U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

September 30, 2026 Accessible Version

Congressional Requesters

Foreign Assistance: Agencies Made Broad Changes, but State Lacked Guidance for Decisions

The U.S. government uses foreign assistance to assist strategically important countries, countries in conflict, and populations in need. Foreign assistance can help combat extremism and promote stability abroad, as well as mitigate disease and protect the homeland. On January 20, 2025, the President issued Executive Order (E.O.) 14169, pausing foreign development assistance while agencies reviewed their foreign assistance programs to assess programmatic efficiencies and consistency with U.S. foreign policy.[1] In addition, subsequent executive orders regarding the federal workforce resulted in decreased staff and agencywide reorganizations.[2] Prior to 2025, the U.S. Agency for International Development (USAID) provided the largest amount of U.S. foreign assistance of any agency. However, the U.S. Departments of State, Agriculture, Health and Human Services, the Treasury, and Defense; and the Millennium Challenge Corporation (MCC) also administered key foreign assistance programs. The current Administration has made changes to the U.S. government entities administering foreign assistance, including announcing that USAID ceased implementing foreign aid as of July 1, 2025, and moving some former USAID functions to State. Together, these actions led to the realignment and reevaluation of foreign assistance, including significant reductions in programming and staffing at the U.S. Agency for International Development, as well as operational changes at the Department of State and other U.S. government agencies with foreign assistance programming.[3] As a result, State is now the lead provider of U.S. foreign assistance.

[1]Exec. Order No. 14169, *Reevaluating and Realigning United States Foreign Aid*, 90 Fed. Reg. 8619 (Jan. 20, 2025). The Secretary of State was authorized to grant waivers for specific programs to continue during the review. Agencies conducted foreign assistance reviews as directed by Executive Order 14169 to align programs with the President's priorities on foreign policy.

[2]Exec. Order 14217, *Commencing the Reduction of the Federal Bureaucracy*, 90 Fed. Reg. 10577 (Feb. 19, 2025). Exec. Order 14238, *Continuing the Reduction of the Federal Bureaucracy*, 90 Fed. Reg. 13043 (Mar. 14, 2025). For example, Executive Order 14217 directed executive branch agencies to reduce their respective workforce. Agencies subsequently implemented multiple efforts to reduce their workforces, including the government-wide deferred resignation program (DRP), terminating probationary employees, the Voluntary Early Retirement Authority (VERA), reductions in force, and a hiring freeze. In addition, agencies placed many employees on administrative leave.

[3]In May 2025, State's Office of Inspector General reported on initial changes in management and the operational environment at State and USAID between January and April 2025, as well as State's approach for realigning USAID functions at State. Office of Inspector General, U.S. Department of State, *Evaluation of the Department of State's Approach to Realigning U.S. Agency for International Development Functions,* AUD-GEER-25-20 (May 2025).

On January 20, 2025, Executive Order 14158 created the United States DOGE Service (USDS) within the Executive Office of the President.[4] The service was established to implement the President's DOGE (Department of Government Efficiency) agenda to maximize government efficiency and productivity by modernizing federal technology and software. The order also directed executive branch agencies to establish internal DOGE teams to work with USDS and advise agency heads on implementing the agenda.[5]

Congress appropriated approximately $56 billion in fiscal year 2025 and $50 billion in fiscal year 2026 for State and other foreign affairs agencies and programs, including foreign assistance.[6]

You asked us to review changes in programming and operations at various foreign assistance agencies. We examined: (1) changes to selected agencies' foreign assistance programming from January 2025 up to May 2026; (2) changes to these agencies' staffing over the same time frame; and (3) how agencies made decisions on programming and staffing changes.

In addition to this report, we have ongoing reviews addressing other issues related to recent changes in U.S. foreign assistance, including State's plans for excess USAID property and facilities, savings and costs resulting from foreign assistance changes at USAID and State, and any effects of the foreign assistance changes made to international humanitarian and development assistance.

To address our first objective, we analyzed agency information and data from selected agencies on foreign assistance programming levels as of and after January 2025. Agencies provided information for programming and staffing that covered different time frames (March to May 2026), as noted in the enclosed slides. To address our second objective, we analyzed agency-related information and data related to foreign assistance staffing levels at the selected agencies over the same periods. To address our third objective, we interviewed agency officials and reviewed documentation about strategic processes used to inform agencies' overall approach on programming and staffing decisions. We assessed these processes against criteria such as agency policies and federal internal control standards. We also reviewed the extent to which agencies notified Congress regarding changes to their programming and staffing.

