

House Transportation Committee

Department of Transportation & Public Facilities

Ryan Anderson, P.E., Commissioner

Dom Pannone, Director,
Program Management and Administration

Advance Construction
Department Re-Organization

February 17, 2026



KEEP ALASKA MOVING

Alaska DOT&PF Operating Vision

A Modern, Resilient, and Agile Transportation System and Organization

Mission: Keep Alaska Moving

MODERN

Tools, data, and ways of working that reduce handoffs, duplication, and bottlenecks while improving how we recruit, solve problems, share information, and deliver improvements.

Core Values: Integrity, Excellence, Respect, Safety

RESILIENT

Cross-functional teams and shared expertise able to absorb vacancies, supply disruptions, extreme weather, and funding volatility - while sustaining service, responding to emergencies, and delivering results.

AGILE

The ability to deploy people, expertise, and resources statewide - working across regions, with communities and partners, and using technology and alternative delivery tools.



AS 19.05.125. Purpose. *“carrying out a highway planning, construction, and maintenance program that will provide a common defense to the United States and the state, a network of highways linking together cities and communities throughout the state (thereby contributing to the development of commerce and industry in the state, and aiding the extraction and utilization of its resources), and otherwise improve the economic and general welfare of the people of the state.”*

Why Change is Required

Internal Pressures Driving Organizational Transformation

Why this matters: Service consistency, cost control, accountability depend on statewide alignment.

Internal Challenges

Inconsistent Regional Practices Reduce Efficiency. Material specifications, contract administration practices, and payment processes vary by region. When standards and approvals differ by geographic area, bidders price for uncertainty — increasing costs and slowing delivery.

Variability in Annual Program Delivery. Shifts in project timing and annual construction volume make it difficult for industry to plan workforce and equipment investments. A more consistently coordinated pipeline would strengthen competition and workforce stability. With geographic leadership, resources do not shift quickly to meet demand.

Variation in Maintenance Standards Across Regions. Highway vegetation clearing, sign replacement protocols, roadside upkeep, and rural airport maintenance practices differ between regions. Visible changes in service levels across regional boundaries reduce consistency and public confidence. Alaska wide maintenance leadership would improve consistency and ability to shift resources.

Inconsistent Community and Tribal Engagement Practices. Community outreach and tribal consultation approaches vary by region. A unified statewide framework would ensure consistent engagement, clearer communication, and stronger long-term partnerships regardless of geography.

Functional leadership provides clear statewide authority to set standards, allocate resources across regions, and ensure consistent execution.

Why Change is Required

External Pressures Driving Organizational Transformation

Why this matters: *The environment in which DOT&PF operates is becoming more complex, regulated, and operationally demanding.*

External Drivers

Alaska's Fiscal Environment. Revenue volatility and constrained unrestricted general funds require disciplined prioritization and efficient use of limited resources. As costs rise and expectations increase, leveraging modern tools, automation, and data-driven decision-making becomes essential to do more with the resources available.

Cost Escalation and Inflationary Pressures. Rising costs for materials, labor, fuel, and contracted services increase the importance of consistent standards, coordinated delivery, modern data and analysis systems, and lifecycle cost management. Modern data systems and consistent statewide standards are critical to managing these pressures.

Geographic Exposure and Emergency Response Demands. Alaska's size, remote communities, severe weather, seismic activity, and changing climate conditions require DOT&PF to function as a first responder during major events. Maintaining consistent statewide readiness across vast geography increases the need for coordinated leadership and rapid resource deployment

Complex Federal Funding and Compliance Requirements. Federal transportation programs now include numerous fund categories with distinct eligibility rules, documentation standards, performance measures, and audit expectations. Managing this complexity requires clear functional ownership, standardized processes, and modern financial and reporting systems.

These external pressures require greater coordination, clearer accountability, and faster statewide decision-making.

Guiding Principles Emerging from Operational Pressures

MODERNIZE SERVICE DELIVERY

Design team structures, processes, and tools that support consistent, efficient delivery of transportation services statewide

FRONTLINE FOCUS

Align organizational structure with mission execution, ensuring frontline teams are supported, empowered, and prioritized

RESILIENCE THROUGH CORE CAPABILITY

Maintain essential in-house capabilities and flexible access to statewide and contracted resources to support operations, maintenance, and project delivery under changing conditions

FUTURE-READY ORGANIZATION

Design DOT&PF to adapt and scale for major events, emergencies, and large-scale initiatives—while supporting innovation, workforce development, and long-term growth

SAFETY, RELIABILITY, AND STEWARDSHIP

Ensure safety-focused decisions, responsible management of assets, and consistent service statewide

These principles are not new.

