

Transformation Office Progress and Priorities

Senate Finance & Appropriations Committee

May 20, 2025



The Transformation Office's objective is to improve government efficacy and the Virginian's experience

The transformation office achieves its objective supporting secretariats/agencies through:

- **Program management** and **support** of agency initiatives
- **Process analysis** and **improvements** for high-impact functions & services
- **Data analysis** and **insight generation** for identified opportunities
- **Change management framework** establishment
- **Best practices** dissemination across Secretariats
- Strategic support and management of **third-party staff augmentation**



Senate Finance & Appropriations Committee Transformation Overview – Agenda

1. Review of recent Transformation Office case studies
 - a. Office of Recovery and Rebuilding
 - b. Partnership for Petersburg
2. Other Transformation Office initiatives
3. Projects ongoing and under review
4. Procurement initiative summary
5. Current funding status



Transformation Case Study – Office of Recovery and Rebuilding

Leveraging workstreams for economic development, housing, infrastructure, and natural resources. Collaborating with federal leaders including FEMA, HUD, SBA, USDA, EPA, EDA, and USFS. Key projects include Creeper Trail restoration and expedited housing revitalization

Goal #1: Maximize federal resources for the Commonwealth and its constituents

- Coordinate across all applicable federal and state agencies to identify potential funding sources
- Maximize matching opportunities
- Educate and support localities
- Utilize outside experts to form grant application assistance teams supporting agencies and localities

Goal #2: Expedite funding to recipients

- Transparent communication of requirements and timelines
- Identify opportunities to expedite process or execute concurrent workstreams
- Potential deployment of VRA and Virginia Disaster Relief Fund when feasible

ORR secured an expedited HUD Community Development Block Grant review process. Funds now available 4 months (compared to 14) after allocation of funds.



Office of Recovery and Rebuilding (ORR)

- Office of Recovery and Rebuilding deploys resources to support state agencies and localities and coordinate recovery efforts
- Augments localities' capacity for grant applications and management
- ORR helps to maximize, access, and leverage federal resources across the domains of housing, agriculture, economic revitalization, and infrastructure
- ORR provides in-house expertise while North Carolina spent \$2m on analysis and recovery support**

Available funding streams

Programs Summary				
Program	Storm	Type	Available	Use
1. FEMA Public Assistance (PA)	Floods	Grants	Rolling	Awaiting specific federal amount, Limited to 75% of eligible costs
2. FEMA Individual Assistance (IA)	Floods	Direct Aid	TBD	Awaiting final determination, approval unlikely
3. FEMA Hazard Mitigation Grants	Floods	Grant	TBD	Awaiting final determination
4. SBA Disaster Loans	Floods	Loan	TBD	Follow-up request required
5. HUD Community Development Block Grant Disaster Relief	Helene	Grants	\$46.7M	Long-term recovery/mitigation efforts: public infrastructure, homes, private bridges, economic revitalization
6. HUD Urgent Need	Helene/ Floods	Grants	\$5M	Immediate needs, e.g. housing, bridges, rent relief
7. USDA Block Grants, ECAP, Other Funds	Helene	Grants/Loans	\$30.7B	Block Grants (including timber), Crop Assistance, Livestock Assistance, ECAP
8. FEMA Individual Assistance (IA)	Helene	Direct Aid	\$14.1M	Direct financial assistance to individuals
9. FEMA Public Assistance (PA)	Helene	Grant	\$23.6M	75% federal match for: Debris removal, roads and bridges, public buildings
10. FEMA Hazard Mitigation Grant Program	Helene	Grant	~\$54M	Mitigating future disaster-related losses, e.g. floodwall construction, drainage improvement
11. SBA Disaster Loans	Helene	Loan	\$2.2B	Business Physical Disaster Loans, Economic Injury Loans, Home Disaster Loans
12. EDA Economic Adjustment Assistance	Helene	Grant	\$1.5B	Economic development, e.g. strategic planning grants, public works
13. USFS Creeper Trail/ GW Jefferson Forest	Helene	Direct Appropriation	\$1.1B	Restoration of: Trails, roads and bridges, dams, watersheds, etc.
14. EPA/DEQ Clean Water Revolving Fund	Helene	Loans/ Grants	\$10.9M	Municipal wastewater facilities, pollution control, stormwater runoff mitigation
15. EPA Drinking Water State Revolving Fund	Helene	Loans/ Grants	\$23.2M	Drinking water quality infrastructure projects
16. Virginia Disaster Assistance Fund	Helene/ Floods	Grants/ Loans	\$50M	Addressing costs not covered by federal assistance or insurance
17. DCR Resilient Virginia Revolving Fund	Helene/ Floods	Grants/ Loans	\$100M	Mitigation (ex: flood walls), bridges, home buyouts, relocation
18. Virginia Resource Authority	Helene/ Floods	Loans	\$50M	Bridge loans for local governments awaiting federal funds
19. TRRC/VSBA Agricultural Disaster Microloans	Helene/ Floods	Loans	\$6M	Revenue loss and repair and replacement of damaged equipment