The nine agencies we selected and reviewed were:

- USAID
- State

[4]Exec. Order No. 14158, *Establishing and Implementing the President's "Department of Government Efficiency*," 90 Fed. Reg. 8441 (Jan. 20, 2025).

[5]For a timeline of selected directives, government-wide guidance, and related actions on federal workforce changes from January 2025 to January 2026, see GAO, *Federal Agency Workforce Changes: Update for July 2025 to January 2026,* GAO-26-108583 (Washington, D.C.: June 17, 2026).

[6]Full-Year Continuing Appropriations and Extensions Act, 2025, Pub. L. No. 119-4, div. A, tit. XII, 139 Stat. 9, 36 (2025); Rescissions Act of 2025, Pub. L. No. 119-28, 139 Stat. 467 (2025); Consolidated Appropriations Act, 2026, Pub. L. No. 119-75, div. F, 140 Stat. 173, 513 (2026).

- The Department of Agriculture's (USDA) Foreign Agricultural Service
- The Department of the Treasury's Office of Technical Assistance
- Millenium Challenge Corporation (MCC)
- The Inter-American Foundation (IAF)
- U.S. African Development Foundation (USADF)
- U.S. Agency for Global Media (USAGM)[7]
- U.S. International Development Finance Corporation (DFC)

We selected these agencies and sub-components based on several factors including: agencies identified within appropriations legislation for the Department of State, foreign operations, and related programs, as well as agencies identified in executive orders regarding commencing and continuing the reduction of the federal bureaucracy. In addition, we selected USDA due to their administration of international food assistance programs.

We conducted this performance audit from June 2025 to September 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. While there are limitations to the data, as discussed in this report, they represent the best available information at the time of our review, and we believe they are sufficient and appropriate to respond to our audit objectives.

Background

Figure 1 provides descriptions of agency roles related to foreign assistance for the nine agencies we selected for review.

[7]USAGM operates through both federal and non-federal (grantee) entities that include two federal broadcasting networks—Voice of America (VOA) and Office of Cuba Broadcasting (OCB)—and three non-federal grantee broadcasting networks: Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and Middle East Broadcasting Networks (MBN). USAGM also oversees and funds the Open Technology Fund (OTF), a non-federal grantee focused on global internet freedom. For the purposes of this review, we list OTF as one of USAGM's grantees, although OTF is not an actual broadcasting network. Additionally, USAGM oversees the Frontline Media Fund, an independent non-profit organization established in fiscal year 2024; we did not include the Frontline Media Fund in our review.

Figure 1: Select U.S. Agencies that Provide Foreign Assistance

	Agency	Description
	U.S. Agency for International Development (USAID)	USAID served as the lead international humanitarian and development assistance arm of the U.S. government.[a]
	U.S. Department of State (State)	State is the lead executive agency responsible for formulating and implementing U.S. foreign policy. Its mission is to protect and promote U.S. security, prosperity, and democratic values.
	U.S. Department of Treasury Office of Technical Assistance (OTA)	OTA, within Treasury, conducts foreign assistance. OTA helps finance ministries and central banks of developing countries to strengthen their ability to manage public finances effectively and safeguard their financial sectors.
USDA	U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS)	USDA's FAS administers U.S. international food assistance programs, including Food for Progress and McGovern-Dole International Food for Education and Child Nutrition Program. USAID's Food for Peace program is now being implemented by USDA.
MILLENNIUM CHALLENGE CORPORATION UNITED STATES OF AMERICA	Millennium Challenge Corporation (MCC)	MCC is an independent U.S. government corporation that promotes economic growth by providing results-driven foreign assistance. MCC's grants support large-scale infrastructure projects, strategic reforms, and economic modernization.
	Inter-American Foundation (IAF)	IAF invests in locally-led development across Latin America and the Caribbean. IAF directly engages community leaders, innovators, and entrepreneurs who work to make the region and their communities more prosperous, peaceful, and democratic.
	U.S. African Development Foundation (USADF)	USADF supports African-led development that grows community enterprises by providing financial and technical support to African-owned and African-led enterprises that have faced barriers to resources.
	U.S. Agency for Global Media (USAGM)	USAGM and the six networks it oversees seek to inform, engage, and connect people around the world in support of democracy and freedom.
DFC	U.S. Development Finance Corporation (DFC)	DFC promotes U.S. overseas investment and U.S. foreign policy goals through partnership with the private sector.