They formalize how DOT&PF has already been investing and operating in recent years. The organizational changes that follow are designed to implement these principles in practice.

From Principles to Structure

Two Alaska-Wide Functional Organizations

Functions own decisions; regions execute delivery.

Geography remains how work is delivered | Functions define how work is governed, prioritized, and optimized.

Infrastructure Development

Accountable for planning, preconstruction, and construction statewide.

Maintenance & Operations

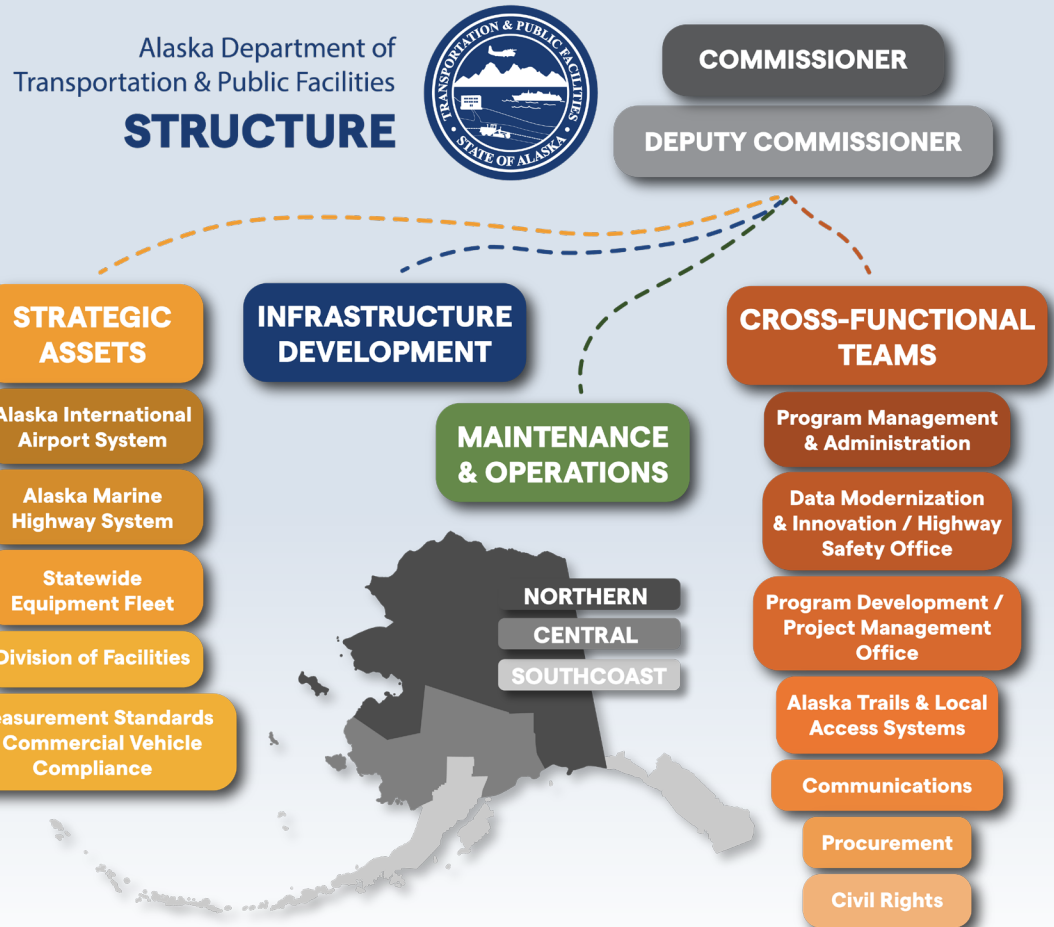
Accountable for long-term asset performance and system reliability statewide.

Moving from region-based leaders who manage multiple functions, to function-based leaders who operate statewide - each supported by regional execution teams.

The Key Structural Shift

Before: Regions owned both *what* decisions were made and *where* work was delivered.

After: Functions own *what* decisions are made. Regions focus on *where and how* work is delivered.



