

**DEPUTY SECRETARY JOHN SULLIVAN
TESTIMONY BEFORE THE
HOUSE COMMITTEE ON FOREIGN AFFAIRS
“THE DEPARTMENT OF STATE REDESIGN”
SEPTEMBER 26, 2017**

Chairman Royce, Ranking Member Engel, Members of the
Committee –

Thank you for inviting me here to discuss the Redesign of the
State Department and USAID.

We appreciate the interest the Committee has shown to the
Department’s efforts to become more effective and ultimately,
better equipped to serve the American people.

On Secretary Tillerson’s first day, he promised to deploy the talent
and resources of the State Department in the most efficient ways
possible. He also committed to harnessing all the institutional
knowledge of our workforce to do that. So he went straight to
those who know best – our State Department and USAID
colleagues – to determine where reform was most needed.

From the very beginning, this Redesign has been an **employee-led** effort.

We commissioned a listening survey that produced feedback from more than 35,000 employees – **nearly half** of our entire global workforce. Hundreds more took part in in-person interviews. We also set up State and USAID web portals where staff could regularly provide input and continue to guide our conclusions, and received more than 1400 submissions.

As we reviewed the comments and feedback, some themes became apparent. **Forty-one percent** of respondents to the survey said that there are tools they require to do their work that are not readily available to them. **Seventy-five percent** of employees reported that they apply workarounds to duplicative, complicated bureaucratic processes at least a few times a year. Employees frequently noted that the seemingly endless layers of approvals required to accomplish a simple task slowed them down. We also received many comments about how outdated technologies at the State Department hinder our employees' ability to coordinate with others and finish even a minor task.

After hearing from so many of our own State and USAID colleagues, we convened a cross-section of **almost three hundred** rising leaders and seasoned professionals to create a reform plan. I want to stress that the employee-led nature of the Redesign is not an empty slogan. The Secretary wanted employees to drive this process from beginning to end, so that the Department and USAID can serve them better, even as they serve our country. An in-depth, bottom-up redesign effort of this nature has taken time – but it has generated strong proposals for reform that will meaningfully improve our ability to implement our mission.

For example, the Redesign Executive Steering Committee, or ESC, which I chair, is comprised of a balance of USAID and State Department leaders. Similarly, the five work streams – the groups that drafted the proposals that fed into the Reform Plan – were comprised **almost entirely** of career staff, posted both in the U.S. and abroad. **Seventy-two percent** of work stream members were working-level employees – those who deal with the day-to-day business of diplomacy and development.

Their presence and contribution proved to be invaluable.

The resulting Agency Reform Plan incorporates the suggestions and feedback from thousands of our public servants living all over the world.

We submitted it to OMB earlier this month, consistent with the President's Executive Order 13781, which calls for improvements in efficiencies, effectiveness, and accountability for each federal agency.

But the Redesign effort at State and USAID is even broader and more transformational. It is a distinctly employee driven process to determine how we can maximize our diplomatic and development tools to be more effective, agile, and resilient in the face of a changing and unpredictable world over the long-term.

To that end, let me share the key features of our proposed plan:

- **First, we need to streamline the policy creation process and optimize and realign our global footprint.** The world is changing quickly, and State and USAID need to be nimble. That means taking inputs from the field, turning them into evidence-based recommendations, and

executing them as quickly as possible. We will use the same approach to assess our physical footprint around the world, to ensure our missions abroad align with our foreign policy priorities.

- **Second, we must maximize the impact and accountability of foreign assistance.** We need to strengthen planning among the 20-plus agencies that provide some type of foreign assistance, to make sure our foreign policy goals are focused, integrated, and supported. For example, Embassy Bangkok includes representatives from the CDC, DOJ, DHS, and DEA – in addition to State and USAID staff. Coordination among all agencies is essential. Strengthening our monitoring mechanisms is also crucial so we can measure outcomes and success.
- **Third, we need to implement a more effective global service delivery framework** to reduce operational costs and redundancies, increase efficiency, and improve service quality for our personnel around the world. We want to reduce red tape and bureaucratic hurdles by

making management and administrative functions do what they were intended to do – *support* our professionals as they change posts, develop their skills, and serve our country all over the world.

- **Fourth, we need to empower and retain a 21st century workforce by optimizing our HR support.** Too often employees are bogged down trying to navigate broken processes or redundant systems. We envision HR shifting to a more strategic role to help State and USAID attract a more diverse workforce and to invest more in our most valuable asset — our people.
- **Finally, we need to improve our IT platforms, modernize legacy systems, and upgrade our technology infrastructure so that our employees can work anywhere, anytime, and as effectively as possible.** We urgently need to integrate our IT systems and cybersecurity platforms. Maintenance costs for outdated systems continue to rise. And a decentralized risk management system hinders fast, forceful incident responses. By upgrading our systems and modernizing

our technology, we can save money in the long-run, reduce overall risks, and facilitate better decision making in the future.

The Redesign provides a new foundation for our diplomacy and development professionals to define America's leadership in the world for generations to come.

It will also generate significant savings as we streamline processes and increase efficiencies across the government. The proposals we are pursuing will save the American taxpayer a minimum of **\$5 billion** over the next five years, with an aspirational whole of government target of up to **\$10 billion**.

We know this will take time. But we are committed to doing it right.

Some changes will need further guidance from the OMB. Others will require close coordination with other agencies. Still others will require a change in law by Congress. And, be assured, that all aspects of the redesign – whether or not a change in law is

required – we will consult with this Committee and Congress before any actions are taken.

We are working to move quickly on the Redesign. Those reforms that the Department can implement internally will be rolled out as soon as possible. For example, in the coming months, we hope to move the State Department toward a cloud-computing platform and increase the number of Foreign Service family members we employ abroad.

Let me emphasize that, throughout the process, I commit to consulting closely with this Committee. Your input, as always, is important as we move forward. I am grateful for the opportunity to speak to you about this and hear your feedback. I am happy to take your questions.

Thank you.