Source: GAO review of agency documentation. | GAO-26-108607

[a]The administration announced that USAID ceased implementing foreign aid as of July 1, 2025.

Programming

Since January 2025, as detailed in the enclosure, eight of the nine agencies in our scope decreased either funding (i.e. obligations) for or the total number of foreign assistance awards, which includes grants, cooperative agreements, and contracts.[8] However, due to a program transfer, one agency is expected to receive an increase in foreign assistance funding.[9] Specifically, USDA decreased funding for its existing international food assistance programs, but by February 2026 USDA had assumed implementing new awards for USAID's Food for Peace program. Congress appropriated $1.2 billion for Food for Peace in fiscal year 2026. Further, some agencies' geographic focus have not changed, while others shifted since January 2025. For example, during the foreign assistance review, USAID terminated the largest number of awards by dollar value in the Europe and Eurasia region, but that region still has the highest

[8]While the number of active grants at the U.S. African Development Foundation (USADF) has not changed, USADF has been unable to disburse funds to grantees since January 2025, according to a USADF official.

[9]We also found that one agency, Treasury's Office of Technical Assistance, increased the number of projects providing technical assistance with its funding, even though it received less foreign assistance funding in fiscal year 2026. The Office of Technical Assistance increased its active projects from 63 to 75 between January 2025 and March 2026.

dollar value of remaining active USAID awards that are now administered by State. Likewise, State terminated the most awards by dollar value in the Western Hemisphere region. However, that region still has the largest dollar value of State's original active grants and cooperative agreements when compared to other regions. DFC had fewer new investments in Africa and Asia and more new investments in the Western Hemisphere and Europe. Following Executive Order 14127, USADF's self-appointed acting President took actions that would lead to terminating most USADF awards in Africa. These actions have been the subject of litigation as of May 2026.[10] However, USADF officials reported that they have not provided funds to grantees in this region because it has not received permission from the Office of Management and Budget to provide funds to grantees.

Having assumed the remaining functions from USAID, State is now the lead provider of U.S. foreign assistance. However, we found that some data on program funding changes needs improvement. Specifically, State data on grants and cooperative agreements provided to GAO from State's grants management system (MyGrants) contained a large number (over 4,000 of around 10,000) of awards that were listed as both active and terminated, despite being actually terminated. State officials from the Bureau of Global Acquisitions said this was because the period of performance end dates for the terminated awards had not been updated. Officials said the lack of updates was due to varying timelines for necessary administrative actions.

In response to follow-up questions about the reliability of the data, State provided clarification which allowed us to identify terminated awards from other data fields, but did not provide an updated, accurate dataset of awards. They attributed this, in part, to the inaccurate end dates in their system and the large volume of information requests to which State was responding. If award data were up to date and accurate, State would be able to readily pull data and information for their own management and oversight. Federal internal control standards note management should be able to obtain or generate relevant, quality information and use it to support agency operations.[11] Without timely, accurate, and consistent grants and agreements information, State may not have quality information necessary to evaluate progress, address risks, or to respond to oversight. In addition, without quality information, State officials may make incorrect assumptions when making management decisions about which awards to continue or terminate, which could lead to legal dispute or the retraction of terminated awards.

Staffing

All nine agencies decreased staff, which included both headquarters and overseas personnel, from January 2025 up to May 2026. Details for each agency are provided in the enclosure. Agencies reported that staffing changes were due to government-wide efforts which included offering staff the Deferred Resignation Program and the Voluntary Early Retirement Authority,

[10]On May 21, 2025, two employees that were laid off from USADF and an implementing partner based in Zambia whose grants were terminated sued the Acting USADF President and Chair of the USADF Board and other U.S. government officials and entities alleging, among other things, violation of the Federal Vacancies Reform Act and the African Development Foundation Act. On March 13, 2026, the U.S. District Court for the District of Columbia ruled that the actions of the Acting President and Chair of USADF have no force or effect. The court also ordered that the defendants take all necessary steps to restore USADF employees' access to offices, IT systems, and financial systems. *Rural Development Innovations Limited, et al. v. Marocco*, No. 25-1631 (D.D.C. Mar. 13, 2026). On May 12, 2026, the defendants reported that USADF's leadership was granted access to some of their IT systems.