Transformation Case Study – Partnership for Petersburg

Partnership for Petersburg collaborates with state, local, community, and faith leaders to support Petersburg in becoming one of the best places to live, work, and raise a family.

The program includes initiatives in Commerce and Trade, Education, Health and Human Resources, Labor, Public Safety, Transportation, and Veterans Affairs.

Key accomplishments/Ongoing initiatives:

- Supporting the continued growth of the Virginia Community Resource Center (VCRC) with 9,025 visitors served since opening
- Advancing Mainstreet through a \$435,500 grant through DHCD to support wayfinding and façade improvements in Downtown Petersburg
- Launched Goodr Mobile Grocery Store with an initial investment of \$300,000 from partners including Amazon, Bon Secours, Anthem, and Comcast to provide food to Petersburg residents with 21 activations since April 2024
- Hosting job fairs, the first two attracting nearly 1,500 job seekers from Petersburg and surrounding communities



Transformation examples across the Commonwealth



Higher Education Dashboard

- Supporting SCHEV in developing tool for high school students in navigating post-secondary education pathways
- Goal of improving college going rates for Virginia students and labor market supply levels for critical careers
- Implementing new functionalities grounded in behavioral design principles and current Virginia students' survey data



State Parks Revenue

- Enabling the Department of Conservation and Recreation to identify and prioritize non-general fund revenue generating opportunities for state parks retail services to support self-sufficient park operations
- Improving the experience for park visitors through enhanced retail offerings
- Focus on better understanding the customer base, ensuring products are aligned with customer needs and desires, and fully leveraging available retail footprints



Transformation examples across the Commonwealth



IT Program Management COE

- Supporting the Virginia Information Technology Agency (VITA)'s effort to build a blueprint to improve the Commonwealth's management of critical IT modernization programs
- Building centralized expertise in VITA to help less experienced agencies manage these projects in a cost-effective manner
- Oversaw additional review of Project Management Division (PMD) functions to integrate neatly with new Center of Excellence capabilities



Virginia Employment Commission

- Eliminated inherited backlog of 700,000 unemployment work items and cleared additional 665,000 items.
- Built dashboards to track key success metrics, and utilized program management tracker to complete dozens of initiatives
- VEC team continues to enhance customer service with improvements to online portal experience, increasing the percentage of initial claims filed online from 20% to 80%



Transformation Office projects ongoing and under review

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

Completed/Transitioned	Ongoing	Potential Projects Under Review
Right Help Right Now	Office of Recovery and Rebuilding	Foster Care
Reentry Program	Partnership for Petersburg	Wired Human
DMV Transformation	SCHEV Higher Education Dashboard	Indirect Cost Study
VEC Transformation	State Parks Revenue Optimization	Department of Labor and Industry App
Virginia Works (DWDA) stand up	Maternal Health	
Building Blocks Transformation	Education K-12 Formula and Integration	
Expansion of Regulatory VPT	Reclaiming Childhood	
	Commonwealth Leadership Academy	
	IT Center of Excellence	

Remaining **\$585K** in Transformation funds to be allocated through ongoing and future projects



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	\$0	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
Education K-12 Formula and Integration	\$1,500	SOE	Analysis of existing K-12 formula funding and 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
Regulation AI Tool	\$150	ORM	Pilot of tool to scan regulations and guidance documents, identifying opportunities for reduction
Maternal Health	\$500	HHR	Assist VDH with data dashboard and maternal health data taskforce
IEM County Grant Assistance Support	\$500	DHCD	Office of Recovery and Rebuild county grant application and support for localities
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
Subtotal Spent / Committed	\$13,375		
Note: Staff denotes no additional third-party expense			
Unallocated - project(s) TBD	\$1,625		
Total CTO Budget	\$15,000		

