

House Finance Subcommittee

Department of Transportation & Public Facilities

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Mid-Year Status and Operating Budget Outlook

February 5, 2026



KEEP ALASKA MOVING



Operating Vision

A Modern, Resilient, and Agile Transportation System and Organization

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.

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.

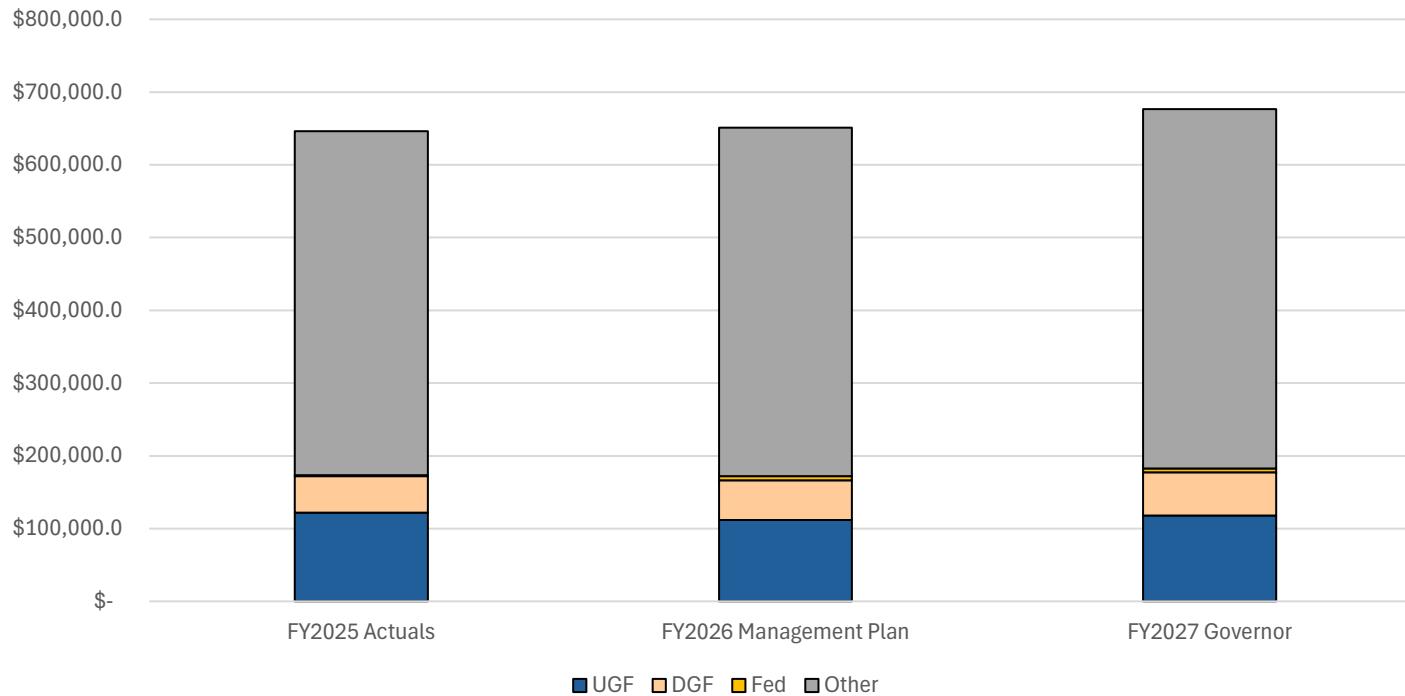


AS 19.05.125. Purpose. *"carrying out a highway planning, construction, and maintenance program that will provide a common defense to the United States and the state, a network of highways linking together cities and communities throughout the state (thereby contributing to the development of commerce 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."*



Budget Comparison

DOT&PF Operating Budget Compare



Fund Type	FY2025 Actuals	FY2026 Management Plan	Change from from FY2025	FY2027 Governor	Change from from FY2026
UGF	\$ 121,921.4	\$ 111,675.0	\$ (10,246.4)	\$ 118,082.2	\$ 6,407.2
DGF	\$ 50,322.8	\$ 54,579.5	\$ 4,256.7	\$ 59,151.5	\$ 4,572.0
Fed	\$ 948.1	\$ 5,599.9	\$ 4,651.8	\$ 5,607.5	\$ 7.6
Other	\$ 473,058.6	\$ 479,337.0	\$ 6,278.4	\$ 493,740.1	\$ 14,403.1
Grand Total	\$ 646,250.9	\$ 651,191.4	\$ 4,940.5	\$ 676,581.3	\$ 25,389.9

(excludes Alaska Marine Highway System)



Operating Budget Reduction Overview

A Modern, Resilient, and Agile Transportation System and Organization

\$2,064.0 reduction in Central Region

8	Highways, Aviation and Facilities	Central Region Highways and Aviation	Dec: Reduce Maintenance & Operations Budget to Coincide with FY25 Carry-forward Expenditure Authority					(1,300.0)	1004	Gen Fund		Related to Supplemental Item 40. Items 8, 14, and 19 are related.	H or S
9	Highways, Aviation and Facilities	Central Region Highways and Aviation	Dec: 10% State Equipment Fleet Replacement Rate Reduction					(764.0)	1004	Gen Fund		Items 9, 15, and 20 are related.	H or S