[11]GAO, *Standards for Internal Control in the Federal Government*, GAO-25-107721 (Washington, D.C.: May 2025).

as well as agency-specific reductions in force.[12] Some agencies reported that many employees were placed on administrative leave, where they did not work but retained their salary. Most significantly, USAID staff decreased from about 13,600 staff worldwide in January 2025 to several hundred as of March 2026. At the other eight agencies, the decrease in staff from January 2025 up to May 2025 ranged from about 13 percent (at Treasury OTA) to 72 percent (at USAGM).[13]

While the other eight agencies in our review provided us with updated staffing information, State was the only agency unable to produce complete data on its staffing levels during the eleven months that we requested it. Specifically, we requested agencywide data from State's Chief Human Capital Officer on State's workforce, including the number of foreign service, civil service, locally employed staff, and contractors. State officials told us they could not provide this agencywide staffing data, which we requested from August 2025 through July 2026. As a result, the full extent of State's workforce reductions is unknown.

While we did not receive agencywide State staffing data, we are aware of some changes to foreign assistance staffing. For example, on July 11, 2025, State issued reductions in force (RIF) notices to approximately 1,300 foreign and civil service employees. On December 17, 2025, the United States District Court for the Northern District of California issued a preliminary injunction that, among other things, prohibited State and other defendants from taking any action to implement, carry out, or effectuate reductions in force of employees at State, including any actions to separate employees through at least January 30, 2026. [14] In addition, OPM and State data from our February 2026 government-wide review show that State's Foreign Service Officer and Civil Service workforce declined from about 32,000 employees at the end of September 2024 to about 27,000 at the end of December 2025, a 16 percent decrease.[15] However, in that review, State and OPM could not provide data for its contractors or locally employed staff overseas, who have historically represented the majority of State's workforce. In the past, State has reported comprehensive data on its workforce, including the number of locally employed staff and other types of staff. For example, State reported in September 2024 there were approximately 50,000 locally employed staff, representing 63 percent of its workforce.

[12]As of January 28, 2025, OPM announced that federal employees could voluntarily resign effective September 30, 2025. Employees electing to resign would have their duties reassigned or eliminated by their agency and would be placed on paid administrative leave until September 30, with some exceptions. Employees who took this deferred resignation were also excused from return-to-office requirements while retaining their salary and benefits in the interim. The Voluntary Early Retirement Authority allows agencies that are undergoing substantial restructuring, reshaping, downsizing, transfer of function, or reorganization to temporarily lower the age and service requirements in order to increase the number of employees who are eligible for retirement.

[13]The decrease in staffing is for active USAGM employees and does not count employees on administrative leave or contractors.

[14]AFSCME v. OMB, 813 F.Supp. 3d 944 (N.D. Cal. 2025). After the preliminary injunction, State executed approximately 200 RIF actions of foreign service employees and civil service employees, which are currently being litigated, according to court filings. We have several other reports forthcoming that will include information on changes in State staffing.

[15]GAO, *Federal Agency Workforce Changes: Update for January to June 2025*, GAO-26-108719 (Washington, D.C.: February 24, 2026). This report provides data on workforce changes at Chief Financial Officers Act agencies.

According to federal internal control standards, agencies should be able to obtain or generate quality information to support management oversight.[16] State could not provide us with agencywide information about the composition of its workforce, including changes in staffing. We requested this staffing data in August 2025 and made several follow-up requests through July 2026. According to State officials, State does not maintain staffing data in a way that allows generating comprehensive data on the composition of its workforce. Without readily available information on the size and composition of its workforce, including locally employed staff and contractors, State cannot be assured that it has the organizational capacity necessary to carry out its mission or to make informed decisions about its operations.

Decision-Making

State and USAID were the largest providers of foreign assistance, but could not provide evidence of their guidance for changes to foreign assistance.

USAID

In July 2025, USAID officials informed us that the agency conducted and documented a review of foreign assistance programs in response to E.O. 14169. Officials stated that the Bureau of Planning, Learning and Resource Management developed relevant guidance, regional offices conducted reviews and presented outcomes to agency leaders, and they made final decisions. However, USAID did not provide evidence of this process or guidance. USAID officials told us that it is focused on agency close-out activities and has not responded to repeated requests for this evidence as of June 2026.

