



South Dakota
Department of Transportation

Statewide Intercity Bus Study

Final Report – May 2024



Table of Contents

Executive Summary

Overview.....	ES-1
What is Intercity Bus?	ES-2
Overview of Intercity Bus Service in South Dakota	ES-3
South Dakota Intercity Bus Rider Survey.....	ES-5
<i>Who Uses Intercity Buses, Where are they Going, and Why?</i>	ES-5
<i>Travel Alternatives</i>	ES-6
<i>About This Trip</i>	ES-6
What are the Perceptions of Intercity Bus Service in South Dakota?.....	ES-7
What are the Unmet Needs?	ES-8
<i>Demographics</i>	ES-8
Potential Routes to Address Gaps	ES-11
Strategies for South Dakota.....	ES-12
<i>Consultation and Certification</i>	ES-12
<i>Maintain Existing Intercity Services</i>	ES-13
<i>Enhance Existing Services</i>	ES-14
<i>Intercity Feeder Expansion Possibilities</i>	ES-15
Vision Plan	ES-18
<i>Option One: Funding the Expansion Routes</i>	ES-18
<i>Option Two: Alternative Route Structure</i>	ES-18
Strategy Summarized	ES-19

Chapter 1: Background

Introduction.....	1-1
<i>What is Intercity Bus?</i>	1-1
<i>Intercity Bus History in South Dakota</i>	1-2
<i>Intercity Bus Program: Section 5311(f)</i>	1-4
South Dakota’s Intercity Bus Laws and Policies.....	1-4
<i>Federal Transit Administration Section 5311(f) Assistance for Rural Intercity Bus Services</i>	1-4
<i>South Dakota Department of Transportation’s Section 5311(f) Policies</i>	1-6
<i>Other Federal Regulations—Federal Motor Carrier Safety Administration Requirements</i>	1-9
<i>South Dakota Regulations</i>	1-10
<i>Other South Dakota Policies-Transit Program</i>	1-11
Trends in the Intercity Bus Industry and Their Possible Effects on South Dakota.....	1-12
<i>COVID Recovery</i>	1-12
<i>Changes in the Intercity Bus Industry – Flixbus Purchase</i>	1-13

Chapter 2: Existing Service

Intercity Bus Services in South Dakota.....	2-1
Overview of Intercity Bus Service in South Dakota	2-2
<i>Jefferson Lines: South Dakota’s National Intercity Bus Service</i>	2-4
South Dakota’s Rural Intercity Feeder Services	2-15
<i>Aberdeen Ride Line—Aberdeen to Summit Corner</i>	2-15
<i>People’s Transit—Huron to Mitchell</i>	2-19
<i>River Cities Public Transit—Pierre to Vivian and Pierre to Mobridge</i> <i>Intercity Feeder Service</i>	2-23
Intercity Ticket Agents.....	2-31
<i>Prairie Hills Transit</i>	2-31
<i>Vermillion Public Transit</i>	2-32

Chapter 3: Perceptions of South Dakota’s Intercity Bus Service

Perceptions of Intercity Bus Service in South Dakota	3-1
Regional Meetings—Open Houses.....	3-2
<i>Needs are Addressed by Intercity Bus Services</i>	3-3
<i>Service Connectivity and Reliability</i>	3-3
<i>Cost of Service</i>	3-4
<i>Lack of Community Awareness</i>	3-4
Interviews with Intercity Bus Providers	3-5
Engagement Surveys	3-6
<i>Transit Provider’s Perceptions</i>	3-6
<i>South Dakota Intercity Bus Rider Survey</i>	3-7
<i>Travel Alternatives</i>	3-10
<i>About This Trip</i>	3-14
<i>Perceptions Regarding the Service</i>	3-18
<i>Summary Regarding Rider Characteristics and Perceptions</i>	3-20
Conclusions Regarding Perceptions of Intercity Bus Service in South Dakota.....	3-21

Chapter 4: Unmet Needs – Demographic Analysis

Introduction.....	4-1
Population Served by Existing Intercity Bus Network	4-1
Demographic Analysis of Unmet Needs	4-2
<i>Population Density</i>	4-2
<i>Population</i>	4-4
<i>Autoless Households</i>	4-8
<i>Persons in Poverty</i>	4-9
<i>Young Adult Population</i>	4-10
<i>Older Adults</i>	4-11
<i>Index of Transit Dependence</i>	4-12

Trip Generators	4-15
Summary of Demographic Analysis	4-18

Chapter 5: Unmet Needs – Services, Staff, Vehicles, Technology

Introduction.....	5-1
Unmet Needs as Identified by Stakeholders	5-1
<i>Need for Additional Intercity Bus Services</i>	5-1
<i>Other Intercity Bus Needs</i>	5-2
<i>Surveys of Transit Providers and Regional Planners</i>	5-3
Unmet Needs from a Connectivity Perspective.....	5-4
Traffic Volume Data.....	5-6
Unmet Needs to Maintain Existing Services	5-8
<i>Operating Assistance</i>	5-8
Unmet Needs for Capital, Technology Equipment and Marketing.....	5-9
Unmet Needs for Staffing (Existing Services).....	5-11
Conclusions	5-11

Chapter 6: Needs to Maintain and Enhance Existing Service

Introduction.....	6-1
Maintain Existing Intercity Services	6-1
<i>Operating Funding</i>	6-1
<i>Capital Needs</i>	6-6
<i>Enhancements to Existing Service</i>	6-8

Chapter 7: Potential Service Expansions

Introduction.....	7-1
Potential Routes to Address Gaps	7-1
<i>Needs for Additional Vehicles and Drivers for Expansion Services</i>	7-7
<i>Needs for Expansion Facilities</i>	7-7
<i>Weighing the Options</i>	7-8
<i>Prioritization Scoring</i>	7-14
Intercity Feeder Expansion: Possibilities	7-15
Vision Plan	7-16
<i>Option One: Funding the Expansion Routes</i>	7-16
<i>Option Two: Alternative Route Structure</i>	7-16

Chapter 8: Strategies and Recommended Plan

Introduction..... 8-1
Strategies for South Dakota..... 8-1
Consultation and Certification 8-1
 State Management Plan..... 8-2
 Consultation Process 8-3
 Monitoring..... 8-3
Strategy Summarized 8-4

Appendix A: Regional Meetings

Appendix B: Transit Provider Survey

Appendix C: Bus Rider Survey

Executive Summary

South Dakota DOT

Statewide Intercity Bus Study

Overview

The South Dakota Department of Transportation's (SDDOT) Office of Air, Rail, and Transit has initiated this study to become the state's first Statewide Intercity Bus Study. This study presents an overview of the current intercity bus network in South Dakota, current perceptions of the service, the unmet needs across the state, and a strategy to maintain, enhance, and focus on high-priority expansions.

South Dakota has developed an intercity bus program that is a model in terms of coordination with rural transit systems and a national intercity bus company (Jefferson Lines) to provide intercity bus access to much of the state. River Cities Public Transit, People's Transit of Huron and Aberdeen Ride Line are rural feeders to the main Jefferson Lines services operating on the I-90 and I-29 corridors.

Exhibit 1: Intercity Bus Operators in South Dakota



Jefferson Lines



Aberdeen Ride Line



People's Transit



River Cities Public Transit

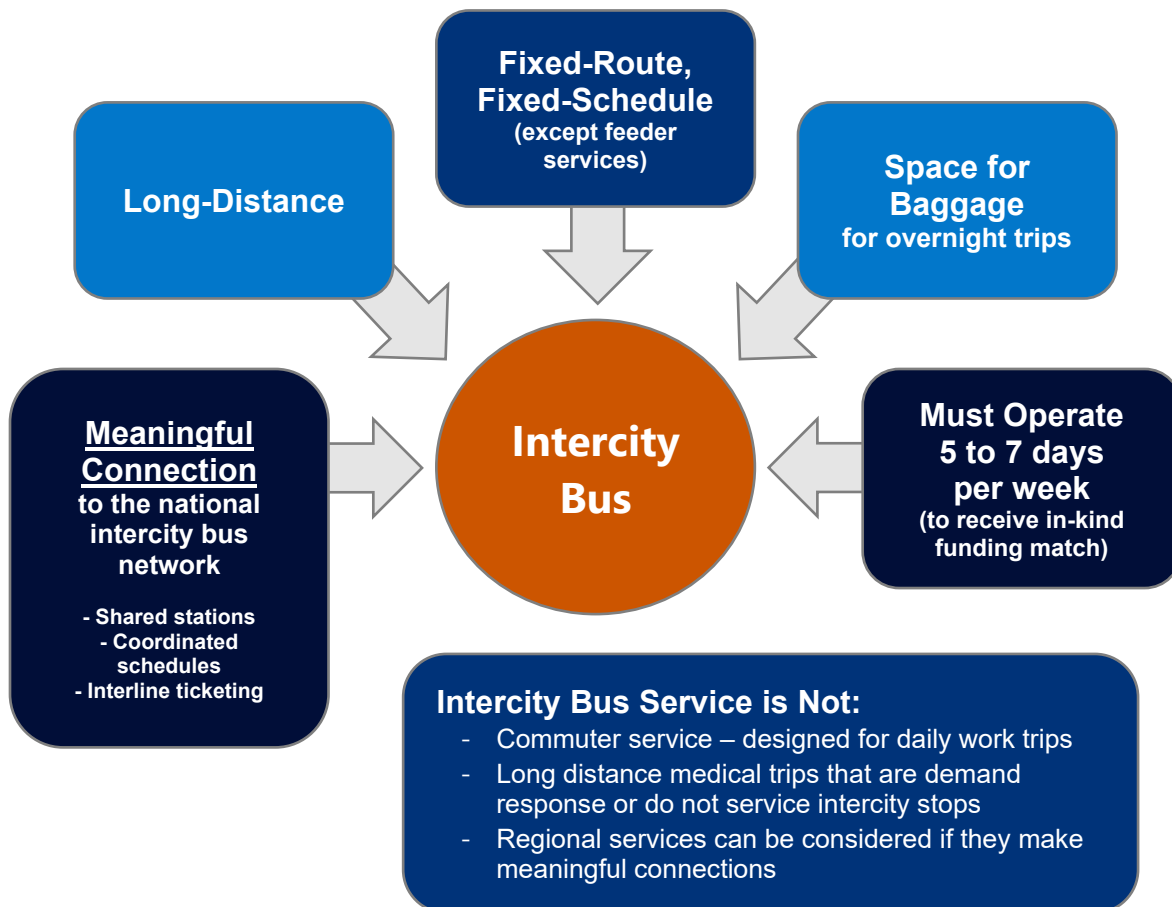
What is Intercity Bus?

Intercity bus service is long-distance public transportation that carries passengers over significant distances between different cities, towns, and states. Unlike traditional public transit, which has frequent stops, intercity bus service generally has a single stop in a city or town.

To qualify for funding under the Federal Transit Administration's (FTA's) Section 5311(f) intercity assistance program, intercity bus service must provide long-distance trips, fixed route and schedule, space for baggage, and a meaningful connection to the national intercity bus network. A meaningful connection includes shared stations, coordinated schedules, and interline ticketing if appropriate. To qualify for an in-kind funding match, the service must operate at least five days per week.

It is important to note that intercity bus service does not include commuter services (designed for work trips) or long-distance demand response services. Regional services can be considered if they make meaningful connections to the national intercity bus network.

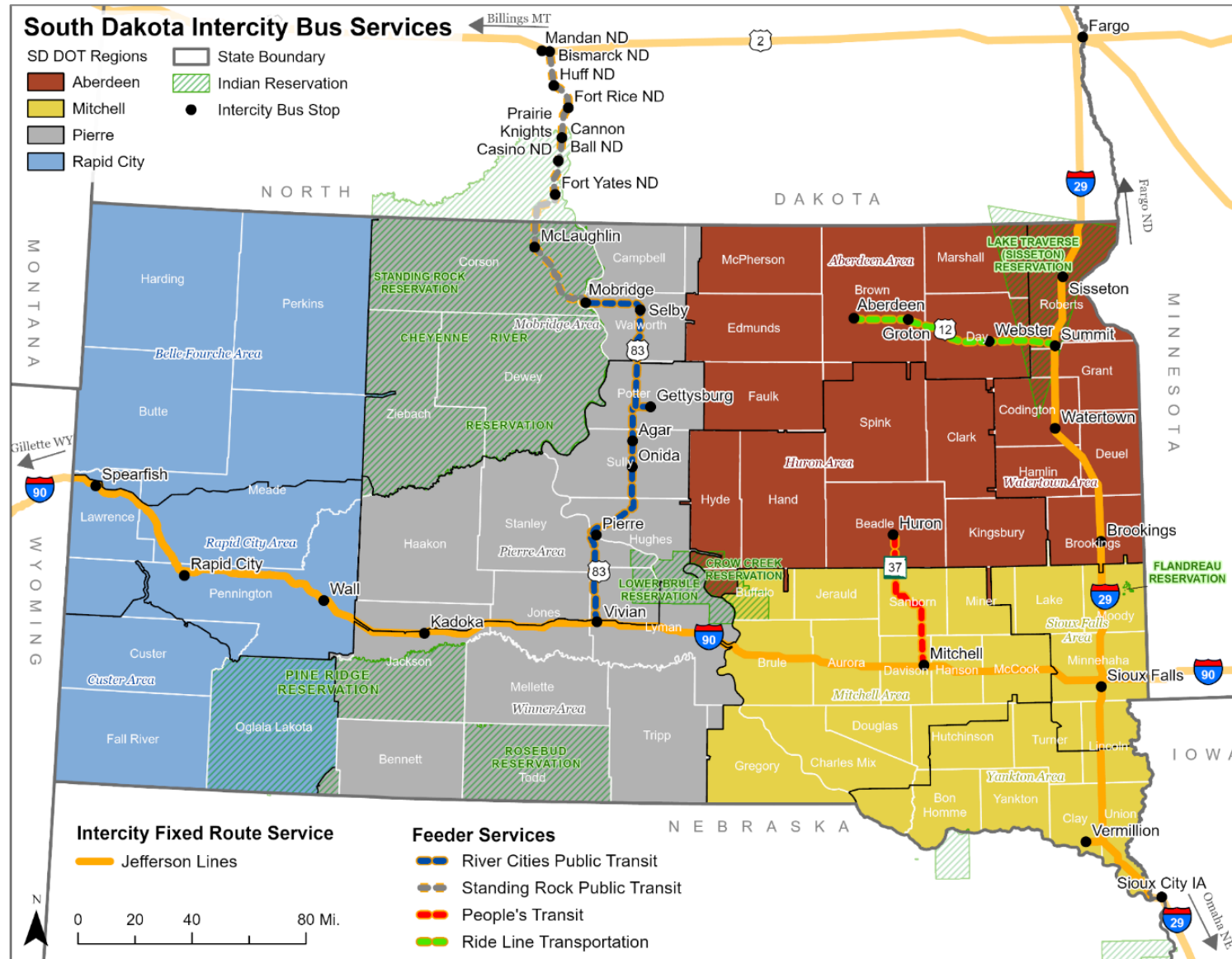
Exhibit 2: What is Intercity Bus?



Overview of Intercity Bus Service in South Dakota

- **Jefferson Lines** – National intercity bus operator with two routes in South Dakota. Interstate 29 focused route linking Fargo, North Dakota to Omaha, Nebraska. Interstate 90 focused route linking Minneapolis, Minnesota to Billings, Montana.
- **Aberdeen Ride Line** – Operates as a Jefferson Lines ticket agent and provides a bus depot in Aberdeen. Provides intercity bus feeder service between Aberdeen and Summit.
- **People’s Transit** – Operates as a Jefferson Lines ticket agent and provides a bus depot in Huron. Provides intercity bus feeder service between Huron and Mitchell.
- **Prairie Hills Transit** – Operates as a Jefferson Lines ticket agent and provides a bus depot in Spearfish.
- **River Cities Public Transit** – Operates as a Jefferson Lines ticket agent and provides a bus depot in Pierre, provides intercity bus feeder service from Pierre to Vivian and Pierre to Mobridge.
- **Standing Rock Public Transit** – Connects Mobridge and Bismarck, North Dakota.
- **Vermillion Public Transit** – Operates as a Jefferson Lines ticket agent and depot in Vermillion.

Exhibit 3: South Dakota Intercity Bus Network



South Dakota Intercity Bus Rider Survey

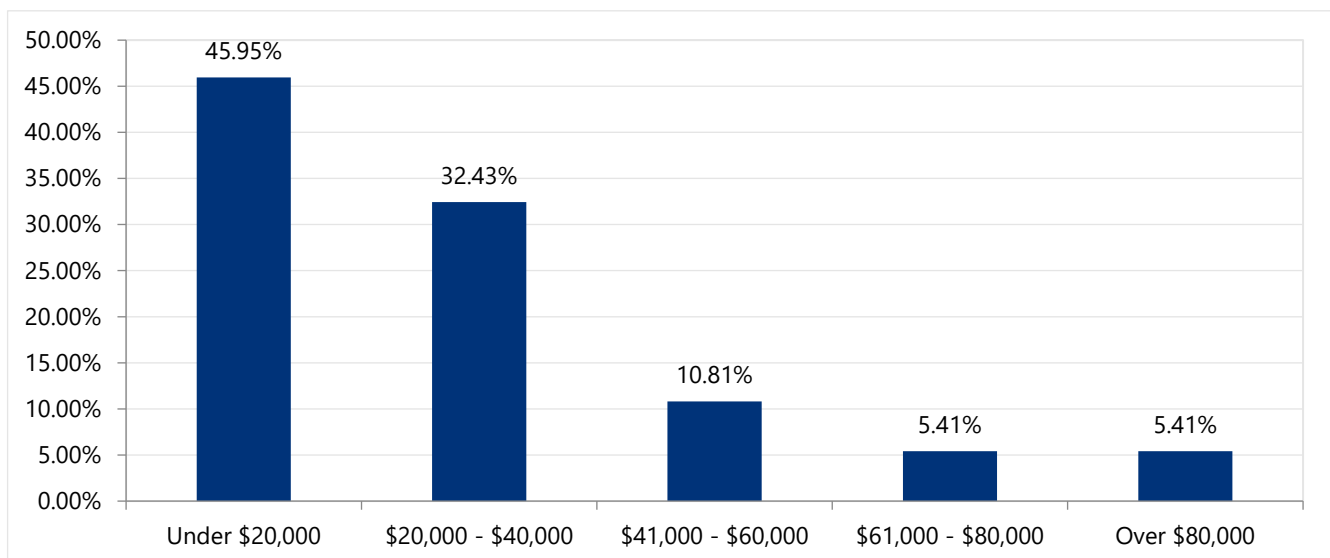
To better understand the characteristics and perceptions of intercity bus riders in South Dakota, the study team prepared a survey oriented to the bus riders, which was distributed to bus riders between November 15, 2023, and January 15, 2024, by Jefferson Lines bus depot personnel and the staff at rural intercity bus depots. A QR code link was also provided on the survey form, and some riders completed the survey online as well. Forty-nine surveys were ultimately completed for analysis. While this sample is small, the results do offer insights into the population that uses the intercity bus.

Who Uses Intercity Buses, Where are they Going, and Why?

Intercity bus riders who responded to the survey were in the adult categories, with the largest percentage in the 35–44-year-old age group, and a similar percentage in the 25–34 year old group. Nearly 20 percent of riders were also 65 or older. Most notable is the almost complete absence of 17–21-year-old riders, and the low percentage of 22–24-year-olds. This is very different from most state surveys, where these age groups make up a very large percentage of intercity bus riders. It suggests that college student ridership is minimal in South Dakota.

South Dakota is also unique in terms of the reported language used at home. While over 70% of riders speak English at home, few of the respondents speak Spanish at home, but a significant number reported that they speak Sioux or Lakota in addition to English (and in some cases Spanish). Intercity bus riders in South Dakota reported low household income levels, as shown in Exhibit 4. Over 45% reported a household income under \$20,000, and another 30% reported a household income between \$20,000 and \$40,000.

