

**THE SECRETARY OF STATE
WASHINGTON**

Dear Colleagues,

I am writing to update you on the progress of the redesign.

This ongoing effort to transform the State Department and USAID to be more effective and efficient would not be possible without you, and for that I express deep gratitude. From the 35,000 State and USAID employees in the U.S. and around the world who shared your views in listening sessions, to the 200 State and USAID employees who participated in the working groups, to all of you that submitted ideas and suggestions through the portals, thank you. I especially want to show a special appreciation for those who worked full time on the redesign while also maintaining their regular duties, as well as all of the bureaus and offices that allowed their employees to participate in the working groups. You graciously allowed your colleagues to participate in an important assignment that will serve our mission well for decades to come.

This week we are submitting to the Office of Management and Budget an Agency Reform Plan with specific recommendations for improving our respective organizations. For example, we know a priority for us is to modernize an outdated IT system, so we're taking major steps toward putting our systems on the cloud. We know you have families, so we're also exploring options for flexible work programs. In addition, Eligible Family Members are an important part of supporting efficient delivery on our mission, so we're making provisions in some cases to increase the level of EFMs. Our working groups have also identified areas where we can improve our human resource functions, empower leadership at all levels, and improve management support services to reduce redundancies while ensuring you have the tools you need to do your job.

Our redesign plan seeks to align State and USAID foreign assistance and policy strategies, capabilities, and resources to execute foreign policy priorities more effectively. It includes seven ambitious proposals with investments that will generate a minimum deliverable of 10 percent (\$5B) in efficiencies relative to current (FY2017) spending over the next five years, with an aspirational general interest target of up to 20 percent (\$10B). These efficiencies enabled by modernized systems and work processes will adjust the current historically high spending level by reducing duplications and unnecessary overhead for State, USAID, and other agencies. Adopting these recommendations that you expressed your hope for in the listening sessions will allow us to better focus on our core policy priorities and programs. It will also lay the groundwork for additional efficiencies and improvements in later years.

In the weeks ahead, we will continue to develop and advance other recommendations. Some will require Congressional approval or a change in law, some will require OMB support, but there are a number of actions we can begin to undertake internally. Some examples that we've already started on include integrating certain Special Envoy offices into the bureau structures

and efforts to increase diversity in our workforce. You should expect to see results unveiled on a rolling basis. Once a solution is ready to go, we are going to put it to work as soon as we can. We will continue to ask for input and consult with you and other stakeholders – including Congress – as we move forward.

Your participation is essential to a successful redesign. As the process continues there will be more opportunities to give your input and be a part of the various execution teams as we move toward implementation. We will be asking for volunteers through the portal, and I encourage you to sign up to add your skills and talents to our effort.

This Agency Reform Plan represents a promise to the American people – that State and USAID will align our foreign assistance and policy strategies, capabilities, and resources to meet the needs and capitalize on the opportunities of a rapidly evolving global landscape. We will, on behalf of the American people, advance a free, peaceful, and prosperous world. As always, I am proud to partner with you in service of that goal.

Sincerely,

Rex W. Tillerson
Secretary of State

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