\$2,345.9 reduction in Northern Region

14	Highways, Aviation and Facilities	Northern Region Highways and Aviation	Dec: Reduce Maintenance & Operations Budget to Coincide with FY25 Carry-forward Expenditure Authority					(1,200.0)	1004	Gen Fund		Related to Supplemental Item 40. Items 8, 14, and 19 are related.	H or S
15	Highways, Aviation and Facilities	Northern Region Highways and Aviation	Dec: 10% State Equipment Fleet Replacement Rate Reduction					(1,145.9)	1004	Gen Fund		Items 9, 15, and 20 are related.	H or S

\$837.0 reduction in Southcoast Region

19	Highways, Aviation and Facilities	Southcoast Region Highways and Aviation	Dec: Reduce Maintenance & Operations Budget to Coincide with FY25 Carry-forward Expenditure Authority					(500.0)	1004	Gen Fund		Related to Supplemental Item 40. Items 8, 14, and 19 are related.	H or S
20	Highways, Aviation and Facilities	Southcoast Region Highways and Aviation	Dec: 10% State Equipment Fleet Replacement Rate Reduction					(337.0)	1004	Gen Fund		Items 9, 15, and 20 are related.	H or S

Impacts of Reductions

FY2026 UGF Reduction

-12.2%

Highways & Aviation vs.
FY2025

*Absorbed through alignment and
realignment not service
reductions.*

Carry forward budget authority was hollow; no maintenance and operations funds were carried forward.

Savings from extending life of equipment fleet was unrealizable; the department had already implemented longer replacement schedules to the maximum extent possible for nearly a decade.

Holding leadership positions vacant or sharing responsibility across leadership positions.

Mitigating impacts to front line Maintenance & Operations Services through administrative restructuring, re-organizations of programs, and shifting support where possible.



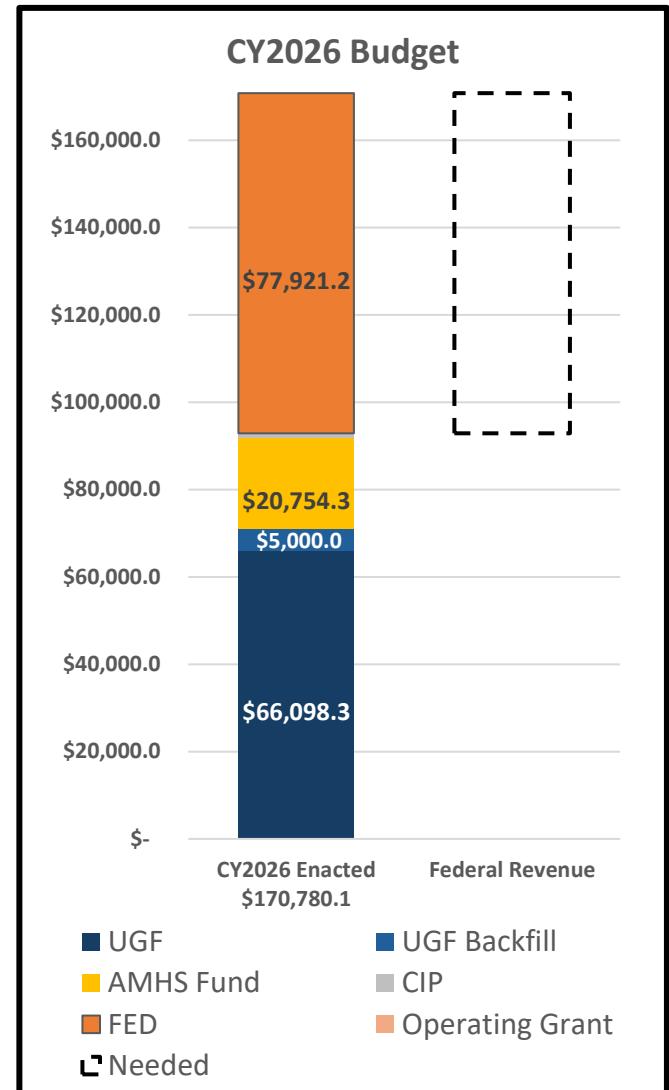
CY2026: Marine Highway System

CY2026 Operating Budget:
\$170,780.1

CY2026 Federal Revenue Required:
\$77,921.0

**Federal Revenue is 45.6% of
Total Operating Budget**

**UGF from the Operating Budget
is used to match federal funds**



Typhoon Halong Recovery

Winter 2026: DOT&PF Continues Frontline Efforts

ACTIVE: Atmautluak, Cheforknak, Kasigluk, Kipnuk, Kongiganak, Kwigillingok, Napakiak, Napaskiak, Nightmute, Noatak, Nunapitchuk, Tununak, Tuntutuliak