Exhibit 4: Household Income of Intercity Bus Riders



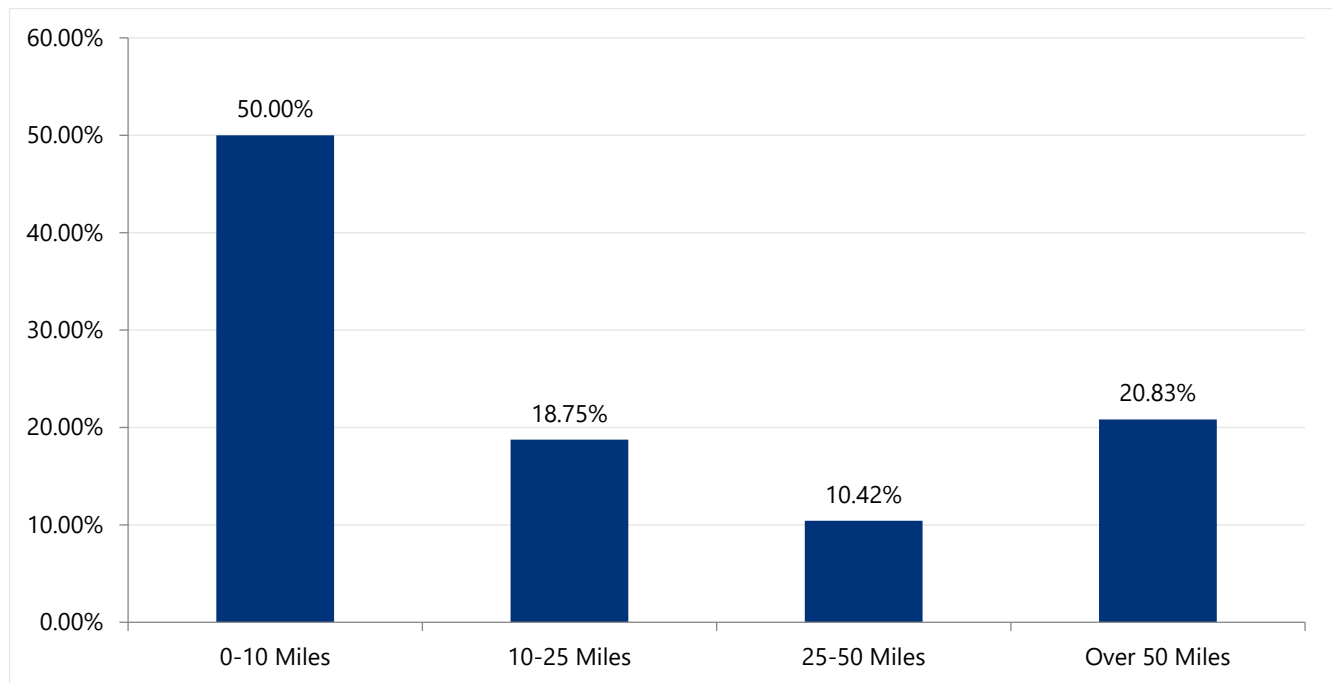
Travel Alternatives

Most intercity bus riders are traveling on their own, and rarely in groups. This often reflects the fact that a bus trip may be cheaper for one person, but if two or three are traveling together the cost of sharing the drive is lower than multiple fares. Sometimes the reason that a person takes the bus is that they lack a driver's license, but most riders in South Dakota have a driver's license. Though most South Dakota intercity bus passengers have a driver's license, having a vehicle available that can make a long-distance trip is more of a barrier to driving.

About This Trip

Typically most intercity bus trips originate within 25 miles of a stop. Exhibit 5 presents the distance to the boarding stop reported by South Dakota's intercity bus riders. The high percentage (20%) of riders who traveled 50 miles, or more is unusual, and may reflect the low population density of the state, or utilization of the feeder services to reach the Jefferson Lines bus routes.

Exhibit 5: Distance to Boarding Stop



Where are they going? Destinations reported by riders reflected both in-state and out-of-state long-distance trips. Some utilize connections involving the feeders—Rapid City to Huron, or Rapid City to Pierre. About 25% of this sample was going to/from Sioux Falls (though the sample is biased because most were for trips to/from Rapid City or Spearfish). Other trip destinations included New York, Los Angeles, Seattle, Minneapolis, Omaha, Billings and Denver.

What are the Perceptions of Intercity Bus Service in South Dakota?

- **Many People’s Needs are Being Addressed by the Current Intercity Bus Network** – at virtually every regional meeting there was a discussion around how intercity bus services add value to the communities that they serve.
- **Service is Generally Reliable, but the Number of Delayed/Cancelled Trips has Increased** – concerns were reported about a recent (2023) increase in delayed buses, buses running very early, missed stops, and cancellations.
- **Limited-Service Frequency** – many riders are not able to make a return trip the same day and some riders must spend the night at a transfer location while waiting for their next bus.
- **Ticket Prices are Too High** – ticket prices fluctuate, and prices have increased in recent years.
- **Lack of Community Awareness** – there is a need for marketing support beyond that provided by Jefferson Lines to support enhanced marketing efforts.

These perceptions were collected with input from intercity bus providers, regional economic development agencies, the general public, and perhaps most importantly - intercity bus riders. Opportunities for input were provided through 12 regional meetings (held in each of SDDOT’s 12 Areas), multiple engagement surveys, and interviews with intercity bus providers, as listed in Exhibit 6.

Exhibit 6: Engagement Approaches

Regional Meetings	Statewide Engagement Surveys	Interviews with Intercity Bus Providers
<ul style="list-style-type: none"> • Aberdeen • Belle Fourche • Custer • Huron • Mitchell • Mobridge • Pierre • Rapid City • Sioux Falls • Vermillion • Watertown • Winner 	<ul style="list-style-type: none"> • Transit Providers • Regional Economic Development Agencies • Intercity Bus Stakeholders • Intercity Bus Riders (onboard and online) • General Public/Community Survey 	<ul style="list-style-type: none"> • Aberdeen Ride Lines • Jefferson Lines (JL) • People’s Transit • Prairie Hills Transit (JL Ticket Agent) • River Cities Public Transit • Standing Rock Public Transit • Vermillion Public Transit (JL Ticket Agent)

What are the Unmet Needs?

South Dakota's intercity bus network plays a vital role in the state's transportation network, connecting various populations across an expansive and diverse landscape. Examining the current population that uses this service provides some insight into its functionality and efficiency.

The current intercity bus network, including the rural intercity feeders, serves most of the state's population. Well over half, or 67%, of the population is within 10 miles of an intercity bus stop (see Exhibit 7). An even greater amount, 85%, are within 25 miles of an intercity bus stop in South Dakota. Though schedule frequencies play a large role in the efficiency of the intercity bus network, this is already very broad coverage across the state.

The largest cities that are more than 25 miles from an intercity bus stop include: Yankton (15,421), Madison (6,271), Hot Springs (3,465), Pine Ridge (2,921), and Winner (2,905).

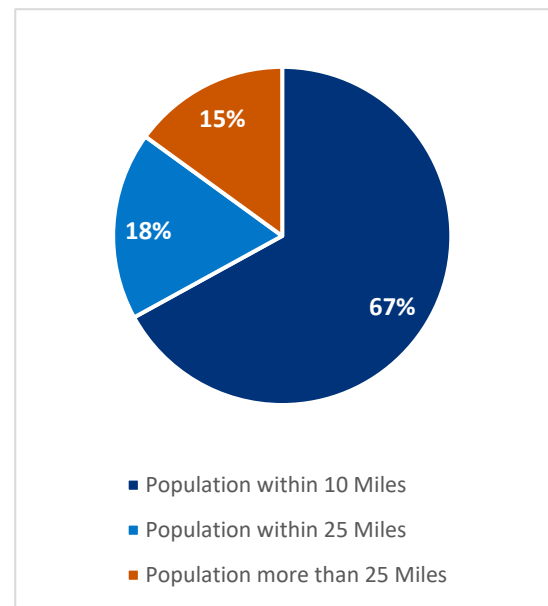


Exhibit 7: South Dakota Population Percentage by Proximity to Intercity Bus Stop

Demographics

The Transit Dependence Index (TDI) combines the demographic measures of autoless households, below poverty, young adults (18-24), and older adults (65+) to predict which areas will have the highest need for intercity bus services and public transit in general. This helps to inform the study of areas of high need throughout the state. There are 19 block groups where 16,681 people reside that have a very high need for public transport. Fifteen of these block groups are within 10 miles of an intercity bus stop while only two are beyond 25 miles. It should be noted that because some of the block groups in South Dakota cover large areas of land, part of the block group may be included in the 25-mile buffer, while the remainder of the block group falls outside of it. This is where GIS maps can further inform the analysis so that it is more visually apparent that there are still many areas in the state that have a high need for transit beyond 25-miles from an existing intercity bus stop.

Exhibit 8 illustrates the transit dependence index throughout the state. To better visualize the fact that there are areas of high need that fall outside of the 25-mile buffer, Exhibit 9 uses a bivariate symbology to show both population density, shown as the circle size, and transit need, shown as shades of blue. Looking at the combined measures of population density and transit need, the current intercity bus network appears to offer service where it is needed and likely to be used, except for the Pine Ridge and Rosebud Reservations.

Exhibit 8: TDI in South Dakota

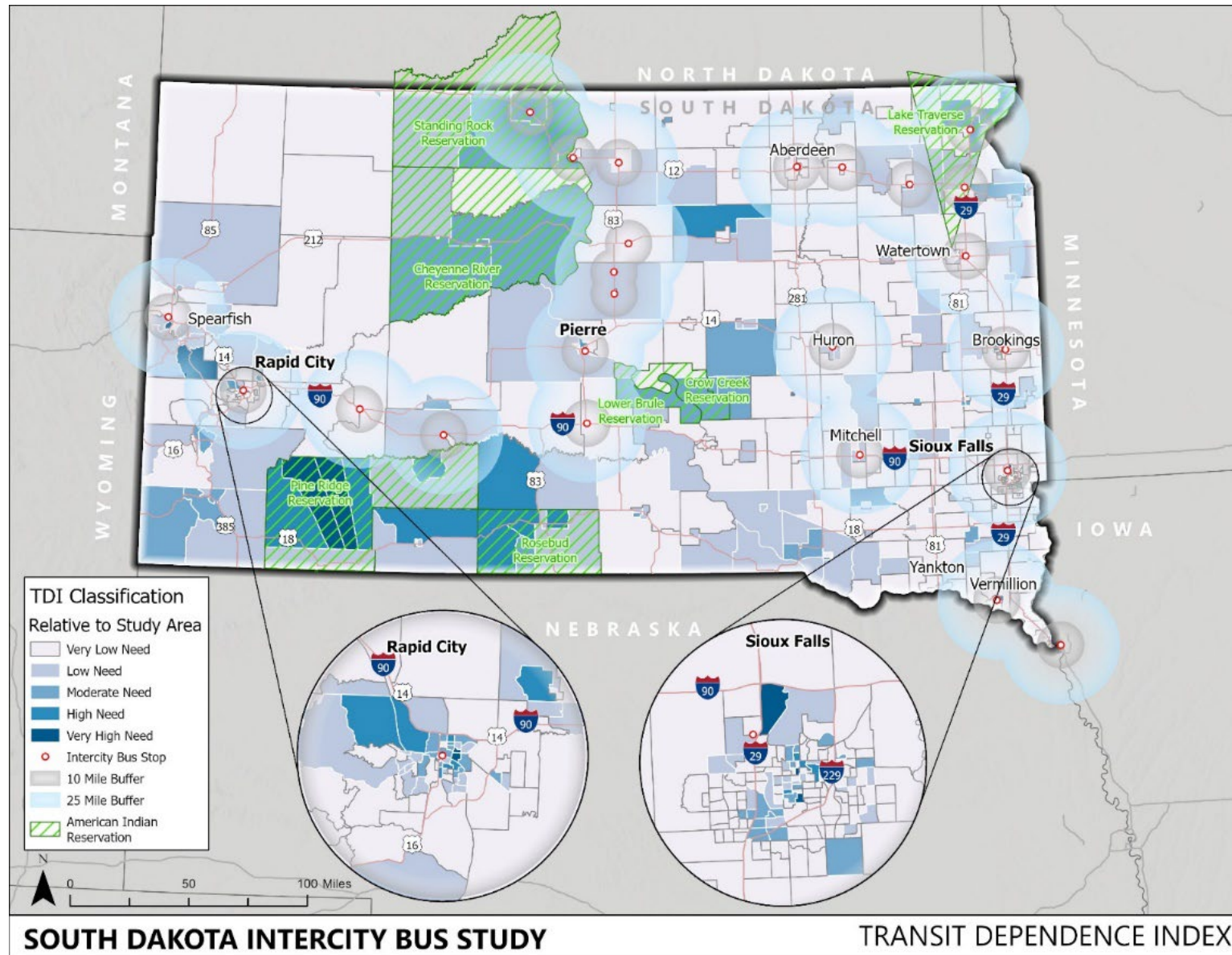
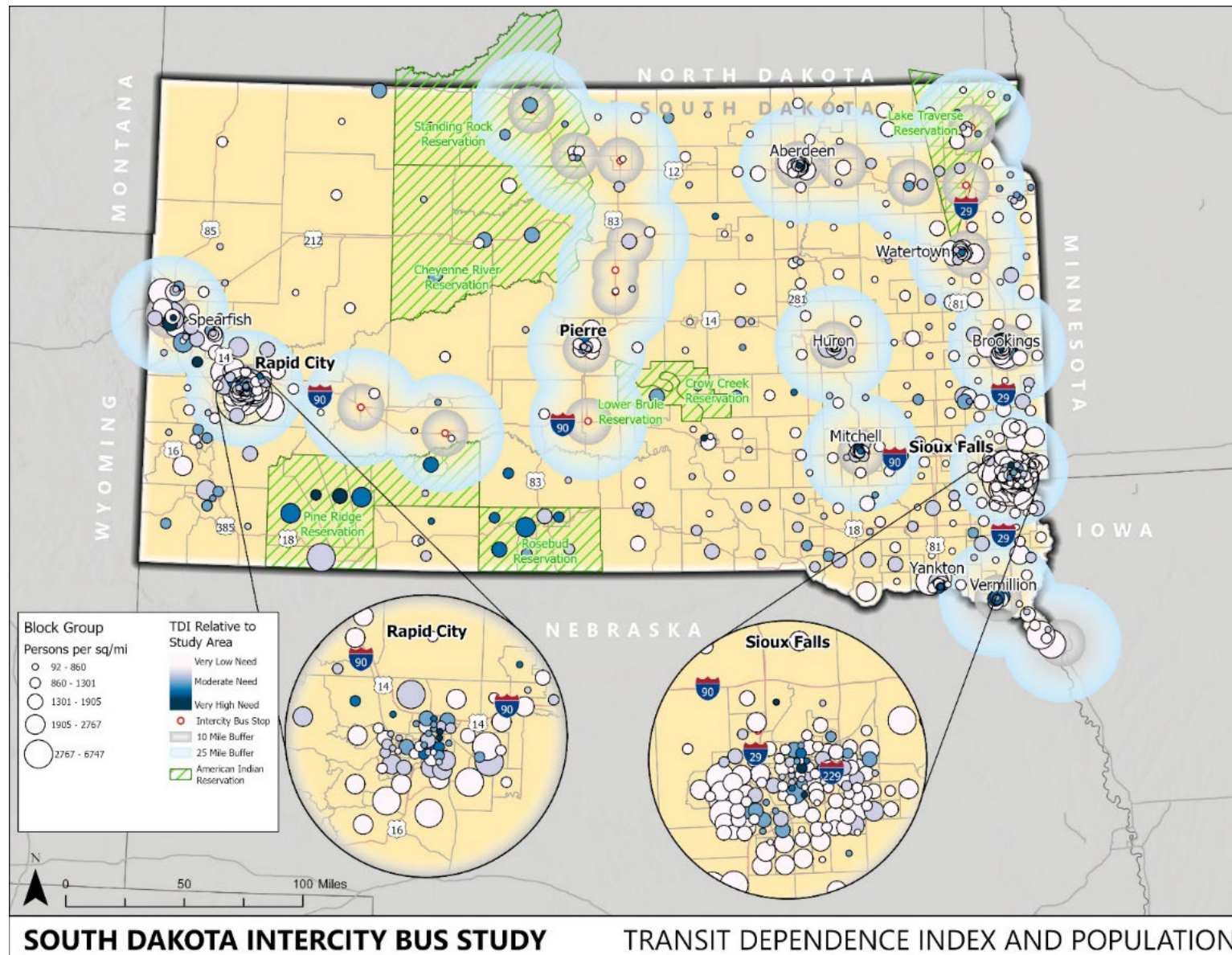


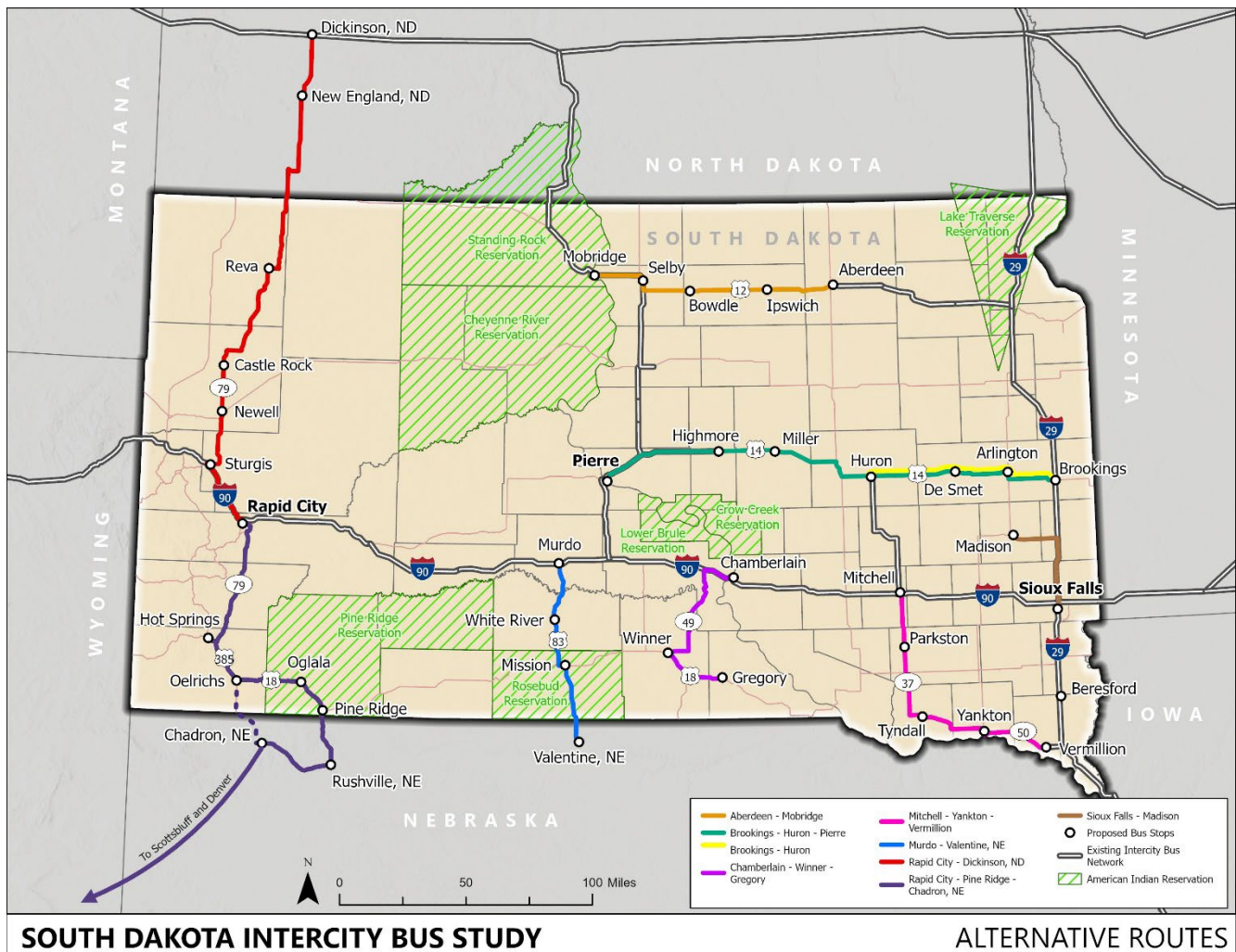
Exhibit 9: TDI and Population Density in South Dakota



Potential Routes to Address Gaps

The analysis suggests that the existing intercity network provides a high level of coverage to the state, as most of the places with sufficient population to support services are served. However, there are some places with a high transit need that are some distance from the existing intercity stops, and input from transit providers and regional meetings suggests that there are potential needs for additional connections to avoid extremely long travel times to make key connections. Exhibit 10 presents a map of these routes. The potential stops listed were chosen to provide service to population concentrations while minimizing stops to allow reasonable travel times. Each of the routes was suggested for consideration in a survey or at a regional meeting. Two of the proposed routes provide access to high-need areas in the Rosebud and Pine Ridge Indian Reservations, which are currently unserved. Several of the routes offer a primary benefit in providing new connections that would allow access between places on the I-90 route and those on the I-29 route without the need to spend a night in Sioux Falls. The route from Rapid City to Chadron has been proposed as a through route to Scottsbluff, Nebraska with a connection from there to Denver.

Exhibit 10: Map of Potential Route Alternatives



Strategies for South Dakota

Strategies for developing a comprehensive statewide intercity bus network have been broken into four steps. The first, consultation and certification with intercity carriers and stakeholders, is key to determining the ever-changing service needs (as well as meeting FTA requirements). The public and stakeholder engagement task of this plan revealed a significant appreciation for the existing intercity services, maintaining this network should be considered a top priority. Enhancements to the existing services should then be considered. Potential service expansion would then be considered for expanded intercity feeder services based on the availability of ongoing funding after meeting the needs to maintain the existing network.



Consultation and Certification

This overall strategy basically consists of maintaining and enhancing the existing services through a grant program that offers funding to support intercity services in the state but includes state priorities for intercity services including potential expansions as part of the solicitation. If there are no providers willing to apply for that funding and implement service, SDDOT would be justified in certifying that there are no unmet rural intercity needs, allowing it to utilize the funding for other rural transit needs. The alternative model would require SDDOT to become the grantee and contract for services it deems necessary, which would be a completely different model. Because there are no connecting unsubsidized services that could provide in-kind match, SDDOT would need to issue RFPs for services, find contract operators, monitor their operations, and provide the local match (the non-federal share of 48.24%). Currently there is no state program that would provide that funding, so the logical strategy is to continue the intercity bus program as a grant program but including more direction about state priorities in the grant solicitation.