Maintenance and Operations

What's Changing—and What's Not

Our goal: Strengthen teamwork across Alaska while preserving local execution.

Changing

Single Statewide Maintenance & Operations Director: Provides clear statewide leadership for readiness, standards, and coordination.

Clear Authority Between Director and District Superintendents: Strengthens accountability during storms, emergencies, and peak operations.

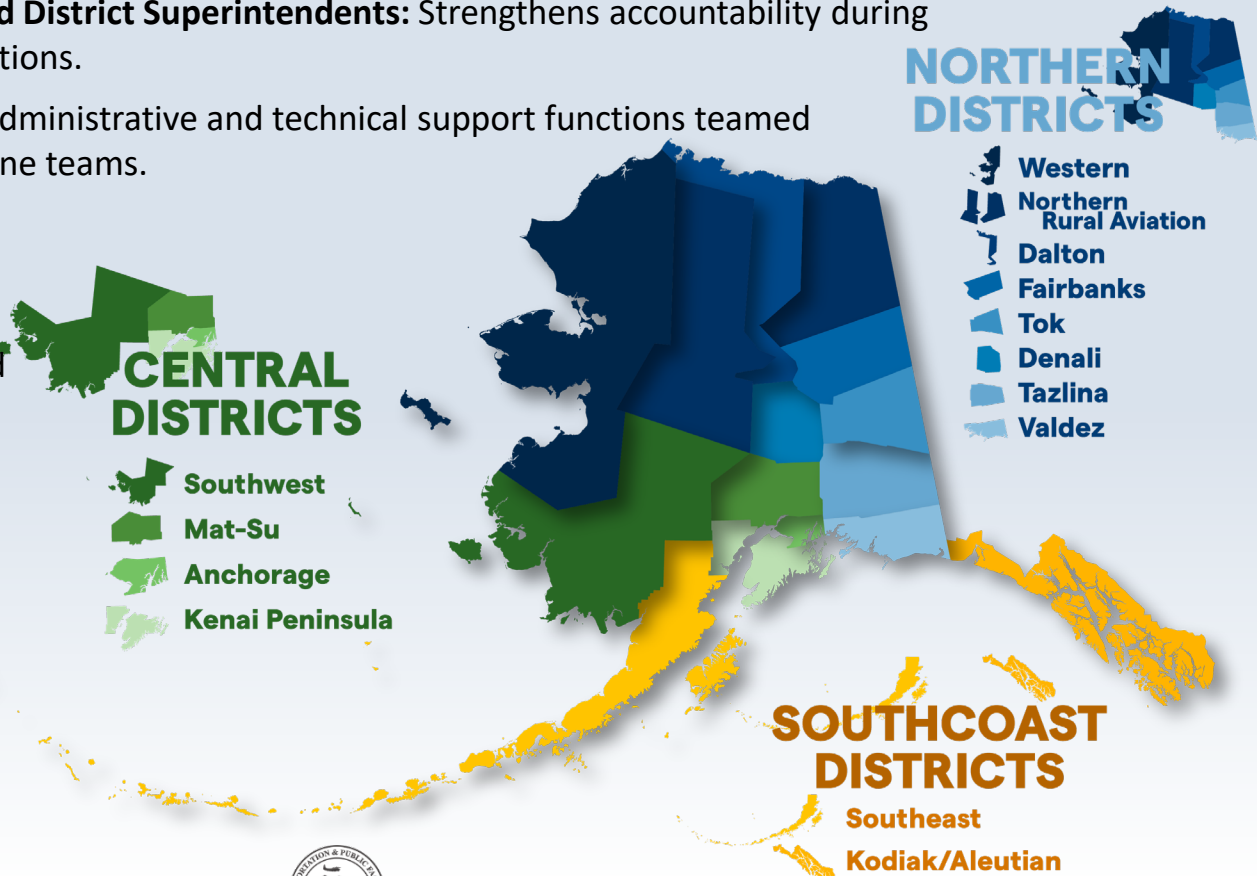
Aligned Regional Support Services: Administrative and technical support functions teamed up to better serve districts and frontline teams.

Not Changing

Geographic District Boundaries: The districts within Northern, Central, and Southcoast regions remain intact.

District-Level Authority and Local Decision-Making: Superintendents retain authority for day-to-day operations.

