

Deputy Secretary of State for Management and Resources Michael Rigas
Opening Statement on
Reforming the State Department to Compete in the 21st Century
Senate Foreign Relations Committee
July 16, 2025

Good morning, distinguished members of Congress

Thank you for inviting me here today to talk about the President's Fiscal Year 2026 Budget request for the Department of State, totaling \$28.5 billion. This figure is a decrease of \$25.9 billion, or 48 percent below FY 2025 appropriations.

As the Deputy Secretary for Management and Resources, it is my duty to ensure we are thoughtful and exact with the resources you provide the Department and that they are in line with the goals of the President and the Secretary.

Our budget request reflects Secretary Rubio's department-wide reorganization and the important work we are doing to make the State Department a more efficient and effective organization better able to advance the core interests of the American people. One accountable to the American taxpayers.

For the State Department to become an effective instrument of American Foreign policy, we must reform and streamline our institution. When the Secretary announced the State Department's reorganization plan on April 22, the Department had over 1,500 office units in the United States alone – this is for an organization that implements *foreign* policy.

Any foreign policy decision, statement, or action by State must pass through a dozen or more separate offices for review and clearance before it even reaches a senior State Department official to approve a course of action. This is no way to run a Department in the modern age – we must move at

the speed of relevance. The reorganization will merge, eliminate, consolidate, or streamline nearly 45 percent of the Department's domestic offices.

Henceforth, every bureau and office will have a clear mission and purpose. We want to empower our ambassadors and diplomats in the field, and our regional bureaus in Washington to push forward the America first foreign policy and deliver results for the citizens of this nation. For too long, single-issue offices have mushroomed in number and influence, often distorting our foreign policy objectives to serve their parochial interests and slowing down our ability to function.

This reorganization includes a new approach to foreign assistance.

As of July 1, USAID no longer exists. Secretary Rubio has announced a new era - one that utilizes foreign assistance as a core tool of strategic investment and engagement for the United States.

The State Department will administer foreign assistance, and certain functions and programs that align with Administration priorities are being transitioned to State. This integration will better align our foreign aid with our foreign policy objectives and will ensure that every taxpayer dollar spent is justified by its benefit to American national interests.

Moving forward, we will look to partner with innovative companies and structure these programs like investments. Other countries and companies must be involved.

Too often, we have funneled billions of dollars into assistance projects that host governments did not even want and that led to no tangible benefits to the American people. Too often, we have tried to impose divisive ideologies on other countries, which push away potential allies and partners into the hands of China, Russia, and others. Too often, we have failed to leverage our generosity and good relations to bring home real achievements for the

American people – the same American people who have bankrolled programs for decades which will never benefit themselves or their own communities.

As the Secretary recently noted, the countries that benefit most from our generosity often fail to reciprocate that support. For example, sub-Saharan African nations voted with the United States only 29 percent of the time on essential UN resolutions in 2023, despite receiving billions in assistance paid for by the American people.

Going forward, the United States will remain the largest foreign aid donor in the world by a wide margin. China and Russia do not deliver the kind of life-saving assistance that the American people have provided through USAID and State for decades, and there is no sign this will change. But our focus will be on trade not aid, and we will always advance the interests of the United States.

While the United States will put America first in all aspects of our foreign policy, we will continue to build and cultivate positive, constructive relationships with the governments and peoples of the world. Congress and American taxpayers expect us to deliver results for the American people, and I look forward to being judged by our results.

The reorganization implementation plan is a detailed strategy incorporating feedback from Congress, our workforce, and from Department leadership.

As I have said before, I know that every dollar we spend, and every program we fund, comes from the labor of a taxpaying American family. Our goal is to create a State Department that is accountable to the American people and effective in unleashing the potential of the world's most talented diplomatic workforce.

I look forward to your questions.

Thank you