Maintain Existing Intercity Services

As noted above, the existing services provide intercity access to a substantial part of the state’s population by combining long-distance intercity bus services that is part of the national intercity network with feeder services that link smaller population centers to this network. A basic strategy for SDDOT is to maintain this existing network through a combination of operating/administrative assistance, and capital grants.

SDDOT has prudently worked with Jefferson Lines to maintain intercity services on the two major interstate corridors in the state, even as ridership and revenue declined during the COVID pandemic. Going forward, it makes sense to maintain these services, but it is likely that ridership has stabilized at the current level. At the same time, operating and capital costs have increased, and may continue to increase—requiring additional funding.

South Dakota’s overall Section 5311 allocation for FY2024 is \$9,707,091, and the 15% set-aside based on that amount is \$1,456,064. It should be noted that Jefferson Lines provides the non-federal share out of other company funds, so only 51.76% of the net operating deficit is the federal share that would be provided by SDDOT. In addition, it is possible that the net operating deficit might well be less than projected, as these routes have performed well—with a 60% farebox recovery in 2023, it is possible that additional ridership could reduce the funding required to maintain this service. Exhibit 11 presents the estimated costs of maintaining the existing services over the next five years.

Exhibit 11: Projected Costs to Maintain Existing Intercity Services

Existing Service:	FY2023 Actual	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Operating Needs							
Jefferson Lines	\$806,069	\$936,783	\$1,023,926	\$1,114,554	\$1,208,807	\$1,306,831	\$1,359,104
River Cities Transit	\$193,658	\$201,404	\$209,460	\$217,839	\$226,552	\$235,615	\$245,039
Aberdeen Ride Line	\$6,725	\$6,994	\$7,274	\$7,565	\$7,867	\$8,182	\$8,509
People's Transit	\$23,116	\$24,041	\$25,002	\$26,002	\$27,042	\$28,124	\$29,249
Prairie Hills Transit	\$7,334	\$7,628	\$7,933	\$8,250	\$8,580	\$8,923	\$9,280
Vermillion Transit	\$1,193	\$1,241	\$1,290	\$1,342	\$1,396	\$1,451	\$1,509
Total	\$1,038,095	\$1,178,090	\$1,274,885	\$1,375,552	\$1,480,245	\$1,589,126	\$1,652,691
Capital Needs (Section 5311)							
Jefferson Lines	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496	\$341,636
Total Funding Needs:	\$1,308,095	\$1,458,890	\$1,566,917	\$1,679,265	\$1,796,107	\$1,917,622	\$1,994,327

Enhance Existing Services

Two potential enhancements to the current network were identified. One is an opportunity to initiate a role for the transit agency as the depot for Jefferson Lines in Brookings. A second is the restoration of daily service to Jefferson Lines I-29 service (schedules 703 and 704), which would also require adding two weekday days of service to the Aberdeen Ride Line connecting service.

Brookings Ticketing Agency

This enhancement would take advantage of the expanded facility being planned by Brookings Area Transit to add the role of intercity bus agency – providing additional informational and ticketing support, and a secure place for passengers to wait. This is dependent upon the transit system’s willingness to take on this role and provide for any increase in the local match required for the facility. Brookings is a stop on the Jefferson Lines Fargo-Sioux Falls route and home to the largest university in the state.

Additional Frequency on Jefferson Lines Schedules 703 and 704

The existing network could be enhanced by reinstating daily frequency on the Jefferson Lines Interstate 29 service and weekday service on the Aberdeen Ride Line feeder, when demand supports and there is availability of equipment and drivers. Exhibit 12 includes estimates of the federal share of Jefferson Lines net operating deficit for expanded service for each of those two levels the option of adding two daily trips on the 703 and 704 trips to offer seven day per week service. The Aberdeen Ride Line service would also need to be expanded to five days per week, an increase of two days per week.

Exhibit 12: Projected Costs of Enhancements to Existing Service

	Projected FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Brookings Depot						
ICB Administration	\$1,500	\$1,560	\$1,622	\$1,687	\$1,755	\$1,825
ICB Ticket Agent	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849	\$6,083
ICB Ticket Agent Fringes	\$750	\$780	\$811	\$844	\$877	\$912
Other ICB Costs	\$1,500	\$1,560	\$1,622	\$1,687	\$1,755	\$1,825
Brookings Agency Sub-Total	\$8,750	\$9,100	\$9,464	\$9,843	\$10,236	\$10,646
Additional Two Days of Service on I-29						
Jefferson Lines	\$78,432	\$81,569	\$84,832	\$88,225	\$91,754	\$95,425
Aberdeen Ride Line	\$15,411	\$16,027	\$16,669	\$17,335	\$18,029	\$18,750
Subtotal-Expansion of Two Days	\$93,843	\$97,597	\$101,501	\$105,561	\$109,783	\$114,174
Total for Enhanced Service:	\$102,593	\$106,697	\$110,965	\$115,403	\$120,019	\$124,820

Intercity Feeder Expansion Possibilities

Exhibit 13 presents descriptions of ten potential expansion routes (mapped in Exhibit 10) that would provide for either new coverage or new linkages, or both. The table discusses the rationale (advantages) of each route or service. It should be noted that there may be other program projects worth considering that do not involve new coverage, such as additional depots, facility improvements, marketing, or additional frequencies for existing services.

Exhibit 13: Potential Route Alternatives

Proposed Route:	Stops:	Advantages:	Issues:	Likely Operator:
Yankton-Vermillion	None	Addresses input, Higher population points outside 25-mile radius	Local Match, Schedules	Yankton Transit
Yankton-Mitchell	Tyndall, Parkston	Connecting previously unserved towns to East-West intercity service	Local Match, schedule to connect in both directions	Yankton Transit
Madison-Sioux Falls	None	Connecting previously unserved area to major urban area	Local Match, schedules to connect to intercity	East Dakota Transit
Winner-Chamberlain	Gregory	Connecting previously unserved area to East-West intercity service	Local match, schedules to connect to intercity, stop in Chamberlain	ROCS
Murdo-Valentine	White River, Mission	Addresses input, serves high need area	Local Match, schedule design	Rosebud Sioux Tribe or Open Plains Transit (NE)
Rapid City-Chadron	Hot Springs, Oglala, Pine Ridge	Addresses input, serves high need area, improves connectivity (Scottsbluff and Denver)	Local Match, schedule design, coordination with local transit (Pine Ridge)	Oglalla Sioux Transit or Open Plains Transit (NE)
Rapid City-Dickinson	Sturgis, Newell, Castle Rock, Reva, New England (ND)	Addresses input, serves unserved area, connectivity to north	Local Match, Schedule design—connection to Jefferson at both ends, costs of long route, low potential ridership	Prairie Hills Transit
Pierre-Huron-Brookings	Highmore, Miller, Huron, Arlington	Addresses input, improved connectivity to I-29 North-South services, South Dakota State	Local Match, schedule design, long route, need for depot/transfer point in Brookings	River Cities Public Transit
Huron-Brookings	Arlington	Addresses input, improved connectivity to I-29 North-South services, South Dakota State, short route increases feasibility	Local Match, schedule design, need for depot/transfer point in Brookings	People's Transit
Mobridge-Aberdeen	Selby, Bowdle, Ipswich	Addresses input, connectivity to I-19 North-South services, may address regional needs	Local Match, schedule design, long route	Standing Rock Public Transit

Expansion Alternatives Analysis

Exhibit 14 presents a preliminary screening assessment of these potential routes, including an estimate of the additional mileage, a consideration of the potential demand, proposed frequencies, likely operators, and total operating cost. In addition, there are estimates of the cost per rider based on the highest demand estimate, along with an estimate of the boardings per trip at the proposed frequencies.

Exhibit 14: Preliminary Potential Route Alternatives Analysis

Route Alternative:	One Way Route Miles	Incremental Population Served (1)	Estimated Demand-Trip Rate based on populations (2)	Suggested Frequency	Annual Vehicle Trips	Annual Miles	Potential Operator (3)	Estimated Annual Operating Cost	Cost Per Rider based on Trip Rate Est.
Yankton-Vermillion	26	10,492	734	3 days/wk	312	8,112	Yankton Transit	\$40,398	\$55
Yankton-Mitchell	84	18,077	1,265	5 days/wk	256	21,504	Yankton Transit	\$107,090	\$85
Madison-Sioux Falls	51	6,650	466	5 days/wk	256	13,056	East Dakota	\$69,980	\$150
Winner-Chamberlain	84	6,615	463	3 days/wk	156	13,104	ROCS	\$28,960	\$63
Murdo-Valentine (NE)	77	4,964	347	2 days/wk	208	16,016	Open Plains	\$76,877	\$222
Rapid City-Chadron	164	13,075	915	2 days/wk	208	34,112	Open Plains	\$163,738	\$179
Rapid City-Dickinson (ND)	225	9,133	639	2 days/wk	208	46,800	Prairie Hills	\$142,272	\$223
Pierre-Huron-Brookings	190	3,199	224	2 days/wk	208	39,520	River Cities	\$183,768	\$820
Huron-Brookings	74	915	64	2 days/wk	208	15,392	People's Transit	\$54,334	\$849
Mobridge-Aberdeen	100	2,098	147	2 days/wk	208	20,800	Standing Rock	\$30,992	\$211

(1) POPULATION OF STOPS NOT ALREADY RECEIVING INTERCITY BUS OR RURAL INTERCITY FEEDER SERVICE.

(2) ESTIMATED BY ASSUMING 3.5 INTERCITY TRIPS OVER 100 MILES PER PERSON WITH A BUS MODE SHARE OF 2%. NO ERROR TERM APPLIED.

(3) SELECTED TO MINIMIZE DEADHEAD.

(4) TOTAL COST PER MILE FROM THE SDDOT TRANSIT STATISTICAL REPORT (EXCEPT OPEN PLAINS TRANSIT--COST PROVIDED BY OPEN PLAINS TRANSIT STAFF)

Expansion Alternatives Prioritization

The potential expansion routes have been designed based on community and stakeholder feedback. To get a better understanding of the needs behind each recommendation, a performance assessment was conducted to consider the relative benefit of each service. This assessment should not be considered as the final answer but a mechanism that provides a means of assisting with the development of priorities that could form the basis for an expanded intercity bus program.

As shown in Exhibit 15, each route was scored on a scale of 0 to 5 based on six categories including additional population served, key destinations served, transit dependence, network improvements, estimated rider demand, and cost-effectiveness. Based on the scoring approach, there was a tie between the Mitchell – Yankton – Vermillion and Rapid City – Pine Ridge – Chadron route with a score of 24. There was also a tie between Chamberlain – Winner – Gregory and Murdo – Valentine with scores of 17.

Exhibit 15: Prioritization Scoring

Potential New Route	Population Score	Destinations Score	Transit Dependence Score	Network Improvement Score	Estimated Trips Score	Cost Efficiency Score	Total Score
Mitchell - Yankton - Vermillion	5	5	0	4	5	5	24
Rapid City - Pine Ridge - Chadron, NE	4	4	5	3	4	4	24
Chamberlain - Winner - Gregory	4	3	0	2	3	5	17
Murdo - Valentine, NE	3	2	5	2	3	2	17
Sioux Falls - Madison	3	3	0	2	3	4	15
Aberdeen - Mobridge	2	0	1	5	2	2	12
Brookings - Huron – Pierre	3	2	0	4	2	1	12
Rapid City - Dickinson, ND	1	0	0	3	4	2	10
Brookings - Huron	2	1	0	4	1	1	9

Vision Plan

The previous options have presented a strategy of maintaining the existing network, enhancing it slightly, and then if funding is available adding services to address unmet needs or improve connectivity. All of these have been developed under the assumption that South Dakota's intercity bus program is to be operated using the available FTA Section 5311(f) funding with no state funding for match, and no additional state funding. Local matches are currently provided by Jefferson Lines and the five participating rural transit systems. The analysis suggests that the available federal funding is largely needed to maintain the existing/enhanced network, and potentially the highest priority expansion routes if farebox revenue on the Jefferson routes increases.

Beyond the proposed expansions, there are also options for a situation in which state funding is available to provide more service than would be allowed by the available Section 5311(f) funding. Decisions to provide additional funding are up to the state, including both the executive and legislative branches, and this is not intended to recommend a course of action but to provide information.

Option One: Funding the Expansion Routes

One option would be to use additional state funds to implement the expansion routes previously defined. Implementing all of them would provide for a statewide network and would cost an estimated \$900,000 per year to operate (initially). These cost figures are based on fully allocated costs per mile from the local operators, and do not include any potential additional revenue. Incremental costs could be lower, and fare revenue would also offset some of these expenses.

The operating cost could also be reduced if the state funding was limited to a subset of the routes that could be identified as priority routes—those having a higher score in terms of providing additional population coverage, improved connectivity, likely ridership and higher cost-effectiveness. Based on the assessment in the previous section, state funding could be focused on routes with a score of 17 or greater, which would require \$417,063 per year to operate.

Option Two: Alternative Route Structure

The expansion routes have all been designed to address the FTA requirement for providing a meaningful connection to the national intercity bus network. All would require passengers to transfer from feeder routes to the intercity routes, and in many cases would have long travel times because of the need to connect to the limited intercity schedules which offer one bus a day each way, with many trips requiring an overnight stay.

This option presents a set of routes that are not constrained by the need to connect with intercity bus service, but instead provide for more direct routes to the state's largest city, Sioux Falls and the second largest Rapid City, linking the largest population centers with daily service each way.

It is assumed that the two Jefferson routes would be continued to link both the eastern and western and the northern and southern portions of the state, and they would continue to require Section 5311(f) funding. Exhibit 16 presents a map of these “Vision Plan” routes, which include:

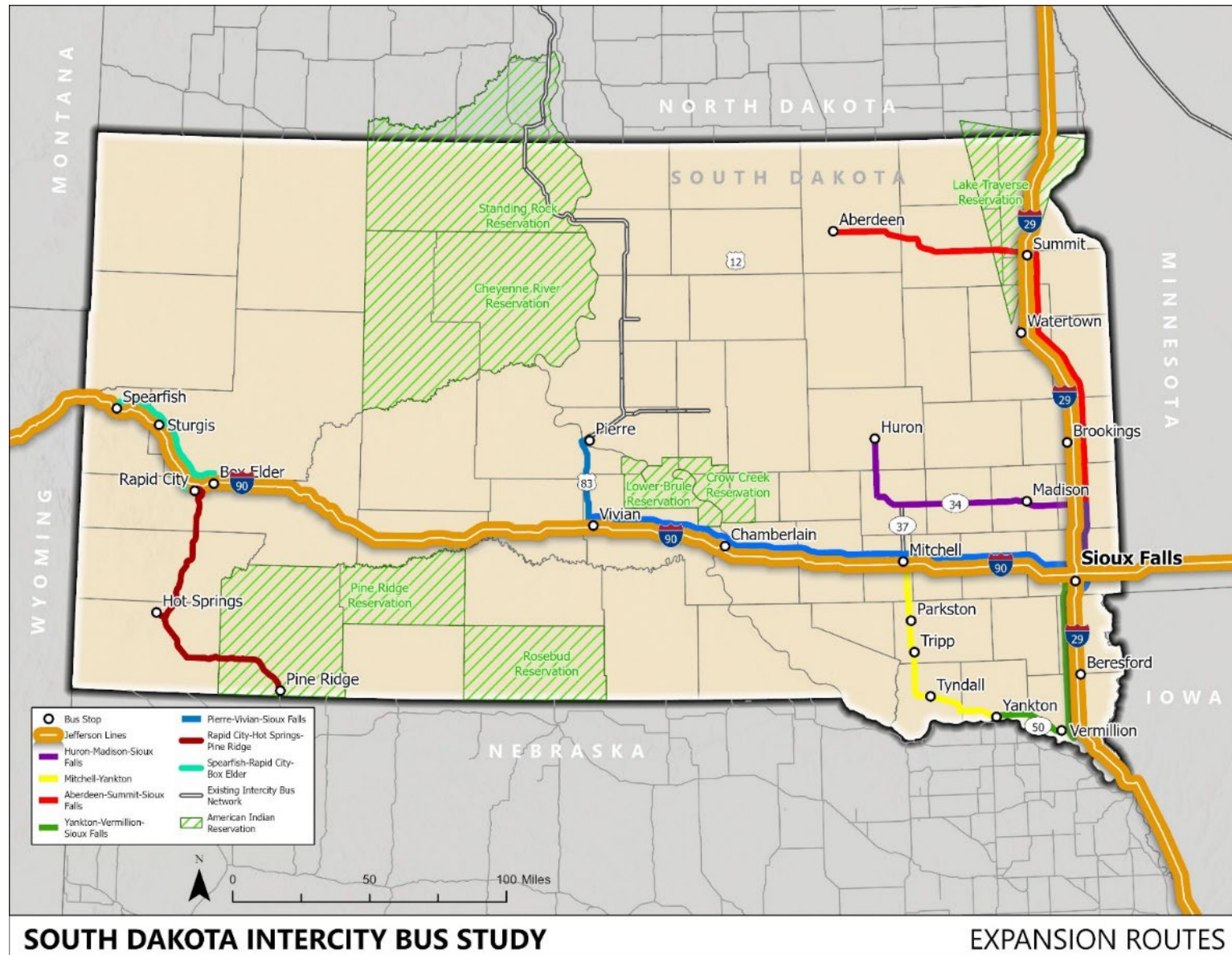
- Pierre-Vivian-Chamberlain-Mitchell-Sioux Falls
- Yankton-Vermillion-Beresford-Sioux Falls
- Huron-Madison-Sioux Falls
- Aberdeen-Summit-Watertown-Brookings-Sioux Falls
- Yankton-Mitchell
- Pine Ridge-Hot Springs-Rapid City-Box Elder
- Spearfish-Sturgis-Rapid City

These routes would be scheduled to provide for a morning trip to Sioux Falls (except Yankton-Mitchell), with potential stops including the airport, the Jefferson Lines depot, the transit center, and the major medical centers. An evening outbound trip would allow users to spend the day in Sioux Falls or connect from flights arriving in the afternoon. Exact timetables would need to be developed, but the services would be designed to complement the existing Jefferson Lines interstate routes and the current feeder routes. By providing two daily roundtrips, more convenient connections could be made between smaller cities as well—for example, a student from Pierre headed to Brookings could ride the inbound bus to Sioux Falls in the morning, and catch the outbound bus to Brookings late that morning, instead of having to spend the night in Sioux Falls.

Strategy Summarized

The overall strategy aims to maintain and enhance the existing services through a grant program that offers funding to support intercity services in the state. This also includes state priorities for intercity services, including potential expansions as part of the solicitation. If no providers are willing to apply for that funding and implement service, SDDOT would be justified in certifying that there are no unmet rural intercity needs. This would allow it to use the funding for other rural transit needs. The alternative model would require SDDOT to become the grantee and contract for services it deems necessary. However, because there are no connecting unsubsidized services that could provide in-kind match, SDDOT would need to issue RFPs for services, find contract operators, monitor their operations, and provide the local match (the non-federal share of 48.24%). Currently there is no state program that would provide that funding, so the logical strategy is to continue the intercity bus program as a grant program but including more direction about state priorities in the grant solicitation.

Exhibit 16: Map of “Vision Plan” Expansion Routes



Chapter 1

Background

Introduction

The South Dakota Department of Transportation's (SDDOT) Office of Air, Rail, and Transit has initiated this study to become the state's first Statewide Intercity Bus Study. This chapter presents an overview of the current intercity bus network in South Dakota, based on the data obtained from current intercity bus providers. South Dakota has developed an intercity bus program that is a model in terms of the coordination of rural transit systems and a national intercity bus company (Jefferson Lines) to provide intercity bus access to much of the state. River Cities Public Transit, People's Transit of Huron and Aberdeen Ride Line are rural feeders to the main Jefferson Lines services operating on the I-90 and I-29 corridors.