Frontline Staffing and Deployment Models: No change to how crews are assigned, scheduled, or deployed.



Infrastructure Development

What's Changing—and What's Not

Changing

Single Statewide Infrastructure Development Director:

Provides clear leadership across project development, preconstruction, and construction.

Aligned Preconstruction and Construction Leadership:

Strengthens coordination between planning, design, environmental, right-of-way, and construction.

Clear Lifecycle Authority and Accountability: Improves decision-making from early development through construction delivery.

Statewide Teaming and Resource Sharing: Enables flexible use of expertise and specialized resources across regions.

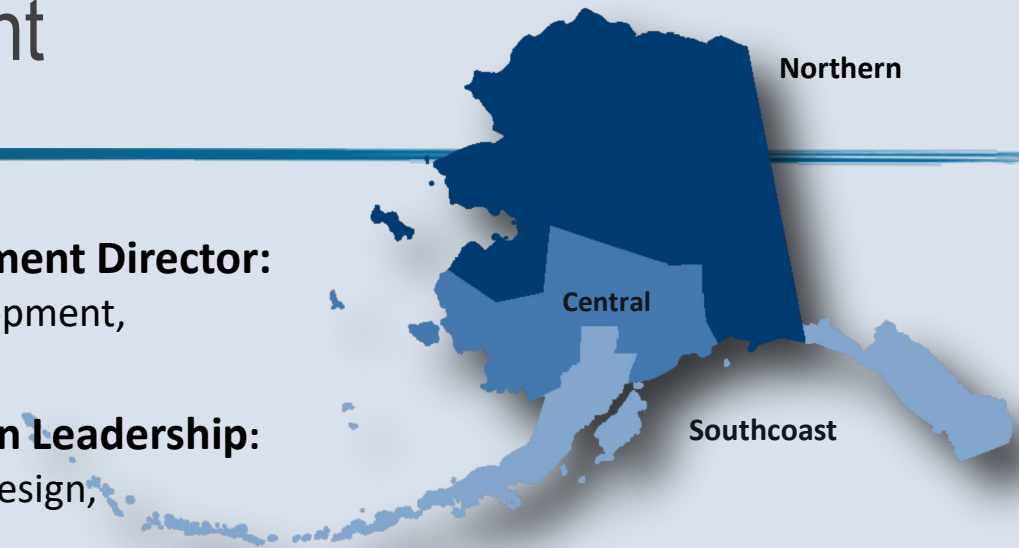
Consistent Statewide Business Practices: Establishes common standards and processes while allowing regional flexibility.

Not Changing

Regional Boundaries and Local Delivery: Projects continue to be delivered by regionally based staff.

Local Knowledge and Relationships: Regional expertise remains central to project execution.

Federal Oversight and Compliance: All federal requirements, controls, and accountability mechanisms remain unchanged.



Fiscal Context

Alignment in a Constrained Environment

FY2026 UGF Reduction –12.2% Highways & Aviation vs. FY2025

*Absorbed through alignment and
realignment not service
reductions.*

Fiscal Context for the Reorganization

- Flat or declining UGF amid rising construction and workforce costs
- Federal funds amplify the importance of disciplined delivery and match capacity
- Organizational alignment prioritizes coordination, consistency, and accountability—not organizational growth
- Resource sharing reduces duplication and protects frontline services

Strategic Budget Response

- Position transfers and realignments streamline statewide support services
- Budget adjustments reflect reallocation - not expansion of mission or scope
- Shared services preserves departmental responsibility for outcomes

Organizational alignment is how DOT&PF protects service and assets in a constrained fiscal environment.

Returning Accountability and Capacity to DOT&PF

Correcting fragmented responsibility under shared services.

DOA → DOT&PF

Payroll Services

Seventeen positions returned from
DOA → DOT&PF
Improves payroll accuracy and issue
resolution
Budget authority never left DOT&PF

Accounting Services

Five positions returned from
DOA → DOT&PF
Departments are responsible for timely,
accurate financial processing
Budget authority never left DOT&PF

This approach has already been successfully implemented within DOT&PF through the return of Alaska Marine Highway System payroll functions, resulting in improved accuracy and issue resolution.

