



COMMONWEALTH of VIRGINIA

Office of the Governor

Glenn Youngkin
Governor

September 12, 2022

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 my plan detailing intended uses for the \$10,000,000 made available for the Transformation Office in the current general fund.

As you know, \$10,000,000 from the general fund shall be available for transfer to state agencies to implement government transformation initiatives identified by the Chief Transformation Officer and approved by the Governor. Prior to the transfer of any 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 in Executive Order 5, are to help make Virginia's government more responsive, efficient and transparent and to start with the Virginia Employment Commission (VEC) and the Department of Motor Vehicles (DMV).

We have made significant progress already in 2022 year-to-date. At DMV we focused first on improving speed and efficiency of service to Virginians and have so far reduced average in-person waiting times across the Commonwealth by 65% to under 15 minutes. At VEC, we have eliminated backlogs of separation reports and claims pending adjudication, while speeding up

application of overpayment waivers and investigations of potential fraud. Simultaneously we have worked across every Secretariat to help all agencies develop sharper performance metrics and bring new rigor, transparency, and accountability to their management processes. We have recently launched the first phase of a Procurement transformation focused on improving processes, efficiency and effectiveness.

Our plan going forward defines additional Initiatives that are consistent with the priorities you laid out in Executive Order 5, and have been approved by you in our ongoing discussions. The Initiatives are based on conversations with each Cabinet Secretary and incorporate what we have learned so far in 2022 about where to most effectively and efficiently apply the resources of our Transformation Office. Specifically, we prioritized projects that will improve citizen satisfaction with the quality of government services, save time for citizens and agency personnel, and generate cost savings - or in most cases, a combination of these – as we work to make Virginia government “best-in-class.”

Specific projects are listed on the attached schedule and provide information for each about their costs, partner agency, specific objectives, and uses for the funds. The Initiatives will employ a combination of third party expert and consulting resources, additional manpower with transformation and project management expertise, as well as necessary software, tools, travel, and other minor expenses in order to accomplish our objectives. All amounts are estimated.

Next Steps

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

I look forward to providing quarterly program updates, including the status of projects and amounts expended per project, to you and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees beginning October 1, 2022.

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

September 2022



Transformation – Consulting – 1/2

Transformation Initiatives Identified by the CTO	Amount (\$ in thousands)	Partner Agency	Intended Uses and Objectives
Procurement Phase 1: assessment and initial planning	495	DGS	Consulting (BCG) to assist with operating model & process improvement, transparency, accountability, and capture quick win savings
Procurement Phase 2: detailed planning & implementation	1,500	DGS	Consulting (BCG) to assist with operating model & process improvement, transparency, accountability, and capture significant savings
DMV Phase 1: quick wins, focus on customer contact improvements (wait time reduction)	0	n/a	Using CTO and agency personnel to reduce wait times and improve customer experience
DMV Phase 2: digital/IT, operating model, costs, & performance management	500	DMV	Consulting resources to further reduce wait times, improve customer experience & website, improve management tools, lower operating costs
VEC - Phase 1: Backlog reduction, best-in-class assessment and improvement roadmap	370	VEC	Consulting (Accenture) to help reduce backlogs, improve customer service, & prioritize key improvement levers to reach best-in-class (b-i-c)
VEC - Phase 2: Fix front-end intake process, best-in-class implementation, resiliency plan design	500	VEC	Consulting and/or technical resources to help reduce manual processing, reduce costs, move towards best-in-class (b-i-c), and develop resiliency plan



Transformation - Consulting – 2/2

Transformation Initiatives Identified by the CTO	Amount (\$ in thousands)	Partner Agency	Intended Uses and Objectives
Behavioral Health - redesign	1,300	DBHDS	Consulting resources plus (up to) 1 dedicated FTE to help redesign behavioral health system, including (but not limited to) recommendations about the structure and operations of regional services, state mental health facilities, community service boards and developmental disabilities services. Help prepare bid to compete for additional federal grant funding
Economic Development - strategy and roadmap	1,000	VEDP	Consultant to help design strategy and roadmap to a best-in-class economic development approach and organization to help bring 400,000 new jobs to Virginia
Employee Performance Management - pilot	300	DHRM	Consulting expertise to help DHRM and agency HR develop and test common tools and language for employee performance improvement processes (beginning in DMV and VEC)
SOC - process improvement	250	SOC	Process improvement consultant to help streamline, standardize and automate core processes for citizens
Subtotal Consulting	6,215		



Transformation - Manpower

Transformation Initiatives Identified by the CTO	Amount (\$ in thousands)	Partner Agency	Intended Uses and Objectives
Project Management (PMO) pool	1,300	Office of the Governor	Provide project managers to Governor's priority projects
Deputy CTO FTE appointment slots	860	Office of the Governor	Provide leadership and leverage to expand scope of CTO team to additional projects
Power BI resource(s)	200	Office of the Governor	Staff augmentation to set up reporting systems to deliver trackers, dashboards, and visual management for key metrics. Provide training for agency personnel on ongoing usage
Training resource	150	Office of the Governor	Staff augmentation to provide ongoing skills training to agency leaders in coordination with DHRM
Business analyst(s)	100	Office of the Governor	Staff augmentation to provide analytical leverage to the CTO and Deputy CTO(s)
Subtotal Manpower	2,610		



Transformation - Travel, Software, and Other

Transformation Initiatives Identified by the CTO	Amount (\$ in thousands)	Partner Agency	Intended Uses and Objectives
Travel to best-in-class states for benchmarking	30	Office of the Governor	Travel to learn from best-in-class states on key processes
Office equipment	10	Office of the Governor	Tools to increase productivity of TO team problem solving sessions
Software licenses	150	Office of the Governor	Provide Transformation Management System (TMS) and other tools to TO and agency personnel to track transformation initiatives using common tools and language
Executive search	220	Office of the Governor	Executive search firm (Korn Ferry) to find key positions (e.g. in DMV, Transformation Office)
Unallocated - project(s) TBD	750	TBD	Additional resources for project(s) to be named
Subtotal Travel, Software, and Other Expenses	1,160		



Transformation - Total

Transformation Category Roll-Up	Amount (\$ in thousands)
Consulting	6,215
Manpower	2,610
Travel, Software, and Other	1,160
Total	9,985
<i>Total TO Appropriation</i>	10,000
<i>Balance Remaining</i>	15