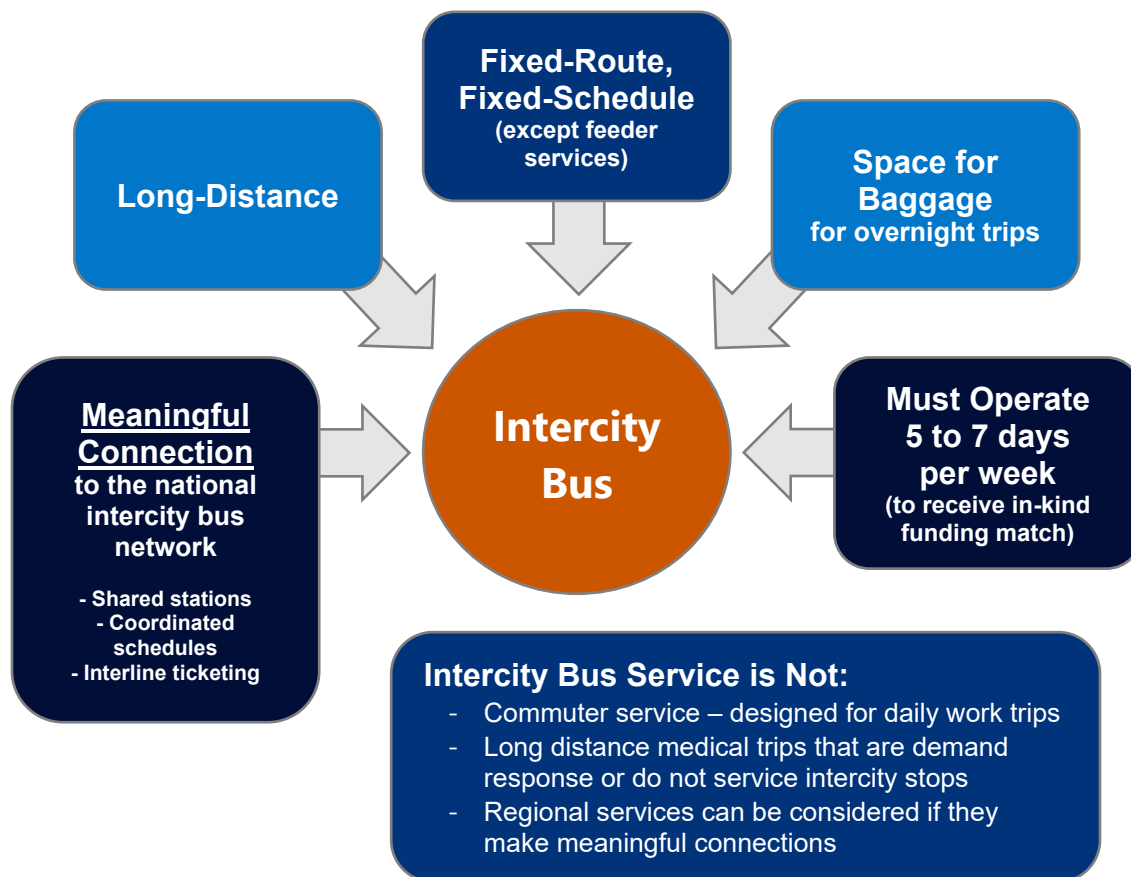
The timing of this project and its emphases are significant. The intercity bus industry is undergoing significant changes in wake of the COVID-19 pandemic. During the pandemic, ridership declined as much as 80 percent, and many previously unsubsidized services had to be supported. As ridership is still recovering, the state's intercity service providers may still need subsidies to maintain the routes that existed in 2019; particularly as a lack of drivers has kept them from implementing enough service to meet the demand. Also, in the wake of the pandemic, in October 2021, Greyhound was purchased by Flix Mobility, operators of Flixbus services. Flixbus and Greyhound have combined their ticketing systems, which are also used to sell tickets on Jefferson Lines and other interline partners. These industry changes will affect the national network—and Section 5311(f) requires that funded services make connections with the national intercity network.

What is Intercity Bus?

Intercity bus service is long-distance public transportation that carries passengers over significant distances between different cities, towns, and states. Unlike traditional public transit, which has frequent stops, intercity bus service generally has a single stop in a city or town.

To qualify for funding under the Section 5311(f) intercity assistance program, intercity bus service must provide long-distance trips, fixed route and schedule, space for baggage, and a meaningful connection to the national intercity bus network. A meaningful connection includes shared stations, coordinated schedules, and interline ticketing if appropriate. To qualify for an in-kind funding match, the service must operate at least five days per week.

It is important to note that intercity bus service does not include commuter services (designed for work trips) or long-distance demand response services. Regional services can be considered if they make meaningful connections to the national intercity bus network.

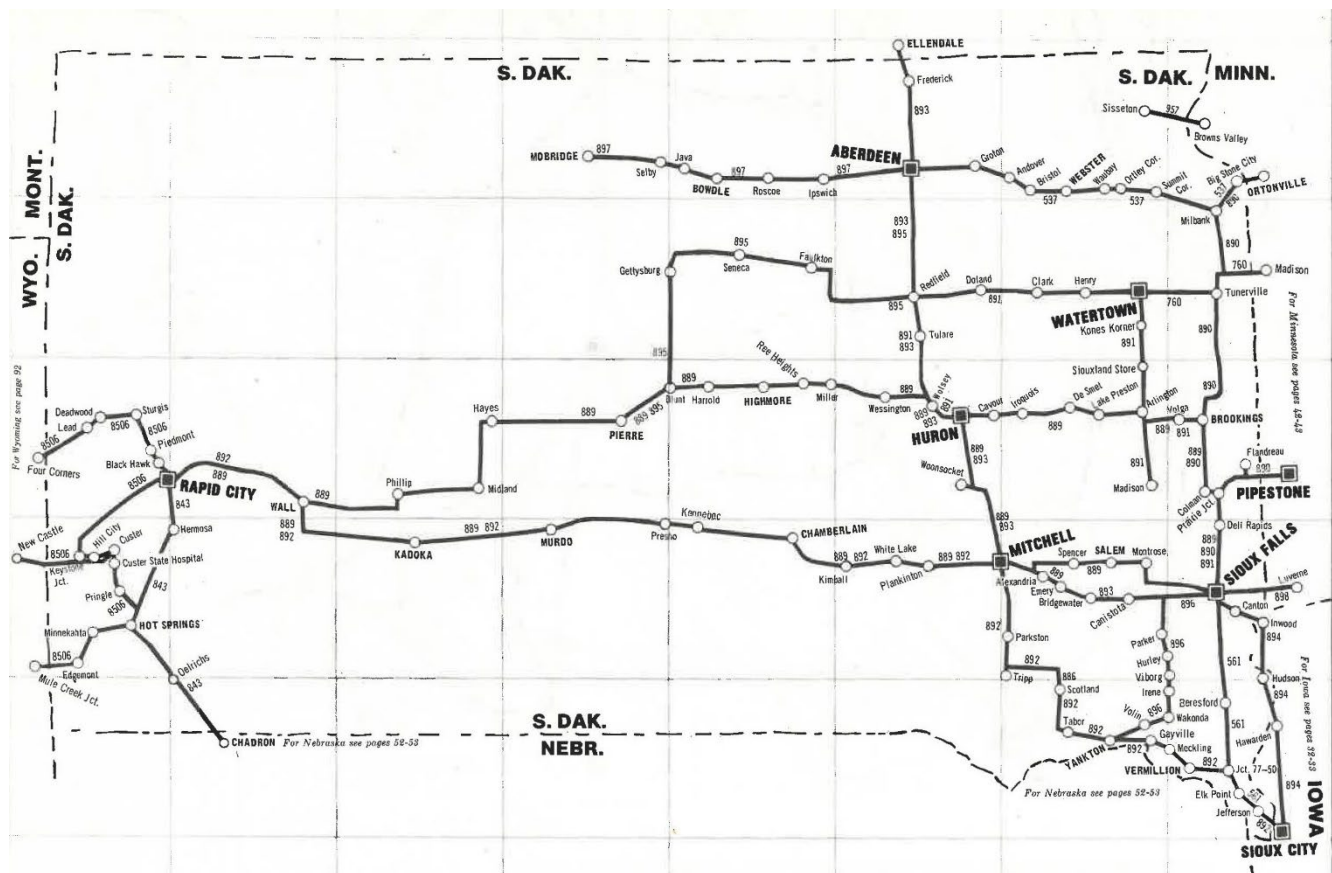
Figure 1-1: What is Intercity Bus?

Intercity Bus History in South Dakota

While we do not know the first intercity bus company to operate in South Dakota, there were a number of operators that provided service between cities in the state beginning in the 1920's, meeting the needs of persons without automobiles. Beginning in 1925 intrastate bus service was regulated by the South Dakota Railroad Commissioners, later the Public Utilities Commission. There were many small companies that connected a few towns, and over time they coalesced into larger firms. The best known of these was Jack Rabbit Lines, which began in 1922 and acquired Red Ball Lines, Palace City Bus Line, Swanson Bus Lines, Rapid City Lines, Black Hill Lines, Inter City Bus Line and Custer Highway Transportation Company¹. Jack Rabbit Lines was based in South Dakota, and it became the state's major carrier, connecting with Greyhound Lines and Jefferson Lines. Figure 1-2 presents a map of the state's intercity bus network in 1983, shortly after the implementation of the federal Bus Regulatory Reform Act of 1981, which also pre-empted state regulation.

¹ Chicago Transit & Railfan website: <<https://www.chicagorailfan.com>>

Figure 1-2: South Dakota's Intercity Bus Network in 1983



SOURCE: RUSSELL'S OFFICIAL NATIONAL MOTOR COACH GUIDE, MAP SUPPLEMENT—PART 3, EFFECTIVE JUNE 1, 1983, VOL. 55, NO. 9.

As can be seen, even after the initial cutbacks resulting from deregulation, South Dakota's intercity bus network provided a high level of coverage. However, in the ensuing decade, services were significantly reduced. In 2000 Jack Rabbit Lines was sold to Jefferson Lines. Eventually, Jefferson Lines pulled its services back to the interstate highways. In South Dakota, this left significant towns with no intercity bus access—including the state capitol, Pierre.

The nationwide loss of rural connections following deregulation led to increased federal support for the development of rural public transportation programs to provide local and regional mobility for those without or unable to use private transportation. Federal transportation authorizing legislation created the Federal Transit Administration's Section 5311 program of assistance for rural public transportation, which included a subsection addressing the need for assistance to support rural intercity bus connections—Section 5311(f). In South Dakota, these funds were used to support the development of rural public transportation systems across the state. Several of these systems recognized the need for intercity bus connectivity and they developed feeder routes to connect to the remaining Jefferson services—resulting in the network that we see today.

Intercity Bus Program: Section 5311(f)

Section 5311(f) is the rural intercity assistance program that is included in the overall Federal Transit Administration's (FTA) Section 5311 program of assistance for rural public transportation. SDDOT is the designated recipient of these funds for the state. Fifteen percent of each state's overall Section 5311 apportionment must be used for rural intercity projects unless the state certifies that all of its intercity needs are met. If a state certifies that its intercity needs are met, this funding can be used for other rural public transportation projects. The certification must be made after the state conducts a consultation process (involving the intercity carriers and other stakeholders) to determine if there are unmet intercity needs, and it must document how it determines that needs are met to support its certification. A partial certification can also be made by a state if it determines that there are needs, but they would require less than the full 15 percent. The consultation process often includes a needs assessment or study, as well as the participation of the intercity providers and other stakeholders. This consultation process must be conducted every four years, so this study for SDDOT will serve as an important element in future certification decisions.

South Dakota's Intercity Bus Laws and Policies

Existing intercity bus service in the state is operated using FTA funding, therefore the regulations and guidance governing this program are a major factor in the provision of intercity bus service in the state. In addition, because service is provided by rural intercity feeders and intercity bus services are interstate in nature, consideration must be made of the rules and regulations of the Federal Motor Carrier Safety Administration (FMCSA), also a part of the United States Department of Transportation (USDOT). There are also references to intercity bus service in South Dakota code, meriting inclusion throughout this section.

Federal Transit Administration Section 5311(f) Assistance for Rural Intercity Bus Services

As previously noted, FTA Section 5311(f) funding is used by SDDOT to support the provision of intercity bus services in the state, including intercity bus services operated by Jefferson Lines under a grant agreement, rural feeder services operated by three public transit operators, and administrative costs of two additional intercity bus agencies.

Federal Guidance and Policies

About Section 5311(f)

FTA program guidance for the rural intercity bus program is provided in FTA Circular 9040.1G (49 U.S.C. 5311 – Formula Grants for Other Than Urbanized Areas), Chapter VIII, Intercity Bus. Section 5311(f) states that 15% of each state’s overall Section 5311 funding allocation must be spent on rural intercity bus projects under Section 5311(f) unless the state certifies to the FTA that there are no unmet rural intercity needs, and that it has determined that there are no needs as the result of a consultation process that includes outreach to the intercity carriers and other stakeholders.

The Circular defines intercity bus service as: **“regularly scheduled bus service for the general public operating with limited stops over fixed routes connecting two or more urban areas not in close proximity, which has the capacity for transporting baggage carried by passengers, and which makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.”**

Services must be designed to provide a meaningful connection with the national intercity bus network, including service to connecting points at times when passengers may make convenient connections. Services must be scheduled fixed-route services open to the general public. Package express service may also be included if incidental to passenger transportation.

National Objectives of Section 5311(f)

- To support meaningful connections between non-urbanized areas and the regional or national system of intercity bus service;
- To support services to meet the intercity needs of residents in non-urbanized areas; and,
- To support the infrastructure of the intercity bus network through planning, marketing assistance, and capital investment in facilities and equipment.

Eligible Intercity Bus Services Under Section 5311(f)

- Open to the general public, and
- Fixed-route, fixed-schedule, and
- Operated between two or more urban areas over long distances, and
- Capable of carrying baggage, and
- Providing a meaningful connection (in terms of coordinated stop locations, schedules, and information) to the national system of intercity bus transportation.

Commuter bus service is not eligible under this program. Charter and tour services are not eligible under this program. Intercity service is not defined by the type of vehicle used (except for the requirement to carry baggage). All vehicles used to provide services under this program must be fully ADA compliant.

Section 5311(f) Funding Opportunities

Section 5311(f) funding may be used to support operations, administration, marketing and capital projects. The available federal funding share varies by the type of project and is the same for intercity bus projects as it is for all other transit projects under this program. In South Dakota, the available federal share for Section 5311 projects are based on the “sliding scale” permitted by the Federal Highway Administration. For Administrative projects this is a maximum federal share of 82.82 percent, and operating expenses are reimbursed at a maximum federal share of 51.76 percent towards the net operating deficit of the service. SDDOT continues to apply standard match ratio of a maximum federal share of 80 percent to capital projects.

In addition to having unique national goals and particular requirements (for the baggage and the meaningful connection with the national network), the Section 5311(f) program has two other aspects that make it different from the rest of the Section 5311 program. One, already mentioned, is the need for a process to determine if a state has unmet intercity bus needs as a prerequisite for certifying that those needs are met, and the other is the option of using the value of unsubsidized connecting intercity bus service as in-kind match for operating projects that include both a subsidized portion and the unsubsidized connecting service within the project definition.

South Dakota Department of Transportation’s Section 5311(f) Policies

SDDOT administers the Section 5311(f) funds as part of its overall management of federal transit programs for which it is the recipient. The policies that it applies are included in the overall [South Dakota Transit State Management Plan](#) (SMP) which is prepared by SDDOT in accordance with FTA requirements. The most recent update was completed in March 2023, and an annual update is expected in 2024. In addition, guidance is provided to subrecipient applicants for funding as part of the annual grant application process.

State Management Plan

The SMP addresses Section 5311(f) in a designated intercity bus section. It notes that SDDOT can contract with private, tribal, or non-profit providers of intercity bus service—which is worth noting, as not all states can contract with private for-profit providers of intercity bus service. The policy further notes that SDDOT can support intercity bus services and rural feeder services, as defined in the FTA guidance. It states that SDDOT encourages local transit operators to provide feeder service, which is not the case in all states. In terms of general program administration, the policy states that SDDOT will apply the same information requirements, reporting and reimbursement procedures to intercity bus

subrecipients as it does to all other Section 5311 program participants. The SMP allows for virtual compliance reviews of intercity bus subrecipients and may require maintenance reports or require inspections of vehicles or facilities funded under this program (SDDOT has provided vehicle capital to Jefferson Lines for intercity coaches in the past). The SMP does not mention the in-kind match option available under the FTA program, though it should be noted that there are no unsubsidized services in South Dakota or nearby adjacent states that could be used to generate the in-kind match.

Certification of Unmet Needs

Much of the intercity bus section of the SMP addresses the consultation process and the determination of no unmet intercity bus needs. It clearly states that SDDOT's goal is to meet the FTA requirement that a state spend at least 15% of its Section 5311 allocation on intercity bus. However, in the past, SDDOT has submitted partial certifications when the identified projects did not require the full 15%. Most recently this occurred in part because of the availability of other COVID relief funds to maintain the core Jefferson Lines service. SDDOT's SMP guidance lists its specific policies and activities in response to the consultation process elements included in the FTA Circular 9040.

These include:

- Identification of intercity providers through review of USDOT's Intercity Bus Atlas, review of intercity provider websites, and review of the inventory sections of the Coordination plans prepared by the other subrecipients,
- Activities of consultation including invitation of intercity providers to SDDOT transit program meetings, a requirement that intercity carriers meet annually with transit providers of feeder service (with SDDOT included in the meetings),
- Opportunities for intercity carriers to submit applications for funding as part of the state's annual grant program—with applications sent to all identified intercity providers, and
- A process for identifying needs through a periodic Intercity Bus Needs Assessment, and a policy of meeting identified needs with certification of unmet needs following only if the 15% minimum has not been met and all identified needs have been met.

As noted the SMP calls for an Intercity Bus Needs Assessment, and if it intends to certify it will ensure that the needs assessment has been conducted within the past four years—though the Needs Assessment is to be reviewed annually as part of the consultation process.

In addition to the specific elements of the consultation process, the SDDOT SMP states that the state will conduct other outreach activities, including:

- An annual review of the current program, services, and funding,
- Conducts an annual grant application process seeking services that meet the test of meaningful connections, connectivity to or between major metropolitan areas that lack convenient or direct

intercity bus service, and are provided by applicants that have the technical capacity, financial stability and marketing experience to be recipients of federal funds,

- Outreach to identify possible intercity providers, and feedback from them and existing providers on the program,
- A focus on intercity providers and feeders at meetings with transit providers, encouraging participation as rural feeders, and
- Participation in networking with intercity bus providers (existing and potential) at national and regional meetings.

Section 5311 Grant Application

Intercity bus is included in the annual Section 5311 and Title IIIB joint application issued by SDDOT and the South Dakota Department of Human Services (SDDHS). The availability of grant funding for intercity bus projects is not specifically highlighted, but there is a separate tab in the grant application to allow applicants to apply for administrative funding for intercity bus projects, and for intercity bus operating funds. The general application does not list private for-profit providers of service as eligible recipients but says that may be eligible through purchase of service agreements with a local eligible applicant. It does include State Agencies as eligible applicants, so for intercity bus service operated by a private for-profit SDDOT may be seeing itself as the Applicant and Jefferson Lines (or other private for-profit firms) as eligible through purchase of service agreements. The requirements for project description/justification do not include any reference to intercity bus program goals or requirements. The types of service mentioned in the questions of the grant application's Attachment 2 do not include intercity bus or intercity feeder service, though one question does ask about connectivity to intercity carriers (among other modes). The same attachment does require the intercity bus provider to perform yearly meetings with all agencies desiring to provide feeder service and asks for the date when the meeting was conducted.

The application does include intercity bus administrative and operating costs as separate line items in the overall project budget sheet, and a separate tab in the budget workbook addresses intercity bus feeder services. This allows separate tracking of eligible intercity bus feeder service costs where they are provided by an agency offering other services, with those costs added in the budget summary tab as part of the agency's overall budget request—while an actual intercity bus project submitted by an intercity bus provider would be a separate project with its own budget.

SDDOT utilizes FTA Section 5339 funding to provide for vehicle capital needs of its Section 5311 transit operators. Only Section 5311(f) intercity bus provider vehicle capital is provided out of the Section 5311 funding at the 80-20 federal/local funding ratio. Doing so assists the state in meeting the 15% requirement.

Because intercity bus and intercity feeder projects are included in the overall Section 5311 application, all of the applicable FTA requirements and attestations are part of the application and are not unique to intercity bus or feeder projects.

Other Federal Regulations—Federal Motor Carrier Safety Administration Requirements

Intercity bus services that involve interstate commerce are regulated by the Federal Motor Carrier Administration (FMCSA) and are relevant for consideration as they affect South Dakota's intercity bus network. United States Code (USC) Title 49 Section 13501 creates federal jurisdiction over motor carriers engage in interstate commerce. A passenger carrier is engaged in interstate commerce when it transports passengers across state lines for compensation. Transporting passengers entirely within a state may be considered interstate commerce if the passengers began or will finish their trip in another state. If a passenger carrier receives compensation for transporting passengers in interstate commerce, it is a for-hire carrier, and therefore must have FMCSA operating authority; obtain and file evidence of minimum levels of insurance (\$1.5 million for operating vehicles of 15 or fewer passengers including the driver, or \$5 million for operating vehicles of 16 or more passengers including the driver; and designate a process agent that can be served with court papers. A carrier can be a for-hire passenger carrier even if is a non-profit.

In addition, all passenger carriers must meet Federal safety if their vehicles are operating in interstate commerce and meet the definition of a commercial motor vehicle (CMV). A CMV has a gross vehicle weight or rating (GVWR) of 10,001 pounds or more, OR is designed or used to transport nine or more passengers (including the driver) for compensation, OR is designed or used to transport 16 or more passengers (including the driver) regardless of whether it is used to transport passengers for compensation. There are also requirements for the driver to have a Commercial Driver's License if the vehicle is designed to transport 16 or more passengers including the driver—which then brings drug and alcohol program requirements as well.