Staffing Changes — What Actually Happens

FY2027 Governor's Proposed Budget

Net Reductions (Savings) in Governor Proposed FY2027 Budget \$3,512.8

Total Positions	Positions Deleted	Workforce Impact	Estimated ongoing savings	
3,453	23	< 1% of DOT&PF	\$3.51 million	<div style="background-color: #FFC107; padding: 5px; display: inline-block; border-radius: 10px;"> 23 Total Positions Deleted </div> <ul style="list-style-type: none"> Currently Filled 10 Currently Vacant 13 <div style="background-color: #FFC107; padding: 5px; display: inline-block; border-radius: 10px; margin-top: 10px;"> Deleted Positions Breakdown </div> <ul style="list-style-type: none"> Partially Exempt (3 in Commissioner's Office) 5 General Government Unit (GGU) 14 Supervisory Unit (SS) 4

Internal Realignments (No Net Change in Positions)

Realignments

Ninety-one positions aligned to two statewide support functions:

- Design, Engineering & Construction Support Services
- Highways & Aviation Support Services

Eight positions moved to establish the Highway Safety Office (HSO)

One Division Director reassigned to support AMHS internal capacity

Purpose

- Align support services with Infrastructure Development and M&O
- Strengthen safety and delivery consistency
- Improve statewide coordination

(\$ in thousands unless otherwise noted)



Aligning Capital Teams With Delivery

Expand Capital Teams in the Communities They Serve

Authority to use proceeds from surplus building sales for workspace relocation

Enables staff to work closer to projects and communities

Improves coordination, responsiveness, and delivery

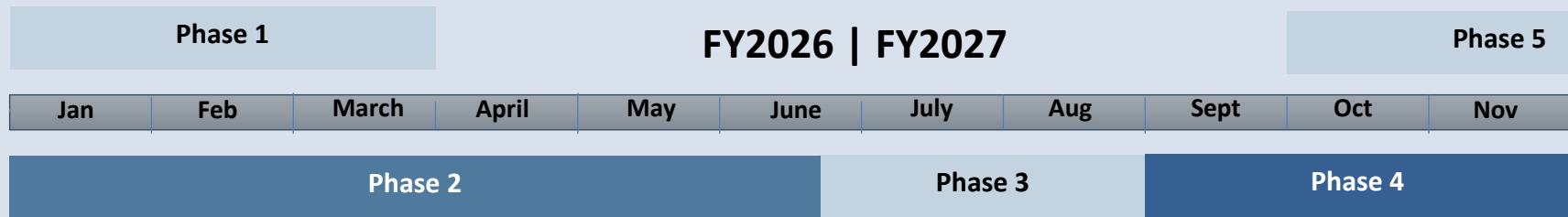
Authority Requested: \$2.2 million

GFPR \$1.2M | CIP \$1.0M

Authority allows DOT&PF to sell surplus buildings and relocate staff using sale proceeds.

What Comes Next: Implementation Timeline

Service Continuity is Prioritized at Every Phase



Phase 1 — Early Transition | Underway

- Transition begins as vacancies occur
- Positions filled into the new organizational structure

Phase 2 — Team Work Sessions & Design Validation | Underway

- Structured work sessions with managers and staff
- Clarify roles, workflows, and handoffs
- Identify issues early and adjust before full implementation

Phase 3 — Formal Alignment & Position Transfers | Summer 2026

- Complete position transfers and reporting alignments
- Stand up statewide support functions
- Confirm accountability and decision-making authority

Phase 4 — Operational Stabilization | Fall 2026

- Monitor workload, service levels, and responsiveness
- Resolve transition issues quickly
- Ensure systems, payroll, and project support are stable

Phase 5 — Execution Focus | FY2027 and Beyond

- Focus on delivery, maintenance, and asset stewardship
- Continuous improvement within the aligned structure

Implementation will be monitored by department leadership with adjustments made within the aligned structure.

