

Senate Transportation Committee

Department of Transportation & Public Facilities

Ryan Anderson, P.E., Commissioner

Katherine Keith, PMP, PMI-ACP, Deputy Commissioner

*New Ways of Working: A Function-Based Model
Protecting Service Delivery, Accountability,
and Asset Stewardship*

February 3, 2026



KEEP ALASKA MOVING

Purpose and Continuity

Statutory Mandate: **UNCHANGED**

DOT&PF's statutory mission under AS 19.05.125 has not changed.

The Department remains responsible for planning, constructing, maintaining, and operating transportation and public facilities that:

- Connect communities statewide
- Support commerce, industry, & resource development
- Improve the economic & general welfare of Alaskans

Operating Environment: **CHANGED**

The scale, complexity, cost, and oversight of Alaska's transportation system have increased significantly.

Delivering this mission now requires:

- Clearer accountability for decisions and outcomes
- Stronger coordination across functions & regions
- More disciplined use of limited financial & workforce resources
- Reduced delivery, compliance, & asset stewardship risk

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

Pressures Driving Organizational Transformation

Why this matters: Accountability and delivery risk are increasing while capacity is constrained.

Internal Challenges

- **Workforce Turnover and Experience Gaps.** Retirements, seasonal labor patterns, and competitive hiring markets increase training, supervision, and knowledge-transfer demands.
- **Distributed Functional Ownership.** Responsibilities distributed across multiple organizational units dilute accountability, increase handoffs, extend decision timelines, and reduce consistency in outcomes.
- **Fragmented Ownership and Accountability.** Shifting responsibility across phases of work limits continuity, weakens long-term asset stewardship, and complicates systemwide optimization.
- **Legacy Processes and Systems.** Manual workflows, inconsistent approvals, and siloed data slow decisions and complicate onboarding and cross-team collaboration.

External Drivers

- **Alaska's Fiscal Environment.** Revenue volatility and constrained UGF levels require disciplined prioritization, clear accountability, and efficient use of limited resources across the system.
- **Cost Escalation and Inflationary Pressures.** Rising costs for materials, labor, fuel, and contracted services increase the importance of consistent standards, coordinated delivery, and lifecycle cost management.
- **Scale and Complexity of the System.** DOT&PF manages a large, geographically dispersed, and aging transportation system that requires coordination to balance local delivery with systemwide optimization.
- **Federal Funding and Oversight Expectations.** Increased federal investment brings heightened compliance, reporting, and performance requirements that benefit from clear functional ownership and consistent business practices.

These pressures do not prescribe a single organizational model—but they require DOT&PF to act with greater clarity, speed, and consistency.

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.



Guiding Principles for Change

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.
They directly inform the structural changes that follow.

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

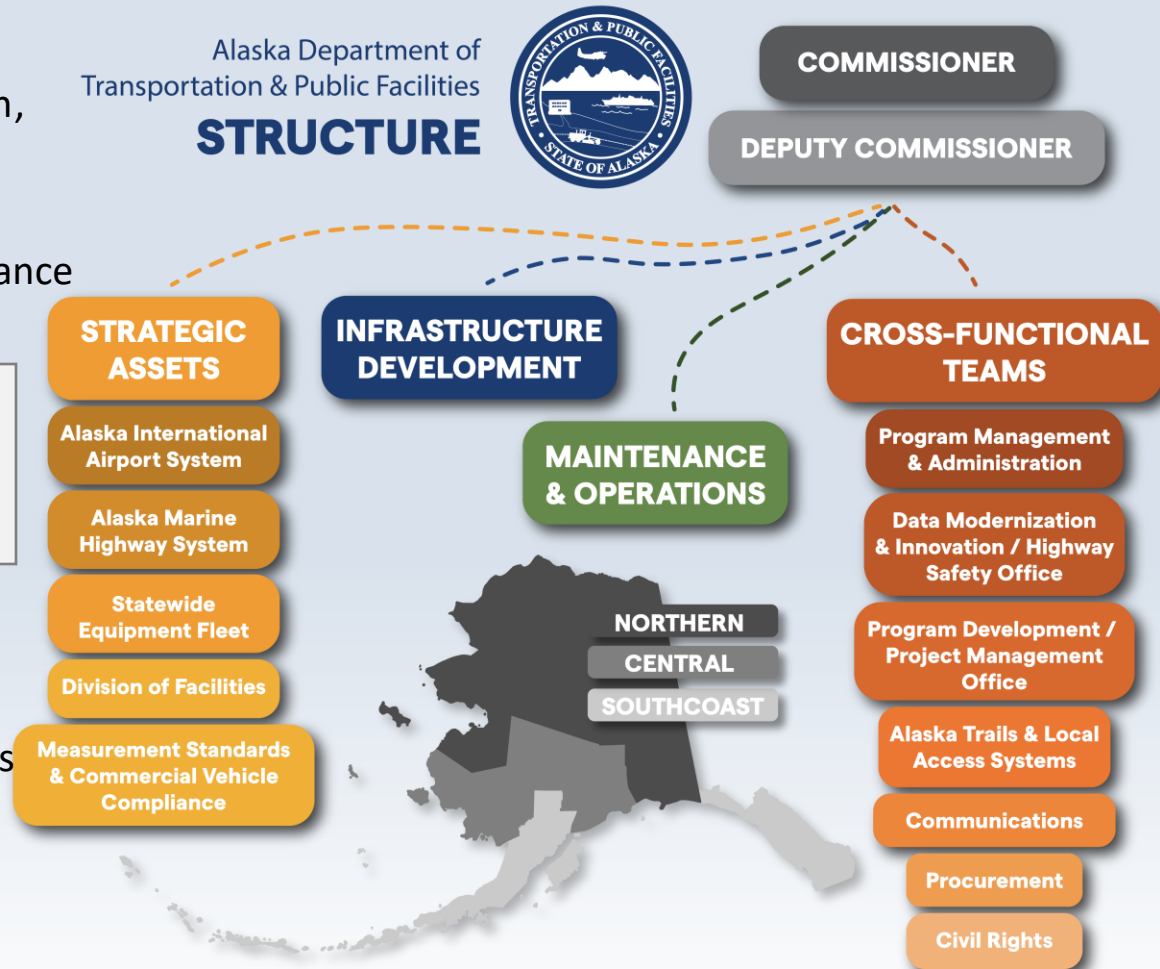
Accountable for long-term asset performance and system reliability statewide.