In South Dakota, it is clear that the Jefferson Lines routes are interstate, and Jefferson Lines is registered with the FMCSA and has the required insurance levels. The four providers of rural intercity feeder services would seemingly also need to register with the FMCSA and meet the higher level insurance because they all carry passengers making interstate trips as they transfer to and from the Jefferson Lines services. However, the FMCSA requirements for registration only apply if the vehicles are nine or more passengers (including the driver) or has a gross vehicle weight over 10,000 pounds. Only River Cities needs to be registered with FMCSA because it is operating larger vehicles. It is listed in the FMCSA's SAFER database (MC-544648, USDOT 1608880). As long as the other feeder carriers operate vehicles below the capacity or weight thresholds they do not need to register with FMCSA or carry the higher insurance levels even though they carry interstate passengers for compensation.

South Dakota Regulations

Like virtually all states, South Dakota has regulations affecting motor carriers in several ways, and these are related to the FMCSA requirements as well. These are a mix of requirements affecting intrastate and interstate operators. The South Dakota Highway Patrol Motor Carrier Services agency enforces motor carrier regulations; the South Dakota Department of Revenue oversees commercial vehicle licensing, fuel taxes, and the Unified Carrier Registry; the South Dakota Driver Licensing Program oversees Commercial Driver's Licensing; the South Dakota Department of Transportation oversees Oversize/Overweight Vehicles; and other specialized aspects are addressed by other departments of the South Dakota government. For the most part, these regulations address trucking, but some of the general requirements may involve the intercity bus network, particularly the private for-profit Jefferson Lines.

All vehicles in South Dakota must be registered. Interstate carriers pay South Dakota's registration fee based on miles traveled in South Dakota, the percentage of miles travels in South Dakota during the year is multiplied by the state's registration fee. Commercial registration fees are based on Gross Vehicle Weight—for the over-the-road coaches operated by Jefferson Lines the fee would be \$40 per 2,000 pounds per year. The prorating of the payment is done through the International Registration Plan (IRP), where the fees owed are paid according to the fee structure and percent of miles traveled in each jurisdiction. As an interstate carrier Jefferson Lines would pay its South Dakota fees through the IRP. The rural feeder operators are "Mass Transit" providers, and they are able to obtain MT plates that do not classify them as Commercial Vehicles.

A similar arrangement is used for fuel taxes owed by interstate carriers. South Dakota is a member of the International Fuel Tax Agreement (IFTA). A carrier (such as Jefferson Lines) opens a fuel tax account to pay all the states its serves that are IFTA members, registering its fleet as a unit. The three-axle coaches used by Jefferson Lines are covered by the IFTA, which would allow Jefferson Lines to pay its South Dakota fuel taxes based on its fleet mileage in the state. The rural feeder providers purchase all their full in the state and would not need to participate in the IFTA.

The lead agency for commercial motor vehicle safety in South Dakota is the Highway Patrol, Motor Carrier Services program. Commercial motor vehicles are subject to both federal and state safety regulations. Interstate services, such as those provided by Jefferson Lines, are subject to the FMCSA regulations based on both the Gross Vehicle Weight Rating (GVWR over 10,000 pounds) and the number of passengers (15). Intrastate services, such as those operated by the rural feeder carriers are also subject to FMCSA safety regulations if they are designed or used to carry 16 or more passengers (including the driver) whether or not compensation is provided to the operator. Thus the larger vehicles used by some of the rural feeder carriers may be subject to commercial vehicle inspections. The SDHP Motor Carrier Services check vehicles for compliance with federal and state motor carrier safety regulations, including both the vehicles and the drivers. SDHP conducts these in conjunction with the FMCSA regulations and Commercial Vehicle Safety Alliance criteria for out-of-service conditions. SDHP is trained to perform North American Standard Level I through Level V inspections. Most safety stops include verification of registration and insurance documents. This all applies to both the interstate intercity carrier and the intrastate operators of the vehicles with capacity of 16 and above—which might not apply to all the rural feeder services.

Other South Dakota Policies-Transit Program

Chapter 1-44 of the South Dakota code governs the Department of Transportation. It creates and empowers a Transportation Commission and enumerates the authorities and activities of the Department of Transportation. While there are many sections addressing various aspects of the Department, there are three that are particularly important to the state's intercity bus network.

One is 1-44.7.3 Promulgation of rules regarding public transportation assistance grants gives the Transportation Commission authority to create rules for administration, terms and conditions for the disbursement of money to those eligible for public transportation assistance grant funds.

Subchapter 1-44-7.4 Rule for intercity bus service assistance specifically calls for the Transportation Commission to create rules for administration, terms and conditions for the disbursement of money to the providers of intercity bus service and to establish criteria for the selection of such providers to receive appropriated funds consistent with federal programs. It states that the Commission will consider economic losses of intercity bus service providers as documents by a description of the service provided and the carrier's financial statement. Another factor to be considered is the total number of miles provided in South Dakota.

Chapter 70:06:04 Intercity Bus Service Grants is the portion of the Administrative Rules that implements the rule for intercity bus service assistance found in Chapter 1-44. It lists the following intercity bus service activities as eligible for assistance utilizing Section 5311(f) funding:

- (1) Planning and marketing for intercity bus transportation;
- (2) Capital grants for intercity bus shelters, joint-use structures, depots, and transit vehicles;
- (3) Operating grants for intercity bus transportation;
- (4) Coordination of rural area connections between small transit operators and intercity bus operators; and
- (5) User-side subsidies.

Subsection 70:06:04:02 spells out the criteria used to award intercity bus grants, which are based on the total number of vehicle miles driven and passengers served on regularly scheduled fixed intercity bus routes; the annual operating losses on such services (based on a description of the services and verification of losses by the applicant's CPA); the applicant's budget for the upcoming year; and the requirements of the FTA as contained in Circular FTA 9040.1G, Chapter VIII (which addressed intercity bus as part of the overall Section 5311 program). Importantly, "The department may award additional funds to projects which expand intercity bus service to currently unserved areas of South Dakota or which support intercity bus services in immediate danger of abandonment." Additional sections of this Administrative Rule address grant applications and forms, and grant disbursements and audits for intercity bus services.

Finally, an important policy statement is contained in Subchapter 31-2-13.2 State highway fund—Use and expenditure of moneys—Purpose. It creates a special fund in the state treasury called the state highway fund, “for the purpose of constructing and maintaining highways and bridges in this state, paying the salaries and expenses of the Department of Transportation, and funding public transportation as the moneys may be appropriated for these purposes by the Legislature.” In a number of states there are prohibitions on using funds of this type for public transportation, so this at least provides authority for the legislature to spend funds from the highway fund on public transportation—potentially including intercity bus as outlined in the duties of the Transportation Commission.

Trends in the Intercity Bus Industry and Their Possible Effects on South Dakota

COVID Recovery

The intercity bus industry was severely affected by the drop in ridership (and revenue) that resulted during the COVID lockdowns and the following months and years as travel slowly resumed. At one point it was estimated that ridership had fallen to 20% of pre-COVID levels. Relief funding to the intercity bus industry came through the CARES act funding distributed through the states, requiring companies to apply individually to the states and to focus on funding the rural services. Subsequently federal aid came through the ARP (also through the states) and then finally through the Coronavirus Economic Relief for Transportation Services program (CERTS) funding provided directly to operators through the U.S. Department of the Treasury. Contrast this with the significant direct funding to the airlines and Amtrak, which preserved their capacity and allowed them to respond when travel demand returned.

Nationally, intercity bus ridership has returned to an estimated 85-90% of pre-COVID levels by the end of 2023, with regional variations—with more return in rural areas and the Midwest, less so in the northeast.² Some are projecting a return to full recovery by 2026, if the industry can find enough capacity to meet demand. South Dakota’s major provider, Jefferson Lines is seeing a return to about 80% of pre-Covid ridership.

As mentioned, the industry has had issues in recovering because of capacity issues. Drivers that were laid off found work in trucking during COVID and after as shipping demand spiked. Firms that had to let go of vehicles during the pandemic now have to rebuild fleets. The industry still has issues with obtaining qualified bus operators, and this has affected South Dakota trips as well with fewer days of service and occasional missed trips due to lack of a driver. The lack of operators does affect the ability of the industry to add back frequency, which requires both additional drivers and vehicles. However, as trucking demand is down this problem is projected to decline further in the near future.

The industry has used the ability of its ticketing system to manage demand through yield management like the airlines, increasing the revenue from the existing capacity by using pricing to fill more seats. A recent

² Chaddick Institute for Metropolitan Development, DePaul University, Back on the Bus—2024 Outlook for the Intercity Bus Industry in the United States, February 2024, p. 1.

study³ comparing intercity bus fares on a sample of 320 routes found that average prices (in 2023 dollars) fell from \$77.08 in 2017 to \$54.12 during the pandemic in 2020 but are now back up to \$73.47 (for reservations made a month in advance). Under the yield management model, last-minute fares are much higher.

At the same time, inflation in wages (to attract back operators and staff) and in other costs have affected the operating cost per mile, with increases likely over the next year or two until inflation is tamed. Jefferson Lines is projecting the cost per mile to increase approximately 6.5%, which will affect fares but also operating deficits and subsidy requirements for grant and contract services, such as those operated in South Dakota. So given trends of higher revenues and higher costs, a conservative approach would be to estimate costs based on the trend to higher costs, but count on revenue per mile to stay the same, which would lead to projections of higher grant costs for the DOT.

Changes in the Intercity Bus Industry – Flixbus Purchase

Changes in the Ticketing System

In February 2022 there was a major change in the national intercity bus interline ticketing system as Flixbus took over Greyhound ticketing and implemented a new system. Initially this system was not developed to route passengers over a network with interlined partners, such as Jefferson Lines and its South Dakota rural feeders. This led to issues for customers and agents, and also to a drop in revenue as possible connections were not quoted and sold, etc. This is still affecting the network, though Flixbus is now recognizing the need for U.S. intercity bus service to be operated on a network basis rather than point-to-point.

Issues with Facilities

Flixbus purchased Greyhound as an operating company, but not the real estate assets. The previous owners, First Group of the United Kingdom, kept all the real estate (except the Atlanta station with significant federal interest). Originally Flix/Greyhound were to be able to leaseback facilities for up to three years, but the real estate has been sold off very quickly and in many major cities Greyhound stations are closing, and passengers making connections have to be accommodated on the street, or the carriers are having to reroute trips so that passengers make connections in cities that are out of the way of their desired travel—lengthening travel times.

Because Greyhound withdrew its services from the north central U.S, twenty years ago, it does not directly affect South Dakota except that South Dakota passengers making long distance trips that require connections may have longer trips or have waits in on-street locations. At the same time many transit systems and cities have decided that intercity bus passengers are not desirable and are zoning out bus stations or evicting intercity services from transit facilities. The nearest examples to South

³ [Ibid](#), p.19.

Dakota are in Des Moines, Iowa, where the city's zoning is permitting a bus station in only one location, and in Fargo, North Dakota, where the transit system is not renewing Jefferson Line's lease in the FTA-funded multimodal transit center. Also, in Omaha, Nebraska, where transfers are made between north-south and east-west intercity bus services, the terminal operated by Burlington Trailways is owned by the county, and the bus services may be evicted at any time—efforts to move the intercity bus terminal services to the Amtrak station have stalled—this could affect South Dakota passengers. South Dakota passengers are most directly affected by this trend in Fargo, where Jefferson Lines is currently using a truck-stop because their lease in the transit facility was not renewed. Jefferson Lines is working on a better alternative.

Within South Dakota, Jefferson Line's facilities are not directly affected—their only terminal is in Sioux Falls, and they have an agent in Rapid City in the public transit terminal. SDDOT support for intercity bus depots in Spearfish and Vermillion, and agency functions/depot services in Pierre, Huron and Aberdeen serves to maintain access for intercity mobility. There is an opportunity to implement the same model in Brookings. There have been issues at some of the agency stops such as Vivian with businesses not wanting to accommodate waiting passengers, but currently these appear to have been resolved.

Chapter 2

Existing Service

Intercity Bus Services in South Dakota

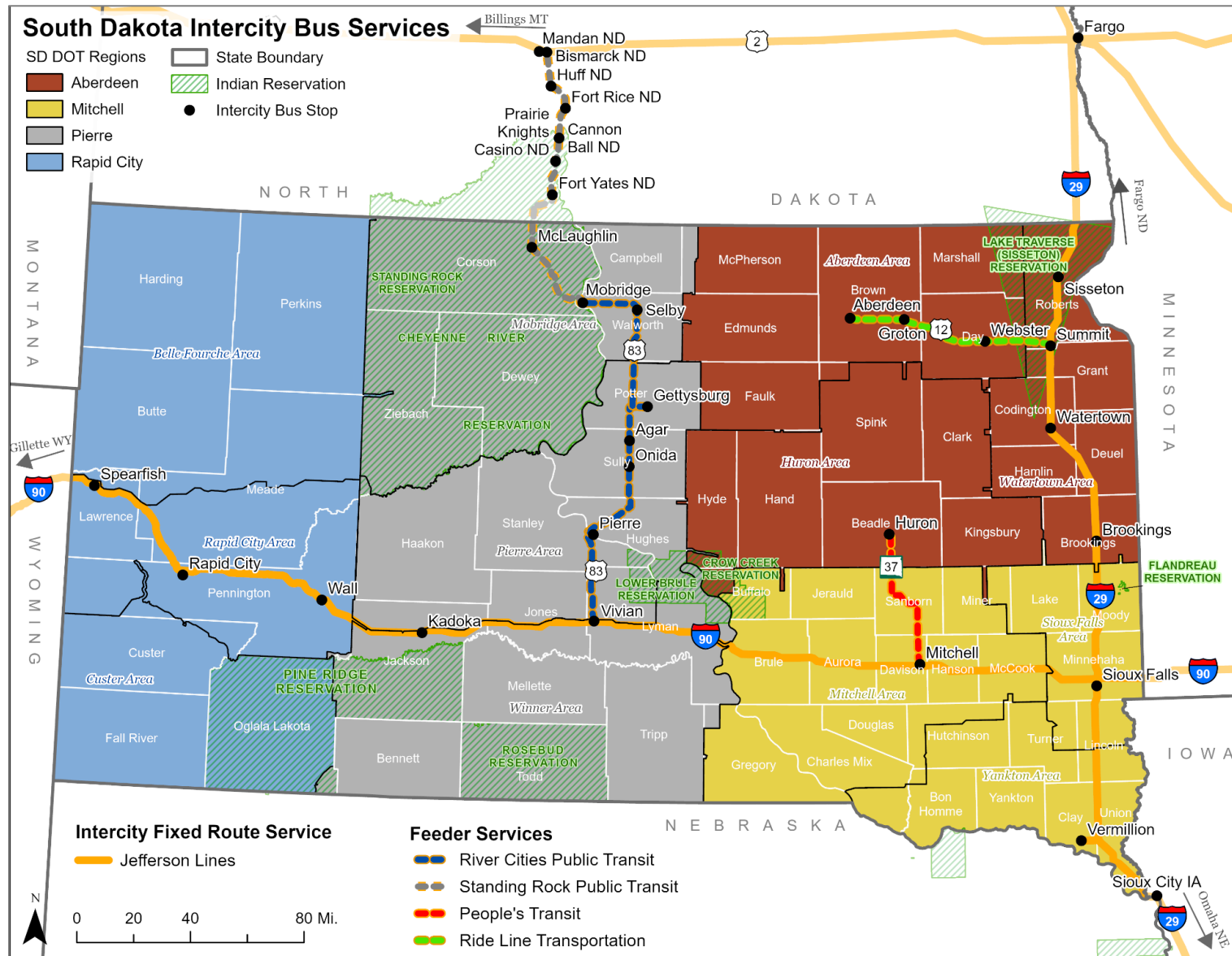
There are currently five intercity bus operators in South Dakota. Jefferson Lines is the state's only national intercity bus operator with service depots in Sioux Falls and Rapid City. Three local public transit providers (Aberdeen's Ride Line, People's Transit, and River Cities Public Transit) operate intercity bus feeder services that connect with Jefferson Line's stops along I-29 and I-90. Standing Rock Transit also operates intercity bus feeder service connecting Mobridge and McLaughlin with Jefferson Line's service in Bismarck, North Dakota. In addition, two rural public transit operators, Prairie Hills Transit is an agent for Jefferson Lines and operates the depot in Spearfish; and Vermillion Public Transit is the bus agent in Vermillion. They do not operate specific feeder services.

All of these services are provided as part of the national interline intercity bus ticketing system as Jefferson Lines routes, so a potential passenger can obtain information about services to and from any point on the Jefferson Lines routes or the rural feeder routes and purchase a single ticket for their entire trip anywhere on the national network. The interline ticketing system also includes Greyhound and Flixbus networks, so tickets and information on all of South Dakota's intercity bus services are also available through their websites.

Overview of Intercity Bus Service in South Dakota

- **Jefferson Lines** – National intercity bus operator with two routes in South Dakota.
 - A north to south route follows Interstate 29 linking Fargo, North Dakota to Omaha, Nebraska. Stops in South Dakota include Sisseton, Summit, Watertown, Brookings, Sioux Falls, and Vermillion. This route operates every Sunday, Monday, Thursday, Friday, and Saturday.
 - A daily east to west route follows Interstate 90 linking Minneapolis, Minnesota to Billings, Montana. Stops in South Dakota include Sioux Falls, Mitchell, Vivian, Kadoka, Wall, Rapid City, and Spearfish.
- **Aberdeen Ride Line** – Provides intercity bus feeder service three times per week between Aberdeen and Jefferson Line’s bus stop in Summit. Intermediate stops are provided in Groton and Webster.
- **People’s Transit** – Provides intercity bus feeder service between Huron and Jefferson Line’s bus stop in Mitchell. The service operates every Tuesday and Friday.
- **Prairie Hills Transit** – Operates as a Jefferson Lines ticket agent and provides a bus depot in Spearfish.
- **River Cities Public Transit** – Provides two intercity bus feeder services.
 - Daily service runs between Pierre and Jefferson Line’s bus stop in Vivian.
 - Service between Pierre and Mobridge runs every Monday and Thursday. Standing Rock Transit provides connecting service to Jefferson Lines bus stop in Bismarck, North Dakota. (Connects Fargo, North Dakota and Billings, Montana).
- **Standing Rock Transit** – Provides intercity bus feeder service between Mobridge and Bismarck, North Dakota. Connects to Jefferson Line’s Intermediate stops are provided in McLaughlin (South Dakota) as well as Fort Yates, Prairie Knights Casino, Cannon Ball, Fort Rice, and Huff (North Dakota). As noted, River Cities Public Transit makes a connection in Mobridge for continuing service.
- **Vermillion Public Transit** – Operates as a Jefferson Lines ticket agent and depot in Vermillion.

Figure 2-1: South Dakota Intercity Bus Network



Jefferson Lines: South Dakota's National Intercity Bus Service

Jefferson Lines is currently South Dakota's only national intercity bus service with two routes crossing the state. As seen in Figure 2-2, Jefferson Lines includes South Dakota's intercity bus feeder services on their network map to promote these connections and services.

- **Kansas City – Omaha – Sioux Falls – Fargo** (Schedule 751) runs one northbound and one southbound trip every Sunday, Monday, Thursday, Friday, and Saturday.
- **Minneapolis – Sioux Falls – Rapid City – Billings** (Schedule 757) runs one eastbound and one westbound trip per day.

Figure 2-2: Jefferson Line's South Dakota Route Map



SOURCE: [HTTPS://WWW.JEFFERSONLINES.COM/PLAN-YOUR-TRIP/ROUTE-MAPS/](https://www.jeffersonlines.com/plan-your-trip/route-maps/) (RETRIEVED 12/14/2023)

Kansas City – Omaha – Sioux Falls – Fargo

Jefferson Lines currently operates a five-day per week service on their Kansas City – Omaha – Sioux Falls – Fargo bus route, with no service on Tuesday or Wednesday. As shown in Table 2-1, scheduled service in South Dakota runs during daytime hours. However, stops in Kansas City and Omaha are scheduled for late night and early morning hours. Layovers are scheduled in Sioux Falls, Summit Corner, and Vermillion. Aberdeen Ride Line operates daily feeder service to Summit with timed transfers at 12:40 p.m. (northbound) and 5:30 p.m. (southbound). This feeder service provides a connection to Jefferson Lines going north to Fargo, ND or south to Sioux Falls and beyond.

Table 2-1: Jefferson Line’s Kansas City – Omaha – Sioux Falls – Fargo Schedule

Stop Location	Arrival	Departure
Northbound Service		
Kansas City, MO		1:30 a.m.
Omaha, NE	5:45 a.m.	6:15 a.m.
Sioux City, IA	7:50 a.m.	8:05 a.m.
Vermillion	8:40 a.m.	8:50 a.m.
Sioux Falls	10:10 a.m.	10:30 a.m.
Brookings		11:15 a.m.
Watertown		12:10 p.m.
Summit Corner	12:40 p.m.	12:50 p.m.
- Aberdeen Ride Line Connection	12:40 p.m.	12:55 p.m.
Sisseton Junction		1:15 p.m.
Fargo, ND	2:35 p.m.	
Southbound Service		
Fargo, ND		3:50 p.m.
Sisseton Junction		5:05 p.m.
Summit Corner	5:30 p.m.	5:35 p.m.
- Aberdeen Ride Line Connection	5:25 p.m.	5:35 p.m.
Watertown		6:05 p.m.
Brookings		7:00 p.m.
Sioux Falls	7:50 p.m.	8:05 p.m.
Vermillion	9:05 p.m.	9:20 p.m.
Sioux City, IA	10:00 p.m.	10:05 p.m.
Omaha, NE	11:40 p.m.	11:55 p.m.
Kansas City, MO	4:15 a.m.	

SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

NOTE: ALL TIMES SHOWN ARE LOCAL TIME, ONLY MAJOR STOPS OUTSIDE OF SOUTH DAKOTA ARE LISTED.

Minneapolis – Billings – Sioux Falls – Rapid City

Jefferson Lines provides daily service on their Minneapolis – Billings – Sioux Falls – Rapid City service. As seen in Table 2-2, scheduled service in South Dakota runs mostly during daytime hours. However, stops in Billings and Minneapolis are scheduled for early morning hours. The schedule includes layovers in Rapid City, Vivian, Mitchell, and Sioux Falls. People’s Transit and River Cities Public Transit both run feeder services that connect with this route.

Table 2-2: Jefferson Line’s Minneapolis – Billings – Sioux Falls – Rapid City Schedule

Stop Location	Arrival	Departure
Eastbound Service		
Billings, MT		5:00 a.m.
Gillette, WY	9:00 a.m.	9:15 a.m.
Spearfish		10:45 a.m.
Rapid City	11:30 a.m.	11:50 a.m.
Wall		12:45 p.m.
Kadoka		1:25 p.m.
Vivian	3:30 p.m.	4:00 p.m.
- River Cities Public Transit Connection	3:30 p.m.	4:00 p.m.
Mitchell	5:40 p.m.	5:45 p.m.
- People’s Transit Connection	5:15 p.m.	5:55 p.m.
Sioux Falls	6:50 p.m.	7:20 p.m.
Albert Lea, MN		10:30 p.m.
Minneapolis, MN	12:05 a.m.	
Westbound Service		
Minneapolis, MN		6:45 a.m.
Albert Lea, MN	8:30 a.m.	8:50 a.m.
Sioux Falls	12:10 p.m.	12:40 p.m.
Mitchell	1:45 p.m.	1:50 p.m.
- People’s Transit Connection	1:15 p.m.	1:50 p.m.
Vivian	3:35 p.m.	4:00 p.m.
- River Cities Public Transit Connection	3:30 p.m.	4:00 p.m.
Kadoka		4:05 p.m.
Wall		4:35 p.m.
Rapid City	5:30 p.m.	5:50 p.m.
Spearfish		6:45 p.m.
Gillette, WY	8:10 p.m.	8:35 p.m.
Billings, MT	12:25 a.m.	

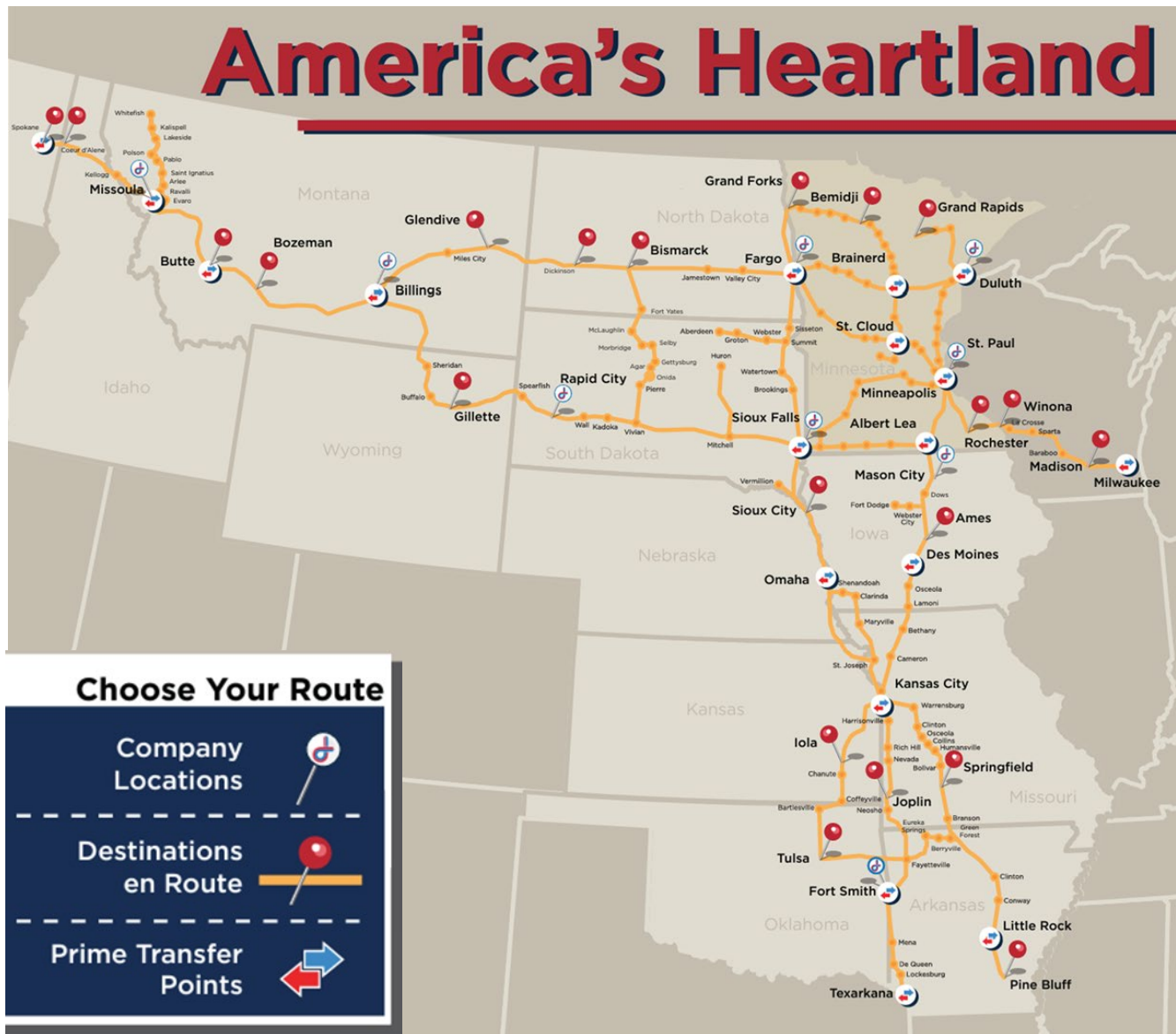
SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

NOTE: ALL TIMES SHOWN ARE LOCAL TIME, ONLY MAJOR STOPS OUTSIDE OF SOUTH DAKOTA ARE LISTED.

Jefferson Line’s National Intercity Bus Network

South Dakota is connected to the nation via Jefferson Line’s bus network. As seen in Figure 2-3, Jefferson Lines provides service to major transfer points like Minneapolis, Kansas City, Billings, etc.

Figure 2-3: Jefferson Line National Intercity Bus Network Map



SOURCE: <https://www.JEFFERSONLINES.COM/PLAN-YOUR-TRIP/ROUTE-MAPS/> (RETRIEVED 12/14/2023)

Jefferson Line's Depots and Stops

Jefferson Lines operates bus depots in Sioux Falls and Rapid City. Including the two depots, Jefferson Lines serves a total of 23 bus stops in South Dakota. The stops are diverse, including a curbside stop in Watertown to the Milo Barber Transportation Center in Rapid City. A full listing of all intercity bus stops in South Dakota is provided in Table 2-3. This list includes all intercity bus feeder stops.

- Sioux Falls Depot – 4110 West Maple Street, Suite 108, Sioux Falls, SD 57107**
 Located in northwest Sioux Falls, the depot is adjacent to Interstate 29 and approximately four miles west of the Sioux Falls Regional Airport.
- Rapid City Depot – Milo Barber Transportation Center, 333 6th Street, Rapid City, SD 57701**
 Co-located with Rapid Transit Systems in downtown Rapid City. The center is within walking distance of many downtown attractions and includes a spacious waiting area (Figure 2-4).

Figure 2-4: Interior of Jefferson Line's Rapid City Bus Depot



SOURCE: SECO CONSTRUCTION

Table 2-3: Jefferson Line Bus Stops in South Dakota

Location	Address	Intercity Service Provider	Services	Hours
Aberdeen Ride Line	205 N 4 th Street Aberdeen, SD 57401	Aberdeen Ride Line	Passenger Stop Tickets Sold Here	Mon-, Thurs, Fri 8:00 a.m. - 5:00 p.m.
Agar Standard Oil Station	17597 US Hwy 83 Agar, SD 57520	River Cities Public Transit	Passenger Stop	24 Hours
Brookings Zip Trip	3045 Lefevre Drive Brookings, SD 57006	Jefferson Lines	Passenger Stop	Every day: 6:00 a.m. - 11:00 p.m.
Gettysburg JT's Quick Stop	106 East Garfield Avenue Gettysburg, SD 57442	River Cities Public Transit	Passenger Stop	24 Hours
Groton MJ's Sinclair	105 US-12 Groton, SD 57445	Aberdeen Ride Line	Passenger Stop	Every day: 6:00 a.m. - 9:30 p.m.
Huron People's Transit	120 Wyoming SW Huron, SD 57350	People's Transit	Passenger Stop Tickets Sold Here	Mon-Fri: 8:00 a.m. - 4:30 p.m.
Kadoka Subway Restaurant	411 SD Hwy 73 Kadoka, SD 57543	Jefferson Lines	Passenger Stop	Sun-Mon: 9:00 a.m. - 8:00 p.m. Tues-Sat: 8:00 a.m. - 8:00 p.m.
McLaughlin Cenex	101 Main Street McLaughlin, SD 57642	Standing Rock Public Transit	Passenger Stop	24 Hours
Mitchell Cubby's East	1000 S Burr Street Mitchell, SD 57301	Jefferson Lines & People's Transit	Passenger Stop	Every day: 5:00 a.m. - 11:00 p.m.
Mobridge Gas & Goodies	421 North Main St. East Mobridge, SD 57601	River Cities Public Transit & Standing Rock Public Transit	Passenger Stop	24 Hours
Onida Corner Convenience Store	18503 US Hwy 83 Onida, SD 57564	River Cities Public Transit	Passenger Stop	24 Hours
Pierre River Cities Public Transit	1600 E Dakota Avenue Pierre, SD 57501	River Cities Public Transit	Passenger Stop Tickets Sold Here	Mon-Fri: 9:00 a.m. - 5:30 p.m. Sat-Sun: 12:30 p.m. - 4:00 p.m.

Location	Address	Intercity Service Provider	Services	Hours
Rapid City Milo Barber Transportation Center	333 6 th Street Rapid City, SD 57701	Jefferson Lines	Passenger Stop Tickets Sold Here	Mon-Fri: 11:30 a.m. - 6:30 p.m. Sat: 11:30 a.m. - 12:30 p.m.
Selby Shorty's One Stop	3005 US Hwy 12 Selby, SD 57472	River Cities Public Transit	Passenger Stop	24 Hours
Sioux Falls Jefferson Lines Depot	4110 West Maple Street Suite 108 Sioux Falls, SD 57107	Jefferson Lines	Passenger Stop Tickets Sold Here	Every day: 9:30 a.m. - 1:00 p.m. & 6:00 p.m. - 8:00 p.m.
Sisseton Junction Dakota Connection	46102 SD Hwy 10 Sisseton, SD 57262	Jefferson Lines	Passenger Stop	24 Hours
Spearfish Prairie Hills Transit	2015 Tumble Weed Trail Spearfish, SD 57783	Jefferson Lines	Passenger Stop Tickets Sold Here	Mon-Fri: 8:00 a.m. - 4:00 p.m.
Summit Corner Coffee Cup Fuel Stop	45789 US Highway 12 Summit, SD 57266	Aberdeen Ride Line & Jefferson Lines	Passenger Stop	24 Hours
Vermillion Casey's	615 Jefferson Street Vermillion, SD 57069	Jefferson Lines	Passenger Stop Tickets Sold at Vermillion Public Transit	24 Hours
Vivian Coffee Cup Fuel Stop	Highway 83 & I-90 Vivian, SD 57576	Jefferson Lines & River Cities Public Transit	Passenger Stop	24 Hours
Wall Wall Auto Livery (Conoco)	311 South Boulevard Wall, SD 57790	Jefferson Lines	Passenger Stop	Every day: 8:00 a.m. - 5:00 p.m.
Watertown Curbside Stop	820 35 th Circle SE Watertown, SD 57201	Jefferson Lines	Passenger Stop	24 Hours
Webster Cenex	11 US Hwy 12 Webster, SD 57274	Aberdeen Ride Line	Passenger Stop	Every day: 6:00 a.m. - 10:00 p.m.

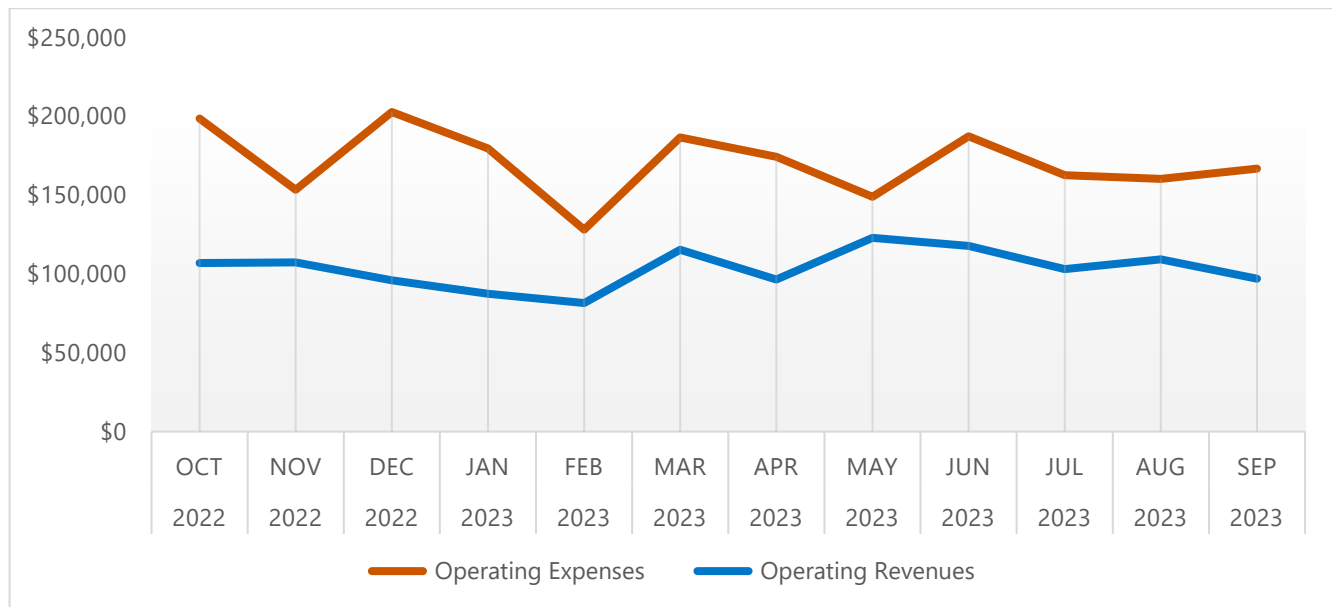
STOPS OPERATED SOLELY BY TRANSIT FEEDER SERVICES SHOWN IN ORANGE

SOURCE: JEFFERSON LINES, [HTTPS://WWW.JEFFERSONLINES.COM/BUS-STOPS/SOUTH-DAKOTA/](https://www.jeffersonlines.com/bus-stops/south-dakota/)

Jefferson Line's Costs, Revenues, Ridership and Funding

As seen in Figure 2-5, Jefferson Line's service in South Dakota alone operated at a net loss from October 2022 to September 2023. Operating revenues peaked from March to June while operating expenses were relatively steady. During the 12-month period ending in September 2023, Jefferson Line's operating costs and revenues combined for a 40% deficit.

Figure 2-5: Jefferson Line's South Dakota Operating Costs and Revenues



SOURCE: JEFFERSON LINES, SOUTH DAKOTA ONE-YEAR BUDGET TRACKING

Both Jefferson Lines routes have operating deficits and are supported by operating funding provided through SDDOT. Generally, this funding has been provided using Section 5311(f) assistance from the Federal Transit Administration (FTA), but during the COVID pandemic SDDOT provided operating assistance using CARES Act and American Rescue Plan (ARP) funding. Table 2-4 presents a summary of Jefferson Line's mileage operated in South Dakota, its operating costs, revenues, net operating deficit and ridership for the most recently completed year. The data presented is for both routes combined and does not include operating costs of the rural feeders, although presumably the per-trip fees and commission fees paid by Jefferson Lines to the providers are included in the overall operating expense of these two routes,

South Dakota's Section 5311(f) program operates on a sliding scale which currently provides for a 51.76% federal share, with the remaining portion of the net operating deficit provided as match. In this case, Jefferson Lines provides the cash match itself from other corporate funds. The option of using in-kind match from connecting unsubsidized intercity bus service is not available, as all connections to the South Dakota service are subsidized. For this year, Jefferson Line's grant funding through SDDOT would amount to \$812,799 to address this deficit.

Table 2-4: Jefferson Line’s South Dakota Operating and Financial Data

Fiscal Year 2023	Total
Operating Expenses	\$2,049,787
Operating Revenues	\$1,241,477
Net deficit	-\$812,799
Total Passengers	44,560
Miles Operated In South Dakota	435,713
Operating Revenue Per Mile	\$2.85
Cost per Mile	\$4.70
Deficit Per Mile	-\$1.86
Performance Measures	
Farebox Recovery	61%
Subsidy per Passenger	\$18.24
Boardings Per Trip	36

SOURCE: JEFFERSON LINES, SOUTH DAKOTA ONE-YEAR BUDGET TRACKING (OCTOBER 2022 TO SEPTEMBER 2023)

Jefferson Lines Intercity Bus Fares and Revenue

Jefferson Lines, like most private for-profit long-distance intercity bus companies in the United States, charges fares that are distance-based rather than being a flat fare per boarding (or even a zone-based fare). Until a few years ago, there were generally few other factors affecting fares—there were discounts for military personnel, for example. Round-trip fares were typically 190% of the one-way fare. More recently, the intercity bus companies have discovered that they could manage capacity and increase profitability by engaging in yield management like the airlines. Fares vary depending on how far in advance the trip is being purchased, the degree to which a given trip is filling up, how refundable it is, peak periods, if a seat is reserved, etc. The fare a user finds for a given trip may vary considerably, and may even change during a ticketing session.

Despite these factors, the fares still vary largely on distance. Fare revenue is allocated to particular schedules, services, or states based on the miles operated on that service. For example, when Jefferson Lines reports the revenues earned on its services in South Dakota, which is based on an allocation of all the ticket revenues on those schedules to the miles operated in South Dakota, not on whether the ticket was sold in South Dakota, or whether a given passenger gets on or off in South Dakota. Revenue from passengers who board in Minneapolis and ride through South Dakota to Billings, Montana is attributed to South Dakota as it is part of the overall revenue for that route that is being allocated to South Dakota based on the miles operated in the state. These “overhead” passengers (not getting on or off in the state) help reduce the deficit on the South Dakota services making the services in the state more feasible and reducing the need for operating subsidy.

The U.S. intercity bus industry has developed as a network of firms that together serve many origins and destinations, using a common interline ticketing system and connecting at share stops so that travel options are available to many more people. Point-to-point services are generally viable only between the largest cities and major university towns that can generate enough riders from a single origin to pay for the service. In South Dakota, which has long distances and low population towns, intercity bus service is only feasible as part of a network that gathers riders from many places to share the ride (and their revenue). This rationale includes the intercity feeders, which are part of this network, as well.

Fare Levels for South Dakota

As South Dakota's only intercity bus carrier, Jefferson Lines offers travel across the state on its two lines mentioned above. In addition to these two lines, the two transfer points of Sioux Falls and Vivian offer travel options to more distant locations. Sioux Falls is the main transfer hub for the South Dakota intercity bus network. Here, passengers can make connections to routes that run to cities such as Fargo, Minneapolis, Chicago, Omaha, Kansas City, Tulsa, Billings, and as far as Spokane. Jefferson Lines bus tickets can be purchased online on Jefferson Line's website (jeffersonlines.com) and at many bus depots throughout South Dakota. Ticket prices will vary by day, season, and bus capacity.

The four rural intercity feeders in South Dakota are integrated into the national interline ticketing system used by Jefferson Lines. This system, managed by a firm called TDS Transcor, includes Greyhound and is integrated with the Flixbus ticketing system. It provides interline tickets such that a rider can use a single ticket to travel on different carriers on services that are designed to have connections at share stops with reasonable connecting times. For example, a rider in Aberdeen, South Dakota can purchase a ticket to Chicago even though the trip requires travel on Ride Line of Aberdeen, Jefferson Lines and Burlington Trailways; or a rider in Pierre can be ticketed through to Dallas on Jefferson Lines to Billings, Express Arrow to Denver, and Greyhound to Dallas.