COMPLETE: Chevak, Deering, Emmonak, Hooper Bay, Kaltag, Kotzebue, Mekoryuk, Nome, Nunam Iqua, Quinhagak, Scammon Bay, Shishmaref, St. Mary's, Toksook Bay

9 prime contractors actively working in 13 communities

Moved over 5 million pounds of construction materials to date

Authority	Expended to Date	Pending	Remaining Authority
\$105M	\$53.5M	\$15.4M	\$36.1M



FY2027: Administration & Support

	UGF	DGF	FED	OTHER	TOTAL
Facilities Services	\$ 9.5			\$ 28.8	\$ 38.3
Information Systems and Services	\$ 45.6	\$ 36.6		\$ 282.0	\$ 364.2
International Airport Systems				\$ 110.9	\$ 110.9
Statewide Admin Services	\$ 1.3	\$ 0.7		\$ 8.1	\$ 10.1
Vessel Operations Management	\$ 9.7		\$ 14.5		\$ 24.2
Information Technology Classification Study Implementation	\$ 66.1	\$ 37.3	\$ 14.5	\$ 429.8	\$ 547.7
	UGF	DGF	FED	OTHER	TOTAL
Highway Safety Office				\$ (332.0)	\$ (332.0)
Central Design, Eng, Const	\$ (89.8)	\$ (33.4)		\$ (413.3)	\$ (536.5)
Central Highways and Aviation	\$ (167.0)			\$ (66.4)	\$ (233.4)
Commissioner's Office	\$ (151.2)	\$ (8.7)		\$ (356.6)	\$ (516.5)
Information Systems and Services	\$ (79.5)	\$ (71.4)		\$ (435.1)	\$ (586.0)
Northern Design, Eng & Const				\$ (95.5)	\$ (95.5)
Northern Support Services	\$ (9.1)			\$ (184.4)	\$ (193.5)
Program Development				\$ (169.9)	\$ (169.9)
Southcoast Design, Eng, Const				\$ (193.6)	\$ (193.6)
Southcoast Support Services				\$ (210.6)	\$ (210.6)
Statewide Aviation				\$ (104.0)	\$ (104.0)
Stwd Safety and Emergency Mngmnt				\$ (341.3)	\$ (341.3)
Vessel Operations Management					
Align Staffing with Organizational Changes and Modernization Initiatives	\$ (496.6)	\$ (113.5)	\$ -	\$ (2,902.7)	\$ (3,512.8)

Positions

Transfer Positions from Administration for Accounts Payable and Travel and Expense Activities	15
Transfer Positions from Administration for Payroll Services	17
Total Position Moves from Dept. of Administration	32



FY2027: Highways & Aviation

	UGF	DGF	FED	OTHER	TOTAL
<u>Northern Highways & Aviation</u>				\$ 52.0	\$ 52.0
Kotzebue Airport Powerline Replacement				\$ 52.0	\$ 52.0
<u>Southcoast Highways & Aviation</u>				\$ 70.0	\$ 70.0
Gustavus Airport Law Enforcement Coverage				\$ 70.0	\$ 70.0
<u>Statewide Aviation</u>				\$ 160.0	\$ 160.0
Abandoned Buildings on Lease Lots				\$ 160.0	\$ 160.0
<u>Central Highways and Aviation</u>				\$ 250.0	\$ 250.0
Right of Way Encroachment and Homeless Camp Abatement				\$ 250.0	\$ 250.0
<u>New Component: Stwd Guardrail & Roadside Repair</u>				\$ 1,768.9	\$ 1,768.9
Statewide Guardrail and Roadside Hardware Repair				\$ 1,768.9	\$ 1,768.9
<u>New Component: Statewide Wayside Maintenance</u>				\$ 420.0	\$ 420.0
Statewide Wayside Maintenance				\$ 420.0	\$ 420.0
<u>Central Highways and Aviation</u>				\$ 2,064.0	\$ 2,064.0
<u>Southcoast Highways & Aviation</u>				\$ 837.0	\$ 837.0
<u>Northern Highways & Aviation</u>				\$ 2,345.9	\$ 2,345.9
Restore Funding for Highways and Aviation Maintenance				\$ 5,246.9	\$ 5,246.9
<u>Northern Highways & Aviation</u>				\$ 1,253.9	\$ 1,253.9
Restore One-time Fund Swap for Alaska Housing Capital Corporation				\$ 1,253.9	\$ 1,253.9



FY2027: Facilities Services & Equipment Fleet

	UGF	DGF	FED	OTHER	TOTAL
State Equipment Fleet				\$ 500.0	\$ 500.0
Statewide Mechanic Contracting Support				\$ 500.0	\$ 500.0
	UGF	DGF	FED	OTHER	TOTAL
Facilities Services			\$ 1,200.0	\$ 1,000.0	\$ 2,200.0
Authority for Proceeds of Sales from Surplus Buildings for Workspace Relocations			\$ 1,200.0	\$ 1,000.0	\$ 2,200.0



Thank You.

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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



KEEP ALASKA MOVING