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

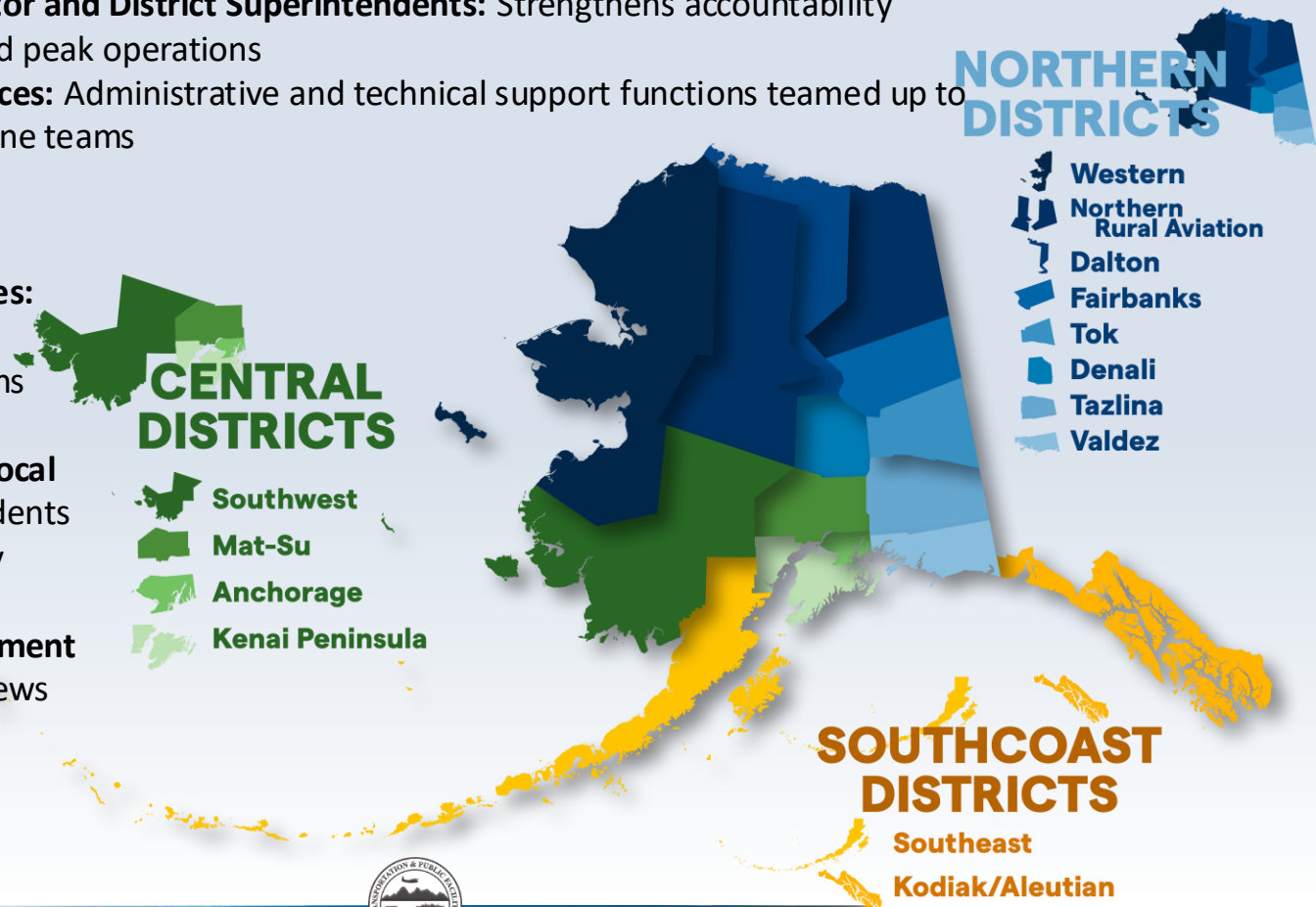
Our goal: Strengthen teamwork across Alaska while preserving local execution.