State

State issued a cable to all staff announcing the foreign assistance review in January 2025 but did not provide additional formal guidance to inform its decision-making as it realigned programs with administration priorities. Among other things, State's cable stated that the agency would develop additional guidance for implementing its foreign assistance review. This guidance would include standards to ensure that all foreign assistance was aligned with administration's foreign policy agenda.[17] However, we found that State's Office of Policy Planning had not developed, documented, and communicated such guidance internally to officials responsible for making foreign assistance decisions. These officials include the leadership of State bureaus and other offices responsible for programs and operations. In response to our request for guidance, State provided a document review and approval matrix. While this document outlines which officials are responsible for reviewing foreign assistance contracts, it does not provide State officials with the rationale for how to make decisions on foreign assistance, such as award terminations. According to State's departmental policies and federal internal control standards, management should establish and document policies and procedures to mitigate risks to achieving an entity's objectives.[18] In addition, according to federal internal control standards, management should internally communicate relevant and quality information to enable personnel to understand and

[16]GAO-25-107721.

[17]State All Diplomatic and Consular Posts Collective, *Executive Order on the Review of Foreign Assistance Programs*, January 24, 2025.

[18]2 FAM 021.3 and GAO, *Standards for Internal Control in the Federal Government*, GAO-25-107721 (Washington, D.C.: May 2025).

perform key roles in achieving objectives. In response to questions about why additional guidance was not created, the agency referred us to the Office of Management and Budget (OMB). However, internal controls are to be implemented by the agency's internal leadership. Without developing, documenting, and communicating guidance with standards for its reviews of foreign assistance programs, State officials responsible for foreign assistance programmatic decisions may not have the information necessary to determine what changes are needed to effectively align their programming with foreign policy priorities. As a result, State officials responsible for foreign assistance programming may make inconsistent or ad hoc decisions or lack the information necessary for effective decision-making.

Conclusions

The nine agencies selected for our review made changes, some of which were significant, to their foreign assistance programming and staffing since January 2025. While State is now the lead U.S. agency providing foreign assistance, we found gaps in State's data on the status of its awards and its staffing levels. These gaps raise concerns about the quality of information that State has to make decisions about funding, program implementation and operations, and to report accurate information to key entities like Congress with oversight functions.

The status of over 4,000 grants and agreements that were listed in State's primary grant system were incorrectly identified as both active and terminated. Without readily available and reliable data on the status of State's grants and agreements, State lacks the information necessary to make informed programmatic decisions, evaluate award progress, and address risks when making management decisions, such as terminating foreign assistance awards.

In addition, State could not provide agencywide data on changes to the composition and locations of its workforce since January 2025, including changes in the number of contractors and locally employed staff overseas, who historically represent the majority of the department's workforce. Without reliable data on changes in its workforce, State cannot ensure it has the skills and expertise required to achieve agency objectives or to report accurate information about its workforce. We also found that State had not developed, documented, and internally communicated standards to officials responsible for making foreign assistance decisions as of May 2026. In the absence of such guidance, State officials responsible for foreign assistance programmatic decisions may not have the information necessary to determine what changes are needed to effectively align programming with foreign policy priorities. Officials responsible for foreign assistance programming may make inconsistent, ad hoc, or ineffective decisions that could waste taxpayer money.

Recommendations for Executive Action

Recommendation 1: The Secretary of State should direct the Chief Acquisition Officer and Director of the Bureau of Global Acquisitions and other relevant programming bureaus to ensure that the status of foreign assistance grants and agreements in the MyGrants database is consistent, accurate, and up to date.

Recommendation 2: The Secretary of State should direct the Chief Human Capital Officer and Comptroller, or other appropriate official, to take steps to ensure that State is able to obtain or generate comprehensive data on the composition of its workforce, including Foreign Service, Civil Service, locally employed staff, and personal services contractors, by location.

Recommendation 3: The Secretary of State should ensure that the Director, Office of Policy Planning or other appropriate office develops, documents, and communicates agencywide guidance with standards for aligning foreign assistance program and project decisions with foreign policy priorities.