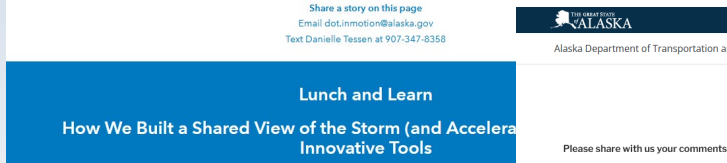


Updates within our Agency

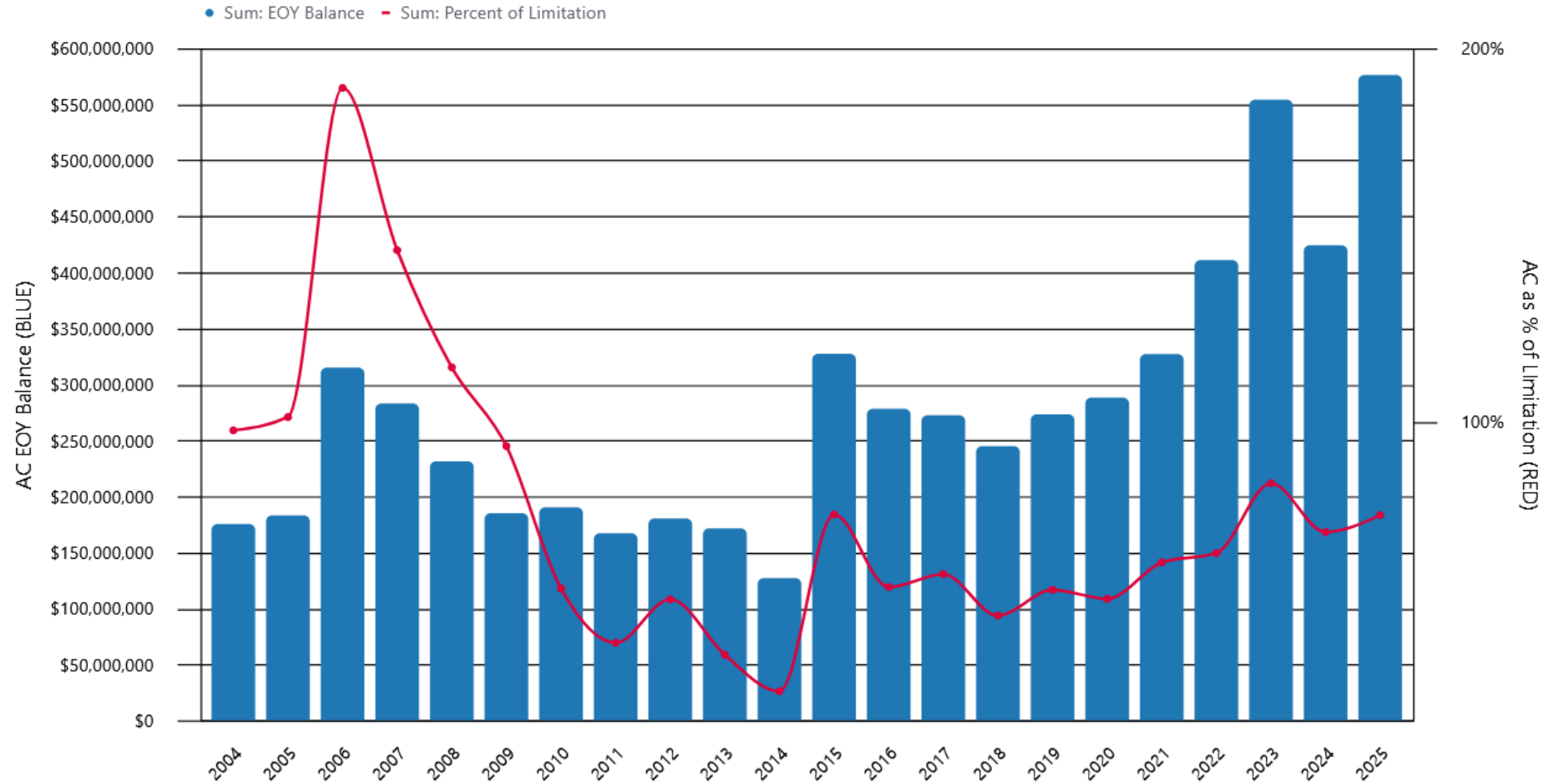
<https://in-motion-akdot.hub.arcgis.com/>
<https://dot.alaska.gov/actionplan/>

Feedback Loops:

- In-Motion DOT&PF Electronic Newsletter
- 2026 Action Plan Website
- Virtual All Staff Updates
- All Staff email messages
- In Person and Virtual Work Sessions




History of AC vs. Annual Funding



Surface Transportation Authorization History

- Federal transportation funding authorized in multi-year acts of Congress
- Most recent authorizations:
 - **TEA-21** — Transportation Equity Act for the 21st Century (FFY1998 - FFY2003)
 - **SAFETEA-LU** — Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (FFY2005 - FY2009)
 - **MAP-21** — Moving Ahead for Progress in the 21st Century Act (FFY2013–FFY2014)
 - **FAST Act** — Fixing America’s Surface Transportation Act (FFY2016–FFY2020)
 - **IIJA / BIL** — Infrastructure Investment and Jobs Act (a.k.a. Bipartisan Infrastructure Law, FFY2022 - FFY2026)

Some gaps due to continuing resolutions or short-term extensions, not full reauthorizations – one reason tools like AC matter for states like Alaska.