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

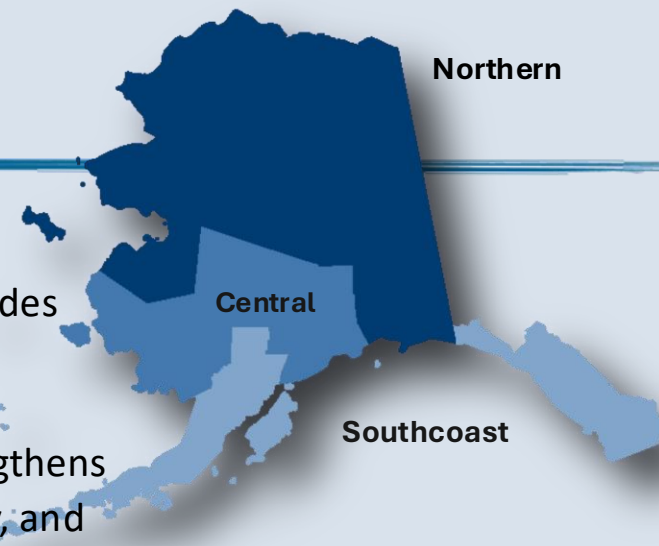
Not Changing

- **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

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

Accounting Services

5 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 \$3,740.1 million

Total Positions	Positions Deleted	Workforce Impact	Estimated ongoing savings	24 Total Positions Deleted	
3,453	24	< 1% of DOT&PF	\$3.74 million	Currently Filled	10
				Currently Vacant	14
				Deleted Positions Breakdown	
				Partially Exempt (3 in Commissioner's Office)	6
				General Government Unit (GGU)	14
				Supervisory Unit (SS)	4

Internal Realignments (No Net Change in Positions)

Realignments

- 91 positions aligned to two statewide support functions:
 - Design, Engineering & Construction Support Services
 - Highways & Aviation Support Services
- 8 positions moved to establish the Highway Safety Office (HSO)
- 1 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



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

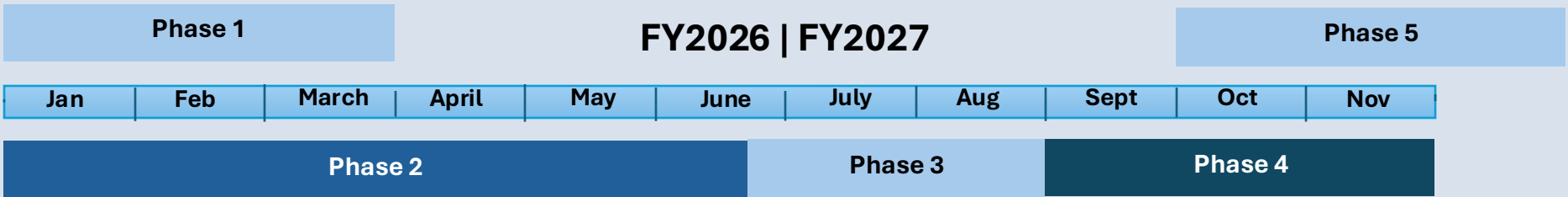
Authority Requested: \$2.2 million

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.



Measuring Success and Accountability

What Success Looks Like

- Frontline service levels maintained or improved
- Payroll, accounting, and project support issues reduced
- Clear ownership of decisions and outcomes
- Improved coordination and consistency across divisions and modes
- Improved service to the public

How We Will Monitor

- Regular check-ins with managers and staff
- Tracking workload, response times, and issue resolution
- Feedback from regions and project teams

Accountability

- Department leadership remains responsible for outcomes
- No change to statutory authority or mission
- Transparent reporting through existing channels

Alignment is complete when service improves without increasing cost or complexity.

Thank You.

Commissioner Ryan Anderson, P.E.

Deputy Commissioner Katherine Keith, PMP, PMI-ACP

Alaska Department of Transportation & Public Facilities

DOT.Commissioner@alaska.gov

Alaska 511: 511.alaska.gov



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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