Agency Comments

We provided a draft of this report to all nine agencies in our review. State, DFC, IAF, MCC, USDA, and several non-federal entities under USAGM provided technical comments, which we incorporated as appropriate. In its comments, reproduced in enclosure II, State agreed with our recommendations. We clarified the language in recommendation 2 in response to updated information that State provided on its access to contractor data. During our review State officials told us they could not provide agencywide staffing data, including data for foreign service, civil service, locally employed staff, and contractors as of multiple time periods. In response to our recommendation that State should take steps to generate comprehensive data on the composition of its workforce, State officials said the Department is able to generate detailed staffing reports on the composition of staff by location. However, State did not demonstrate that it could obtain or generate data on the composition of its workforce during the eleven months that we requested it.

We are sending copies of this report to the appropriate congressional committees, the Secretary of State, the Chief Executive Officer of the U.S. International Development Finance Corporation, the President and Chief Executive Officer of the Inter-American Foundation, the Acting Chief of Staff of the Millennium Challenge Corporation, the Secretary of the Treasury, the Secretary of Agriculture, the President and Chief Executive Officer of the U.S. African Development Foundation, the Acting Administrator of the U.S. Agency for International Development, the Acting Chief Executive Officer of the U.S. Agency for Global Media, and other interested parties. In addition, this report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at LoveGrayerL@gao.gov. Contact points for our Offices of Congressional Relations and Media Relations may be found on the last page of this report. GAO staff who made key contributions to this report include Lisa Helmer (Assistant Director), Andrea Riba Miller and Jon Fremont (Analysts in Charge), Mario Tiberie, Anna Sophia Lindholm, Karl Antonsson, Larissa Barrett, Bahar Etemadian, Julie Hirshen, Samantha Lalisan, Gergana Danailova-Trainor, and Terry Richardson.

//SIGNED//

Latesha Love-Grayer
Director, International Affairs and Trade

Enclosures - 2

List of Committees

The Honorable Jeff Merkley

Ranking Member
Committee on Budget
United States Senate

The Honorable Jeanne Shaheen

Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Gregory W. Meeks

Ranking Member
Committee on Foreign Affairs
House of Representatives

The Honorable Sara Jacobs

Ranking Member
Africa Subcommittee
Committee on Foreign Affairs
House of Representatives

Enclosure I: Foreign Assistance: Agencies Made Broad Changes, but State Lacked Guidance for Decisions

Department of State Comments to GAO Draft Report

FOREIGN ASSISTANCE: Agencies Made Broad Changes, but State Lacked Guidance for Decisions
(GAO-26-108607, GAO Code 108607)

The Department of State appreciates the opportunity to comment on GAO's draft report "*Foreign Assistance: Agencies Made Broad Changes, but State Lacked Guidance for Decisions.*"

Recommendation 1: The Secretary of State should direct the Bureau of Global Acquisitions (GA) to ensure that the status of foreign assistance grants and agreements recorded in the MyGrants database is technically consistent and accurate.

Note that GA is not responsible for data validation; this function is performed by the programming bureaus that use the MyGrants database (GA requested the italicized language as an update).

Response: The Department of State concurs with this recommendation. The Bureau of Global Acquisitions (GA) will work with the managers of the MyGrants system as well as programming bureaus to validate that the status of foreign assistance grants and cooperative agreements are recorded in MyGrants accurately and consistently and that all the information is up to date.

Recommendation 2: The Secretary of State should direct the Chief Human Capital Officer, or other appropriate official, to take steps to ensure that State is able to obtain or generate comprehensive data on the composition of its workforce, including Foreign Service, Civil Service, locally employed staff, and contractors, by location.

Response: The Bureau of Human Resources (HR), led by the Chief Human Capital Officer, and the Bureau of the Comptroller and Global Financial Services (CGFS) manage systems that allow the Department to generate detailed staffing reports on the composition of Foreign Service, Civil Service, locally employed staff, and personal service contractors categories by location. Regarding the Department's other contractors, absent legislative change or approval from OMB for collecting this data (i.e., Paperwork Reduction Act clearance process), federal and Departmental regulations do not permit the collection of individual contractor

staffing data at this level. As a result, the Department requests Recommendation 2 be restated to reflect the following:

The Secretary of State should direct the Chief Human Capital Officer and the Comptroller to take steps to ensure that State is able to obtain or generate comprehensive data on the composition of its workforce, including Foreign Service, Civil Service, Locally Employed staff, and personal service contractors, by location.