Federal Highway Administration (FHWA) Programs

- **National Highway Performance Program (NHPP)** Supports construction, preservation, and performance of the National Highway System, including the Interstate.
- **Surface Transportation Block Grant Program (STBG)** Flexible funding for highways, bridges, bike/ped, transit capital, and local transportation priorities.
- **Highway Safety Improvement Program (HSIP)** Funds infrastructure projects that reduce fatalities and serious injuries on public roads.
- **Congestion Mitigation and Air Quality Improvement Program (CMAQ)** Supports projects that reduce congestion and improve air quality in designated nonattainment or maintenance areas.
- **National Highway Freight Program (NHFP)** Improves freight movement on the National Highway Freight Network and critical freight corridors.
- **Metropolitan Planning (PL)** Provides funding to states and MPOs for transportation planning and programming activities.

Federal Highway Admin (FHWA) Programs

IJA New or Expanded Formula Programs

- **Carbon Reduction Program**

Funds projects that reduce transportation greenhouse gas emissions, including EV infrastructure and traffic operations.

- **PROTECT Formula Program**

Supports resilience and adaptation projects to protect transportation assets from climate and natural hazards.

Federal Lands, Tribal, and Safety Programs

- **Tribal Transportation Program**

Provides funding for transportation facilities that provide access to and within tribal lands.

- **Federal Lands Transportation Program**

Funds transportation improvements serving federal lands such as parks, forests, and refuges.

- **Railway–Highway Crossings Program**

Improves safety at public railway-highway crossings.

Federal Highway Admin (FHWA) Programs

IJA Discretionary & Pilot Programs

- **Safe Streets and Roads for All**

Funds local and state safety action plans and implementation projects to reduce roadway fatalities.

- **Rural Surface Transportation Grant Program**

Competitive grants for highway, bridge, and freight projects in rural areas.

- **Reconnecting Communities Program**

Supports projects that reconnect communities divided by major transportation infrastructure.

- **Wildlife Crossings Pilot Program**

Funds infrastructure to reduce wildlife-vehicle collisions and improve habitat connectivity.

- **Reduction of Truck Emissions at Port Facilities Program**

Targets emissions reductions at ports and freight hubs.

Federal Transit Admin (FTA) Core Programs

Federal Transit Administration — Formula Transit Funds

- **Section 5307 – Urbanized Area Formula**
Funds capital, planning, and limited operating assistance for transit systems in urbanized areas.
- **Section 5311 – Rural Area Formula**
Supports public transportation in rural areas, including operating and capital assistance.
- **Section 5339 – Bus and Bus Facilities**
Funds bus purchases, maintenance facilities, and related capital improvements.

Federal Transit Administration — IJA Competitive Transit Programs

- **Low- or No-Emission Vehicle Program**
Competitive grants for zero-emission and low-emission transit vehicles and charging infrastructure.
- **Capital Investment Grants (CIG)**
Supports major transit capital projects such as fixed guideway and Bus Rapid Transit (BRT) expansions.
- **Passenger Ferry Grant Programs**
Funds capital improvements to public ferry systems, including vessels and terminals.

Key Takeaways



Advance Construction is a cash-flow and timing tool, not new spending

Federal-aid programs are diverse and highly structured

DOT&PF uses these tools to deliver projects efficiently and responsibly

Thank You.

Commissioner Ryan Anderson, P.E.

Dom Pannone, Director, Program Management and Administration

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Cover photos by Alaska DOT&PF Staff:

Sunset departure, Anchorage International Airport. By Christopher Cummins

Alaska Range from the Richardson Highway. By Dennis Bishop

Aboard the MV LeConte sailing Lynn Canal to Juneau from Haines. By Andrea Deppner

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