14,515,000 in spent and committed funds; this quarter, the total is \$12,165,776. Adjustments include:

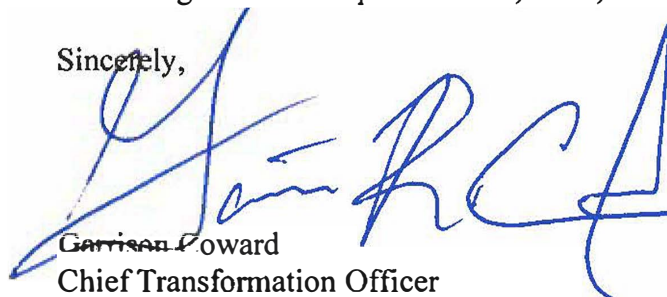
- Reducing a \$400,000 allocation to \$42,161 to the Virginia Department of Emergency Management to support project management for the Creeper Trail rebuilding project, as federal funding is covering more of the Creeper Trail project than anticipated.
- Removing a \$750,000 commitment for a Foster Care Assessment allocated to Health and Human Resources, as ongoing work did not require supplemental Transformation funds.
- Removing a \$1,000,000 allocation to support a study of the K-12 Funding Formula in partnership with the Virginia Department of Education.
- Removing \$100,000 allocated to the Department of Human Resource Management for a Commonwealth Leadership project, which did not move forward due to staffing transitions.

### **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 blue ink, appearing to read "Garrison Howard", is written over the printed name and title.

Garrison Howard  
Chief Transformation Officer

cc: John Littel, Chief of Staff

# Transformation Office Report

October 1, 2025



# Current status of Transformation funds

Transformation Office Report	\$	Lead	Status / Outcomes
<b>Spent/Committed</b>			
Procurement Transformation	\$3,750,000	DGS	Secured \$105M+ in savings by establishing category management strategy
VEC Transformation	\$402,053	VEC	Cleared 1M+ work items, eliminated claims backlogs, and increased timeliness from 20% to >80%
Right Help Right Now	\$1,040,000	HHR	Built transformation approach, vision, and infrastructure; provided staff aug and program oversight
Economic Development (VEDP)	\$1,000,000	VEDP	Partnered with VEDP and the Secretary of Commerce & Trade to build Virginia's workforce strategy
Executive search	\$520,000	Gov	Hired 9 transformational executive leaders for key posts in the Commonwealth
Project Management (PMO) pool	\$870,000	Gov	Provided key managers for Transformation projects, from RHRN to Partnership for Petersburg
Early Child Care & Education	\$382,500	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	\$413,505	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	\$200,000	Gov	Conducted stakeholder engagement, assessed various governance options to inform potential governance model; report published 8/15/24
Department of Tax Support	\$134,581	Tax	Assisted DPB and Tax with budget planning
IT Modernization	\$450,000	VITA	Provided program support, including hiring 2 people, to improve IT modernization project delivery
Education/Gov Office resource	\$58,920	Gov	Additional staffing support in the Secretary of Education's Office
SNAP Error Rate	\$235,000	HHR	Funds to support SNAP Error Rate reduction project
Transformation Office Resources	\$481,300	Gov	Staffing costs through end of the Administration
DOLI Shared Apps Initiative	\$75,000	DOLI	Support for DOLI to create shared apps initiative
Agency Optimization	\$40,000	VEC	Supporting the evaluation and execution of agency-led initiatives to that enhance constituent-facing efficiencies
VITA PMD Assessment	\$330,000	VITA	Leveraging third party expertise to drive efficiency and capability with high-risk projects in VITA's PMD
VPT Phase 3	\$95,000	Gov	Enhancing the Virginia Permit Transparency (VPT) Permitting Dashboard
Post-Secondary Pathways	\$305,375	SCHV	Execution of a behavioral assessment to develop a post-secondary dashboard
State Parks Revenue Optimization	\$500,000	DCR	Third party support to identify opportunities to optimize state park revenue
Regulation AI Tool	\$150,000	ORM	Pilot of tool to scan regulations and guidance documents, identifying opportunities for reduction
Office of Recovery and Rebuilding	\$42,161	VDEM	Providing key project management experience to VDEM for Creeper Trail rebuild in conjunction with USFS
IEM County Grant Assistance Support	\$590,380	DHCD	Office of Recovery and Rebuild county grant application and support for localities
DEQ Permitting Efficiency	\$100,000	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 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
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
Call Centers	Staff	HHR	Working alongside HHR to maintain call center report compliance
<b>Subtotal Spent / Committed</b>	<b>\$12,165,776</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:

SNAP Error Rate Review

DEQ Permitting Efficiency

AI Project for Regulatory

Remaining **\$2,834,224** of the initial \$15 million made available for the Transformation Office from the General Fund to be allocated through ongoing and future projects.