As a consequence, the price of an intercity bus ticket varies with distance, and under the yield management system, it varies with the other factors discussed above. To provide some comparability, the Jefferson/TDS ticketing system was used to obtain fares for a sample of hypothetical trips from South Dakota points for a trip two weeks in the future—these fares are shown in Table 2-5. Also shown is the calculated fare per passenger-mile assuming the passenger travels that entire distance. A comparison might be the fares charged by rural public transit systems to general public riders for long trips. River Cities Public Transit charges general public prescheduled trips at \$2.00 for pickup and \$0.75 per mile for trips over ten miles, or \$6.00 for pickup and \$1.50 per mile for same day service. People's Transit charges \$125 for a round-trip to Sioux Falls, and \$75.00 for a round-trip to Mitchell. Aberdeen Ride Line does not provide long-distance service outside the Jefferson Lines connection to Summit—the local fare is \$2.00 for service in town or within 2.5 miles of town. If a local trip is three miles the average fare per mile would be \$0.67. The Jefferson Lines fare levels are comparable to those charged by the feeder transit operators.

Table 2-5: Typical Jefferson Lines Fares for Trips from South Dakota

City Pair	Departure Date	Departure Price	Return Date	Return Price	Roundtrip Price/Mile
Sioux Falls – Omaha, NE	4/26/24	\$59.00	5/3/24	\$59.00	\$0.65
Sioux Falls – Minneapolis, MN	4/26/24	\$66.00	5/3/24	\$66.00	\$0.44
Sioux Falls – Kansas City, MO	4/26/24	\$93.00	5/3/24	\$93.00	\$0.45
Sioux Falls – Fargo, ND	4/26/24	\$68.00	5/3/24	\$68.00	\$0.53
Sioux Falls – Billings, MT	4/26/24	\$249.00	5/3/24	\$249.00	\$0.69
Sioux Falls – Spokane, WA	4/26/24	\$286.00	5/3/24	\$286.00	\$0.45

SOURCE: <https://www.RIDEJEFFERSONLINES.COM/> (ACCESSED 04/12/2024)

Jefferson Line's Service Performance

Jefferson Lines reported 44,560 total passengers in South Dakota between October 1st, 2022, and September 30th, 2023. That is an average of over 122 passengers every day. Though subsidized, it is worth noting that with a farebox recovery of 61% these are the best-performing public transportation services in the state. Also, it should be noted that intercity bus trips are typically very long, on the order of 250 miles on average—so the passenger-miles represented by Jefferson Line's 44,560 boardings in South Dakota is equivalent to a much higher number of boardings on local transit. Similarly, any comparison of the subsidy per passenger with similar figures for local or rural transit should take into account the difference in trip length.

Jefferson Line's Fleet and Fuel Use in South Dakota

Jefferson Lines own services are operated with 45-foot over-the-road lift-equipped intercity coaches that are part of their overall pool fleet and are rotated through their main maintenance facility in Minneapolis. None of the vehicles are stored or overnight in South Dakota—they continue on to destinations outside the state. Based on the FTA guideline that a heavy-duty bus must travel 500,000 miles before replacement, based on the South Dakota annual mileage of 435,713 a replacement bus would be justified after about 14 months, but in practice intercity bus operators obtain many more miles from a coach.

Jefferson Lines is a member of the International Fuel Tax Agreement (IFTA) which apportions fuel taxes to the states in which a multistate operator provides service. Jefferson Lines fuels buses on the I-90 route in Vivian, but it is likely that they also fuel their buses in other locations which may be outside South Dakota. However, the fuel tax on miles operated in South Dakota is paid through the IFTA. An estimate of the fuel used in South Dakota can be made by dividing the total South Dakota miles (435,713) by the typical coach miles per gallon of six, to arrive at an estimate of 72,619 gallons.

South Dakota's Rural Intercity Feeder Services

Aberdeen Ride Line—Aberdeen to Summit Corner

Aberdeen Ride Line is one of the oldest of the Jefferson Lines rural connectors, beginning when local advocates for a connection to the intercity service contacted Jefferson Lines and developed support for the route from Aberdeen to Summit, where it connects with Jefferson Line's Fargo-Kansas City service. The route also has stops in Groton and Webster. It is included in Jefferson Line's timetables as Schedule 763. Aberdeen Ride Line is a department of the City of Aberdeen, a public entity.

Aberdeen Ride Line Schedule

The Jefferson Lines connection to Summit Corner only operates Monday, Thursday, and Friday and no major holidays. Aberdeen Ride Line operates Monday through Friday, but the Jefferson Lines route does not operate Tuesday and Wednesday, so there would be nothing to connect with. On the days the connection is operating, there are two round trips to meet both the north- and south-bound Jefferson Lines schedules, which are about four hours apart. Table 2-6 presents the schedule.

Table 2-6: Ride Line's Aberdeen – Summit Corner (Jefferson Line's Schedule 763)

Stop Location	Arrival	Departure
Connection with Jefferson Line's Northbound Service (Fargo)		
Aberdeen		11:00 a.m.
Groton	11:30 a.m.	11:35 a.m.
Webster	12:05 p.m.	12:10 p.m.
Summit Corner	12:40 p.m.	12:55 p.m.
- <i>Jefferson Lines Connection</i>	<i>12:40 p.m.</i>	<i>12:50 p.m.</i>
Webster	1:25 p.m.	1:30 p.m.
Groton	2:00 p.m.	2:05 p.m.
Aberdeen	2:35 p.m.	
Connection with Jefferson Line's Southbound Service (Sioux Falls – Omaha – Kansas City)		
Aberdeen		3:45 p.m.
Groton	4:15 p.m.	4:20 p.m.
Webster	4:50 p.m.	4:55 p.m.
Summit Corner	5:25 p.m.	5:45 p.m.
- <i>Jefferson Lines Connection</i>	<i>5:30 p.m.</i>	<i>5:35 p.m.</i>
Webster	6:10 p.m.	6:15 p.m.
Groton	6:45 p.m.	6:50 p.m.
Aberdeen	7:20 p.m.	

SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

NOTE: SERVICE OPERATES EVERY MONDAY, THURSDAY, AND FRIDAY

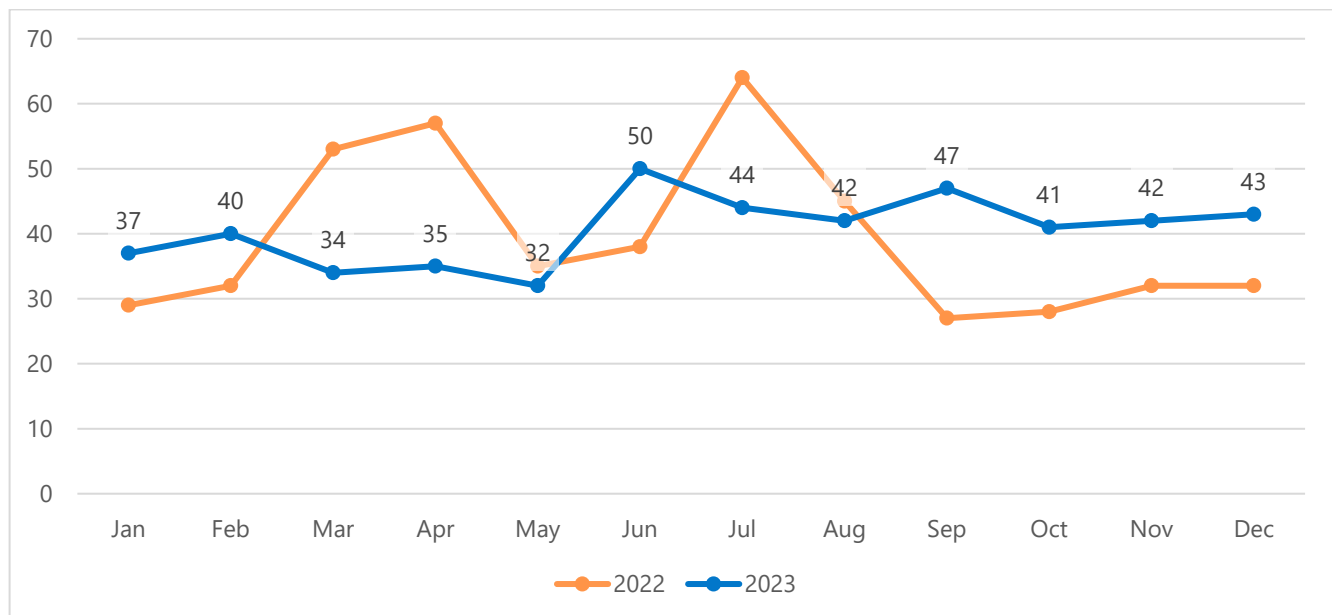
In Fargo there are Jefferson Lines connections allowing travel eastbound to Minneapolis, and westbound to Billings, Montana (and eventually Spokane, Washington). Southbound in Sioux Falls there are connections eastbound to Minneapolis, and the Jefferson Lines bus continues south to Omaha where there are connections to Denver and Chicago, and there are additional connections available at its terminus in Kansas City.

Aberdeen Ride Line Passenger Trends

Aberdeen Ride Line reported that their intercity bus ridership was roughly 20% college students, 40% elderly, and 40% income limited individuals. The bulk of riders are typically between 30 and 60 years old and are traveling for family trips or job transfers. The agency noted that many riders were transplants to Aberdeen and lacked a local support network that might otherwise provide a connecting trip to Summit.

Intercity bus passenger numbers were provided by Aberdeen Ride Line for the calendar years 2022 and 2023. Shown in Figure 2-6, ridership averages around 40 passengers per month. In 2023, Aberdeen Ride Line carried 487 total passengers. June was the busiest month with 50 passengers and May was the slowest with 32 passengers. Ridership trends from 2022 show peaks during spring and summer months.

Figure 2-6: Aberdeen Ride Line's Intercity Bus Passengers by Month



SOURCE: ABERDEEN RIDE LINE, JEFFERSON LINES PASSENGERS FROM ABERDEEN RIDE LINE 2022 AND 2023

Aberdeen Ride Line Intercity Bus Fares

Ticket prices will vary by day, season, and bus capacity. Tickets for Aberdeen Ride Line can be purchased at any intercity bus depot or on Jefferson Line’s website, as it is part of the national intercity bus carrier interlined ticketing system. Below, Table 2-7 displays a range of fare prices from Aberdeen to various distant locations.

Table 2-7: Aberdeen Ride Line Typical Fares

City Pair	Departure Date	Departure Price	Return Date	Return Price	Roundtrip Price/Mile
Aberdeen – Sioux Falls, SD	2/23/24	\$92.00	2/29/24	\$92.00	\$0.45
Aberdeen – Minneapolis, MN	2/23/24	\$156.00	2/29/24	\$156.00	\$0.36
Aberdeen – Fargo, ND	2/23/24	\$83.00	2/29/24	\$83.00	\$0.93
Aberdeen – Omaha, NE	2/23/24	\$156.00	2/29/24	\$156.00	\$0.40
Aberdeen – Billings, MT	2/23/24	\$274.00	2/29/24	\$274.00	\$0.34
Aberdeen – Denver, CO	2/23/24	\$224.00	2/29/24	\$224.00	\$0.24

SOURCE: JEFFERSON LINES, <https://www.jeffersonlines.com/>, ACCESSED 01/23/2024

Aberdeen Ride Lines Expenses and Funding

Funding comes from several sources. Jefferson Lines has a contract with Aberdeen Ride Line, paying a fixed amount per trip, and Aberdeen Ride Line gets a commission on each Jefferson Lines ticket they sell (though with online ticket purchase increasing this amount is relatively small). In addition, there is funding for this service provided by SDDOT out of the Section 5311(f) program. Table 2-8 presents the funding status for this service. Revenues for this particular route are reported in the agency’s overall Section 5311 revenue, as is the ridership. Local match is provided by the City as part of the overall match for Aberdeen Ride Line.

Table 2-8: Aberdeen Ride Line Intercity Feeder Funding

Aberdeen Ride Line	Budget	Actual
Intercity Bus Driver Wages	\$17,000.00	\$6,740.18
ICB Driver Fringe	\$4,000.00	\$662.82
ICB Dispatch/Office Wages	\$20,000.00	\$12,526.81
ICB Dispatch/Office Fringe	\$5,000.00	\$3,186.56
Other ICB Costs- Maintenance	\$1,200.00	
Total	\$47,200.00	\$23,116.35

SOURCE: SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, SECTION 5311(F) FUNDING, FY2024

Aberdeen Ride Lines Depot and Staffing

Aberdeen Ride Line's provides ticket sales at its office/depot in Aberdeen, which has a lobby area with a waiting area. Customers can use the break room as well, but Aberdeen Ride Line does not allow overnight stays in its depot. However, the agency will refer persons needing shelter to the Salvation Army or local churches if they cannot afford a hotel. The office/depot has a Jefferson Lines sign on it, but there is no other advertising for Jefferson Lines. Most ticket sales (estimated 75%) are through the Jefferson Lines or Greyhound/Flixbus online ticketing system, though there are local sales and Aberdeen Ride Line earns a commission on those sales.

Dedicated staffing for the intercity feeder service includes a clerk/dispatcher who supports all of Aberdeen Ride Line's services and a part-time driver who is dedicated to the feeder route. Their time is allocated based on need. The clerk/dispatcher attends to riders at the depot, acts as ticket agent, and coordinates with Jefferson Lines as needed. The agency is in close contact with Jefferson Line's agents in Fargo and Sioux Falls to determine whether a rider is making a connection between services. Service is not provided if there are no passengers. Aberdeen Ride Lines reported some issues with the ticketing system—it requires a QR code to bring up a ticket, without a QR scanner, the agency must pull up the ticket manually. Additional coordination is required if an organization purchased a ticket for an individual, Aberdeen Ride Line has to then contact the organization and confirm required contact information. The new Flixbus ticketing platform has caused communication issues requiring more calls to Jefferson Lines.

Aberdeen Ride Line Vehicle Fleet and Fuel Use

The feeder route is used only for Jefferson Lines customers, and is typically operated with a 2019 Dodge Durango SUV, though if there is a need for a wheelchair accessible vehicle a 14-passenger lift-equipped small bus is used. The Jefferson Lines depot in Fargo calls when their bus is leaving, as the Aberdeen RideLine bus needs to leave at the same time to make a timely connection.

All customers are connecting with Jefferson Lines for onward travel. Based on the length of the route, the type of vehicle and the frequency it is estimated that 3,078 gallons may be consumed annually on the intercity feeder service, all of it purchased in South Dakota. In 2022, Aberdeen Ride Line feeder service provided trips for 480 passengers over 31,604 miles.



Figure 2-7: Aberdeen Ride Line Vehicle

SOURCE: ABERDEEN RIDE LINE WEBSITE

People’s Transit—Huron to Mitchell

People’s Transit is a 501(c3) private non-profit transit provider serving the City of Huron and Beadle and Sanborn Counties. It also operates an intercity feeder route between Huron and Mitchell, which is also included in the Jefferson Lines timetable as Jefferson Lines Schedule 764. This service has been operated for a number of years and is seen as a benefit to the community. People’s Transit also acts as the Jefferson Lines agent in Huron.

People's Transit Schedule

People’s Transit operates intercity bus feeder service between Huron and Mitchell every Tuesday and Friday, except for major holidays, though it operates only if there are passengers originating in Huron or expected based on alerts from the Rapid City or Sioux Falls Jefferson Lines depots. The schedule is timed to connect with Jefferson Lines east-west service between Sioux Falls and Billings, Montana. The schedule is shown in Table 2-9. If passengers want to travel on Jefferson Lines on days that People’s Transit is not running People’s Transit will sell the tickets but the passengers must find an alternative way to get to Mitchell to catch the Jefferson Lines bus.

Table 2-9: People’s Transit’s Huron – Mitchell (Jefferson Line’s Schedule 764)

Stop Location	Arrival	Departure
Connection with Jefferson Line’s Westbound Service (Rapid City – Billings)		
Huron		12:15 p.m.
Mitchell	1:15 p.m.	1:50 p.m.
- Jefferson Lines Connection	1:45 p.m.	1:50 p.m.
Huron	2:50 p.m.	
Connection with Jefferson Line’s Eastbound Service (Sioux Falls – Minneapolis)		
Huron		4:15 p.m.
Mitchell	5:15 p.m.	5:55 p.m.
- Jefferson Lines Connection	5:40 p.m.	5:45 p.m.
Huron	6:55 p.m.	

SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

NOTE: SERVICE OPERATES EVERY TUESDAY AND FRIDAY

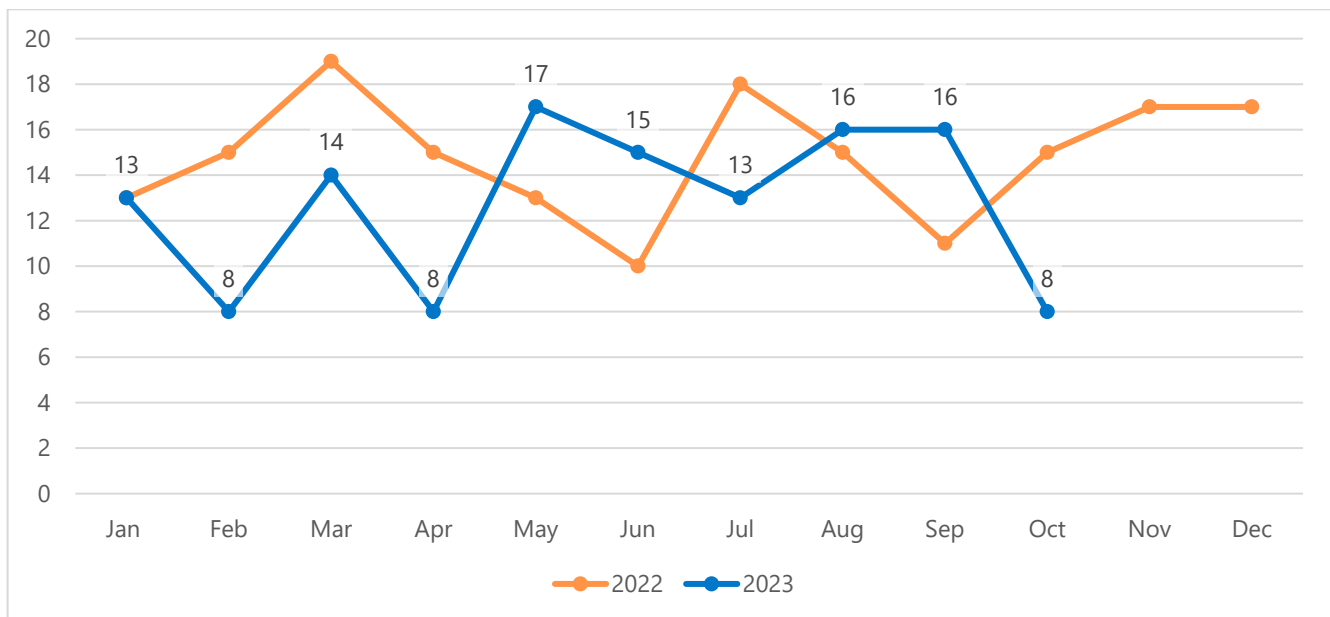
The schedule does not allow for same day return trips. If there is a miscommunication and People’s Transit is not notified of the need to pick up in Mitchell, the passenger must wait to catch the later trip.

People's Transit Passenger Trends

People's Transit reported that virtually all passengers are making a long-distance trip. If a passenger wants to go to Sioux Falls, People's Transit operates a service that can provide a direct trip to Sioux Falls; however, their cost rate is greater than the Jefferson Lines ticket, so some regional trips are made on the intercity feeder.

People's Transit provided intercity bus ridership numbers which included 178 total passengers in 2022 and 128 passengers in the first 10-months of 2023. Ridership averages nearly 14 passengers per month. As seen in Figure 2-8, ridership is relatively stable from month to month with slight peaks during spring and late summer months.

Figure 2-8: People's Transit's Intercity Bus Passengers by Month



SOURCE: PEOPLE'S TRANSIT, JEFFERSON LINES PASSENGERS FROM 2022 AND 2023

People's Transit Intercity Bus Fares

Below, Table 2-10 displays a range of fare prices for Huron to various distant locations. Ticket prices will vary by day, season, and bus capacity. Tickets for People's Transit can be purchased on Jefferson Line's website, as it is part of the national intercity bus carrier interlined ticketing system.

Table 2-10: People's Transit Typical Fares

City Pair	Departure Date	Departure Price	Return Date	Return Price	Roundtrip Price/Mile
Huron – Sioux Falls, SD	2/23/24	\$64.00	2/27/24	\$64.00	\$0.51
Huron – Minneapolis, MN	2/23/24	\$156.00	2/27/24	\$156.00	\$0.40
Huron – Omaha, NE	2/23/24	\$115.00	2/27/24	\$115.00	\$0.37
Huron – Billings, MT	2/23/24	\$249.00	2/27/24	\$274.00	\$0.39
Huron – Denver, CO	2/23/24	\$224.00	2/27/24	\$224.00	\$0.24

SOURCE: JEFFERSON LINES, <https://www.jeffersonlines.com/>, ACCESSED 01/23/2024

People's Transit Expenses and Funding

On this route, in 2022 People's Transit provided 121 vehicle trips and carried 178 passengers, and in 2023 it operated 91 vehicle trips and carried 128 passengers. The fare for a one-way ride is \$2.50 for a youth ticket and \$3.50 for an adult ticket.