Recommendation 3: The Secretary of State should ensure that the Director, Office of Policy Planning or other appropriate office develops, documents, and communicates agency-wide guidance with standards for aligning foreign assistance program and project decisions with foreign policy priorities.

Response: As part of the ongoing reorganization implementation process, the Department continues to review and update agency guidance where appropriate, including updates to the Foreign Affairs Manual (FAM) and the Foreign Affairs Handbook(FAH) and will take GAO's recommendation into account for future planning and budgeting cycles.

Accessible Text for Enclosure I: Foreign Assistance: Agencies Made Broad Changes, but State Lacked Guidance for Decisions

Department of State Comments to GAO Draft Report

FOREIGN ASSISTANCE: Agencies Made Broad Changes, but State Lacked Guidance for Decisions
(**GAO-26-108607, GAO Code 108607**)

The Department of State appreciates the opportunity to comment on GAO's draft report *"Foreign Assistance: Agencies Made Broad Changes, but State Lacked Guidance for Decisions."*

Recommendation 1:
The Secretary of State should direct the Bureau of Global Acquisitions (GA) to ensure that the status of foreign assistance grants and agreements recorded in the MyGrants database is technically consistent and accurate.

Note that GA is not responsible for data validation; this function is performed by the programming bureaus that use the MyGrants database (GA requested the italicized language as an update).

Response:
The Department of State concurs with this recommendation. The Bureau of Global Acquisitions (GA) will work with the managers of the MyGrants system as well as programming bureaus to validate that the status of foreign assistance grants and cooperative agreements are recorded in MyGrants accurately and consistently and that all the information is up to date.

Recommendation 2:
The Secretary of State should direct the Chief Human Capital Officer, or other appropriate official, to take steps to ensure that State is able to obtain or generate comprehensive data on the composition of its workforce, including Foreign Service, Civil Service, locally employed staff, and contractors, by location.

Response:
The Bureau of Human Resources (HR), led by the Chief Human Capital Officer, and the Bureau of the Comptroller and Global Financial Services (CGFS) manage systems that allow the Department to generate detailed staffing reports on the composition of Foreign Service, Civil Service, locally employed staff, and personal service contractors categories by location. Regarding the Department's other contractors, absent legislative change or approval from OMB for collecting this data (i.e., Paperwork Reduction Act clearance process), federal and Departmental regulations do not permit the collection of individual contractor staffing data at this level. As a result, the Department requests Recommendation 2 be restated to reflect the following:

The Secretary of State should direct the Chief Human Capital Officer and the Comptroller to take steps to ensure that State is able to obtain or generate comprehensive data on the composition of its workforce, including Foreign Service, Civil Service, Locally Employed staff, and personal service contractors, by location.

Recommendation 3:
The Secretary of State should ensure that the Director, Office of Policy Planning or other appropriate office develops, documents, and communicates agency-wide guidance with standards for aligning foreign assistance program and project decisions with foreign policy priorities.

Response:
As part of the ongoing reorganization implementation process, the Department continues to review and update agency guidance where appropriate, including updates to the Foreign Affairs Manual (FAM) and the Foreign Affairs Handbook (FAH) and will take GAO's recommendation into account for future planning and budgeting cycles.

Enclosure II: Comments from the Department of State

United States Department of State

Washington, DC 20520

SEPT 16 2026

Kimberly Gianopoulos
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Ms. Gianopoulos:

We appreciate the opportunity to review your draft report, "FOREIGN ASSISTANCE: Agencies Made Broad Changes, but State Lacked Guidance for Decisions." GAO Job Code 108607.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

Mark Erickson
Deputy Executive Director
Office of the Under Secretary for Management

Enclosure:
As stated

cc: GAO – Latesha Love-Grayer
OIG - Norman Brown

Accessible Text for Enclosure II: Comments from the Department of State

United States Department of State
Washington, DC 20520

SEPT 16, 2026

Kimberly Gianopoulos
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Ms. Gianopoulos:

We appreciate the opportunity to review your draft report, “FOREIGN ASSISTANCE: Agencies Made Broad Changes, but State Lacked Guidance for Decisions.” GAO Job Code 108607.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

Mark Erickson
Deputy Executive Director
Office of the Under Secretary for Management

Enclosure:

As stated

cc: GAO – Latesha Love-Grayer
OIG – Norman Brown