Table 2-11 presents a summary of the Section 5311(f) grant reports to SDDOT for FY 2024. As can be seen the grant includes funding for both the driver and the dispatch and agency staff. People's Transit provides the local match. There is revenue from Jefferson Lines, a per trip fee and a 10% commission on ticket sales, but that is included in the overall revenue for the agency. People's Transit provides the local match.

Table 2-11: People's Transit Intercity Feeder Funding for FY 2023

People's Transit	Budget	Actual
Intercity Bus Driver Wages	\$6,888.96	\$2,794.87
ICB Driver Fringe	\$2,066.68	\$359.50
ICB Dispatch/Office Wages	\$4,999.80	\$2,864.90
ICB Dispatch/Office Fringe	\$1,499.94	\$705.76
Other ICB Costs- Maintenance	\$2,000.00	
Total	\$17,455.38	\$6,725.03

Source: South Dakota Department of Transportation, Section 5311(f) Funding, FY2024

People's Transit Depot and Staffing

The intercity depot functions in Huron take place at the transit agency offices. There is a front entry with a ticket counter and a waiting area. Restrooms are available and waiting passengers can make use of the break room. There is a Jefferson Lines sign in the front of the facility, and there is also a section on the website about the Jefferson Lines connection. Word of mouth is also an important way that potential users to learn of the service. In Mitchell, the transfer is at the Jefferson Lines stop at Cubby's.

The driver is a retiree, and the schedule allows one person driving to meet this need. Existing administrative staff and dispatcher assist intercity passengers at the depot. Jefferson Lines requires the passenger to provide an e-mail address which allows communication about schedule issues, etc. People's Transit is able to help passengers with Jefferson Lines tickets, but since the Flixbus ticketing system was introduced, they can no longer assist passengers with a Greyhound or Flixbus ticket to make any changes, or pay for extra baggage, etc.

People's Transit Vehicle Fleet and Fuel Use

The vehicle used has been a Chevy van with very high mileage, and the system is replacing it with a used Ford Transit Connect purchased with agency funds (which is being wrapped to make the service more visible—see Figure 2-9). Based on the number of trips, the distance between Huron and Mitchell (100 miles round-trip), and the miles per gallon of the Ford, it is estimated that in 2023 it would have required 455 gallons of fuel, all of it purchased in South Dakota. Neither of these two vehicles is lift-equipped. If People's Transit is notified of a passenger needing a lift-equipped vehicle a different vehicle is used—there has been only one call for a lift-equipped vehicle while the current staff has been there. The Jefferson Lines agents in Sioux Falls or Rapid City notify them of an inbound passenger with a need for a lift, and they would be aware of an outbound passenger (from Huron) who needed a lift.

Figure 2-9: New Graphics for People's Transit Rural Feeder Vehicle



River Cities Public Transit—Pierre to Vivian and Pierre to Mobridge Intercity Feeder Service

River Cities Public Transit is a private non-profit agency providing a wide variety of public and specialized transportation services in the Pierre-Fort Pierre area, and it coordinates transportation for a number of smaller communities and agencies in central South Dakota. It began the intercity feeder from Pierre to Vivian at least 13 years ago when the east-west intercity bus route operated by Jefferson Lines shifted to the interstate and no longer served Pierre, the state capital. The route to Mobridge has also been operated for some time, though it became part of the Jefferson Lines feeder system more recently. The need for this service is seen by River Cities Public Transit as part of its overall mission to meet the transportation needs of the region.

River Cities Public Transit Schedule

There are two routes operated by River Cities Public Transit as rural intercity feeders. Both are Jefferson Lines interlined services. One is the daily service between Pierre and Vivian, a truck stop where passengers connect to the Jefferson Lines schedule. Note that the single round-trip from Pierre to Vivian connects with both the eastbound and westbound Jefferson Line's buses which both arrive and depart at approximately the same time. The other is two-day per week (Monday and Thursday) service from Pierre to Mobridge, where passengers can connect to service provided by Standing Rock Public Transit that operates through to a Jefferson Lines connection in Bismarck, North Dakota. The route to Vivian has no intermediate stops, while the Mobridge route has a number of them. Table 2-12 presents the Pierre-Vivian timetable and Jefferson Lines connections, while Table 2-13 presents the Pierre-Mobridge schedule.

Table 2-12: River Cities Public Transit's Pierre – Vivian (Jefferson Lines Schedule 766)

Stop Location	Arrival	Departure
Connection with Jefferson Line's Service (Minn. – Sioux Falls – Rapid City – Billings)		
Pierre		2:45 p.m.
Vivian	3:30 p.m.	4:00 p.m.
- Jefferson Lines Connection	3:35 p.m.	4:00 p.m.
Pierre	4:45 p.m.	

SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

NOTE: SERVICE OPERATES EVERY DAY.

Table 2-13: River Cities Public Transit’s Mobridge – Pierre – Vivian (Portion of Jefferson Lines Schedule 790)

Stop Location	Arrival	Departure
Connection with Jefferson Line’s Westbound Service (Rapid City – Billings)		
Pierre		10:00 a.m.
Onida		10:35 a.m.
Agar		10:45 a.m.
Gettysburg		11:05 a.m.
Selby		11:40 a.m.
Mobridge		12:01 p.m.
Selby		12:20 p.m.
Gettysburg		12:50 p.m.
Agar		1:15 p.m.
Onida		1:30 p.m.
Pierre	2:00 p.m.	
Connecting Service to Vivian		
<i>Pierre</i>		<i>2:45 p.m.</i>
<i>Vivian</i>	<i>3:30 p.m.</i>	<i>4:00 p.m.</i>
<i>- Jefferson Lines Connection</i>	<i>3:35 p.m.</i>	<i>3:55 p.m.</i>
<i>Pierre</i>	<i>4:45 p.m.</i>	
Connecting Service to Mobridge		
Pierre		5:00 p.m.
Onida		5:35 p.m.
Agar		5:45 p.m.
Gettysburg		6:05 p.m.
Selby		6:40 p.m.
Mobridge	7:00 p.m.	7:15 p.m.
<i>- Standing Rock Transit Connection</i>		<i>7:30 p.m.</i>
Selby		7:35 p.m.
Gettysburg		8:05 p.m.
Agar		8:30 p.m.
Onida		8:45 p.m.
Pierre	9:15 p.m.	

SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

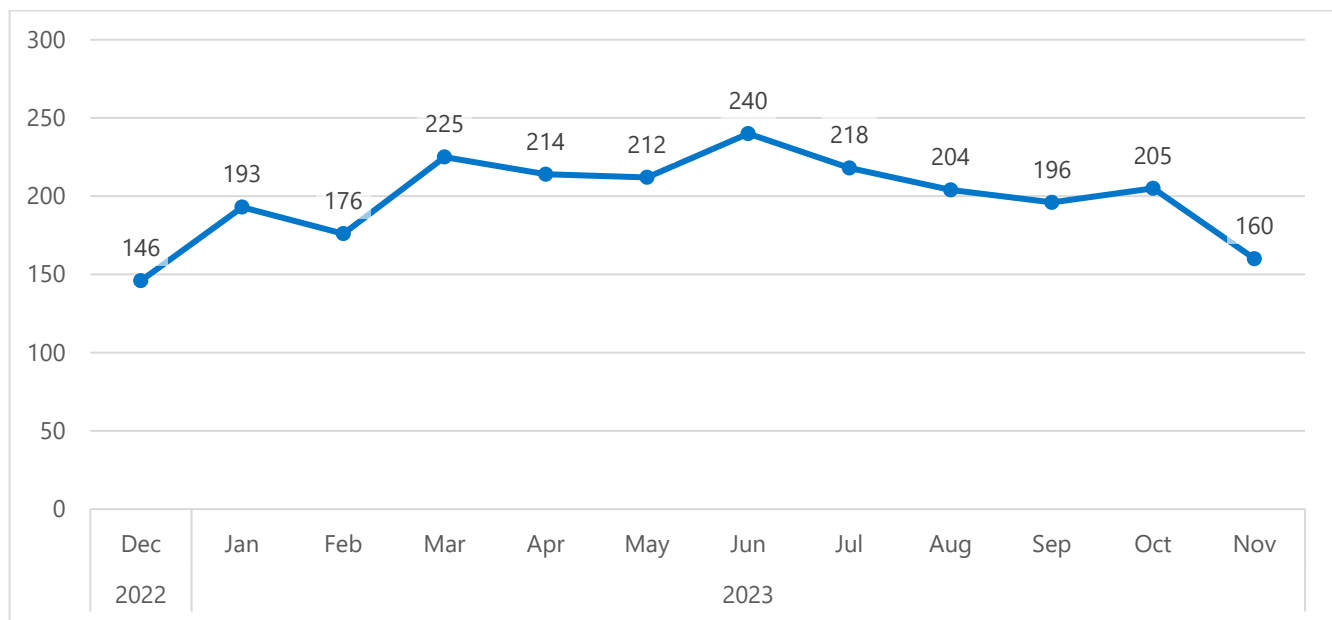
NOTE: SERVICE OPERATES EVERY MONDAY AND THURSDAY

River Cities Public Transit Passenger Trends

Ridership data is included in the agency totals rather than being broken out for these two routes. Riders include all types of passengers—seasonal workers, senior citizens, tribal residents (particularly on the Mobridge service), college students, family groups, etc. River Cities Public Transit knows and works with a variety of agencies that produce regular ridership as well. Most transfers internally are passengers from Mobridge going through to Vivian. There are some who connect to Eagle Butte. These feeder services are dedicated to the intercity bus riders and virtually all riders are making longer distance trips. The Jefferson Lines service is featured on the River Cities Public Transit website, and the routes are in the Jefferson Lines and Greyhound ticketing systems. The service is known locally, especially by local stakeholders. There have been issues with the new ticketing system.

From December 2022 to November 2023, River Cities Public Transit feeder service provided trips for 2,321 passengers between the two vehicles. As shown in Figure 2-10, monthly ridership peaked in June at 240 passengers. River Cities Public Transit averages just under 200 intercity bus passengers per month.

Figure 2-10: River Cities Public Transit’s Intercity Bus Passengers by Month



SOURCE: RIVER CITIES PUBLIC TRANSIT, JEFFERSON LINES PASSENGERS FROM DEC. 2022 TO NOV. 2023

River Cities Public Transit Intercity Bus Fares

Below, Table 2-14 displays a range of fare prices for Pierre to various distant locations. Ticket prices will vary by day, season, and bus capacity. Tickets for River Cities Public Transit can be purchased on Jefferson Line's website, as it is part of the national intercity bus carrier interlined ticketing system.

Table 2-14: River Cities Public Transit Typical Fares

City Pair	Departure Date	Departure Price	Return Date	Return Price	Roundtrip Price/Mile
Pierre – Sioux Falls, SD	2/23/24	\$92.00	2/29/24	\$92.00	\$0.41
Pierre – Minneapolis, MN	2/23/24	\$180.00	2/29/24	\$180.00	\$0.39
Pierre – Omaha, NE	2/23/24	\$156.00	2/29/24	\$156.00	\$0.38
Pierre – Billings, MT	2/23/24	\$191.00	2/29/24	\$191.00	\$0.33
Pierre – Denver, CO	2/23/24	\$224.00	2/29/24	\$224.00	\$0.24

SOURCE: JEFFERSON LINES, <https://www.jeffersonlines.com/>, ACCESSED 01/23/2024

River Cities Public Transit Expenses and Funding

Table 2-15 presents the SDDOT report of intercity funding and reimbursement for the two River Cities Public Transit routes combined. In addition to this funding, there is revenue. River Cities Public Transit has a contract with Jefferson Lines for the Mobridge service, but currently does not have one for the Vivian service though it is paid by Jefferson Lines for riders on that route. River Cities Public Transit would like a contract for the Vivian service. Jefferson Lines pays a commission on tickets sold by River Cities Public Transit, along with a per rider fee. River Cities Public Transit provides the local match for these grants as part of its overall matching of transit grants.

Table 2-15: River Cities Public Transit Intercity Feeder Funding FY 2023

River Cities Public Transit	Budget	Actual
Intercity Bus Driver Wages	\$60,000.00	\$88,300.92
ICB Driver Fringe	\$18,000.00	\$21,600.07
ICB Dispatch/Office Wages	\$90,000.00	\$67,524.23
ICB Dispatch/Office Fringe	\$27,000.00	\$16,232.88
Other ICB Costs- Maintenance	\$10,000.00	
Total	\$205,000.00	\$193,658.10

SOURCE: SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, SECTION 5311(F) FUNDING, FY2024

River Cities Public Transit Depot and Staffing

River Cities Public Transit provides the intercity bus depot in Pierre as part of its facility. There is a waiting area in the lobby, a small table with seats, restrooms, a television and a staff member who is also the ticket agent. There is no food service or vending, but there is a convenience store across the street. In Vivian there is a convenience store at the truck stop, and passengers are allowed in even without a purchase (not always the case) after drivers advocated for passengers. Passengers are not allowed to stay overnight in the depot, but River Cities Public Transit and its staff have worked to find shelter for passengers who need a place to stay. There is a sign on the depot for Jefferson Lines, but River Cities Public Transit would like a new one and some capital improvements to enhance security and for a new printer that could be used to print Jefferson Lines tickets.

River Cities Public Transit Vehicle Fleet and Fuel Use

There are two vehicles dedicated to the intercity feeder service (see Figure 2-11). Both were funded with Section 5339 through SDDOT. They are both wheelchair accessible, and one is a 4 x 4 to deal with weather issues. There are wheelchair users on these services, perhaps one every other month. All fuel used is purchased in South Dakota. Based on the vehicle types, the route lengths, schedules and frequency the amount of fuel used is estimated to be just over 7,000, based on ten miles per gallon.

Figure 2-11: River Cities Transit Intercity Service Vehicle



SOURCE: KFH GROUP

Standing Rock Public Transit—Mobridge to Bismarck

Standing Rock Public Transit is a regional rural transit system operated since 1989 by Sitting Bull College in Fort Yates, North Dakota has operated public transit to serve communities in south-central North Dakota and north-central South Dakota. The agency provides intercity connections to Jefferson Lines with a route that connects Mobridge, South Dakota to Bismarck, North Dakota two days per week. This service originated before 2007 with the intention of providing service in both directions, connecting to the River Cities Public Transit service from Mobridge to Vivian at the south end and to Jefferson Lines in Bismarck. The service was developed with support from the North Dakota Department of Transportation.

Standing Rock Public Transit Schedule

Table 2-16 presents the timetable for this service, which is included in the Jefferson Lines timetables and ticketing system as Jefferson Lines Schedule 790. There are additional Section 5311(f) connections in Bismarck funded by North Dakota DOT. Standing Rock Public Transit has a hub at Fort Yates where there are several connecting routes to other locations in the region.

Table 2-16: Standing Rock Public Transit’s Mobridge – Bismarck Schedule (Portion of Jefferson Lines Schedule 790)

Stop Location	Arrival	Departure
Connection with Jefferson Line’s Westbound Service (Rapid City – Billings)		
Mobridge		7:30 p.m.
- River Cities Public Transit Connection	7:00 p.m.	7:15 p.m.
McLaughlin		8:20 p.m.
Fort Yates, ND	8:40 p.m.	8:55 p.m.
Bismarck, ND	10:25 p.m.	

SOURCE: JEFFERSON LINES SYSTEM TIMETABLE, EFFECTIVE DATE: 10/20/2023

NOTE: SERVICE OPERATES EVERY MONDAY AND THURSDAY

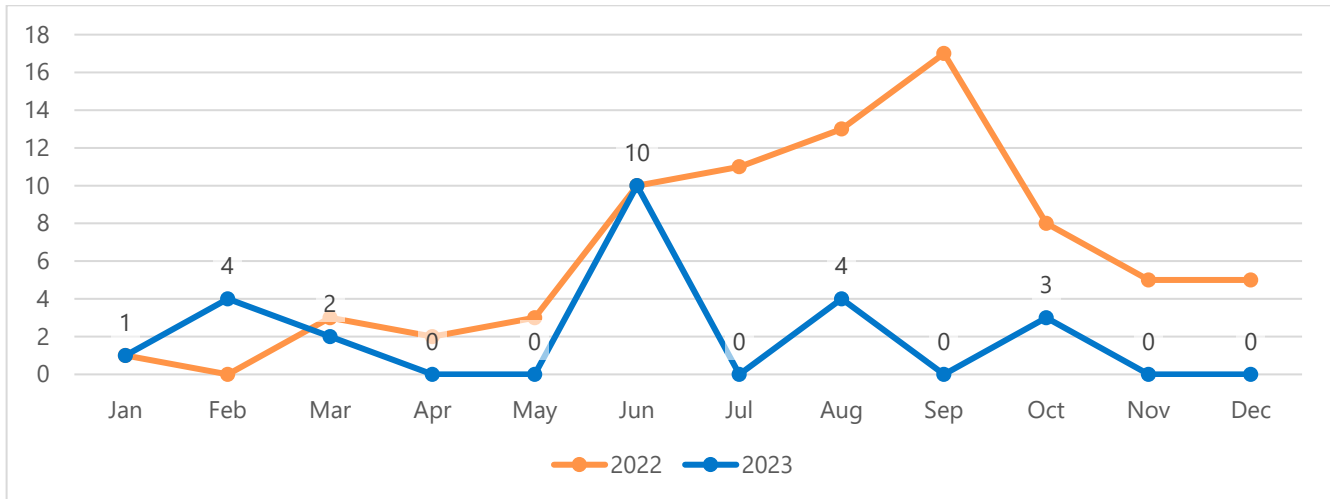
Standing Rock Public Transit Passenger Trends

Ridership is an issue. Initially the service had relatively good ridership, but in the last quarter has dropped to near zero—it is not clear if there is no demand or if the ticketing system is not showing the service and allowing passengers to purchase tickets. Standing Rock Public Transit is not an agent, they do not have the ability to sell their own tickets or monitor the availability. Previously there were many long-distance riders to Texas, Kansas, and southern Minnesota, among other places. There are concerns about the new ticketing platform and its sale of Jefferson Lines feeder tickets.

The stop in Mobridge is at the Gas & Goodies, but they will do local pickup and drop off in Mobridge. In 2022, Standing Rock Public Transit’s feeder service provided trips for 78 passengers in South Dakota.

As seen in Figure 2-12, ridership has declined in 2023 with no passengers for several months. In 2022, average monthly ridership was 7 passengers; whereas 2023 saw an average of only 2 passengers per month.

Figure 2-12: Standing Rock Public Transit’s Intercity Bus Passengers by Month*



SOURCE: STANDING ROCK PUBLIC TRANSIT, JEFFERSON LINES PASSENGERS FROM 2022 AND 2023

*NOTE: ONLY INCLUDES PASSENGERS FROM SOUTH DAKOTA STOPS.

Standing Rock Public Transit Intercity Bus Fares

Below, Table 2-17 displays a range of fare prices for Mobridge to various distant locations. Ticket prices will vary by day, season, and bus capacity. Tickets for Standing Rock Public Transit can be purchased on Jefferson Line’s website, as it is part of the national intercity bus carrier interlined ticketing system.

Table 2-17: Standing Rock Public Transit Typical Fares

City Pair	Departure Date	Departure Price	Return Date	Return Price	Roundtrip Price/Mile
Mobridge – Sioux Falls, SD	2/26/24	\$121.00	2/29/24	\$121.00	\$0.36
Mobridge – Minneapolis, MN	2/26/24	\$204.00	2/29/24	\$204.00	\$0.36
Mobridge – Bismark, ND	2/26/24	\$64.00	2/29/24	\$64.00	\$0.52
Mobridge – Omaha, NE	2/26/24	\$180.00	2/29/24	\$180.00	\$0.35
Mobridge – Billings, MT	2/26/24	\$224.00	2/29/24	\$224.00	\$0.33
Mobridge – Denver, CO	2/26/24	\$249.00	2/29/24	\$249.00	\$0.24

SOURCE: JEFFERSON LINES, <https://www.jeffersonlines.com/>, ACCESSED 01/23/2024

Standing Rock Public Transit Expenses and Funding

Standing Rock Public Transit does not receive intercity bus funding assistance through SDDOT's Section 5311(f) program, but instead from the North Dakota DOT. Standing Rock Public Transit also receives Tribal Transit Funding. It has a contract with Jefferson Lines regarding the service, but it is not an agent and does not sell tickets—if people need a ticket, they are referred to River Cities Public Transit in Pierre. The estimated direct operating costs would include driver wages and fringe of \$10,764 plus about \$1,300 for insurance, and \$10,150 for fuel, for a total of approximately \$22,000. While Standing Rock Public Transit can provide match for the existing service there is no capacity to expand this service.

Standing Rock Public Transit Vehicle Fleet and Fuel Use

A 14-passenger small bus with a lift is used to provide the service (Figure 2-13). Based on the route mileage and frequency, 2,900 gallons of gas are used to provide this service, and an unknown amount may be purchased in South Dakota.

Figure 2-13: Standing Rock Public Transit Vehicle



SOURCE: STANDING ROCK PUBLIC TRANSIT WEBSITE

Intercity Ticket Agents

Prairie Hills Transit

Prairie Hills Transit has contracted with Jefferson Lines to operate as an intercity bus ticket agent since 2010. The agency's Spearfish depot (2015 Tumble Weed Trail, Spearfish, SD 57783) is one of Jefferson Line's bus stops on the Minneapolis – Billings – Sioux Falls – Rapid City route. Eastbound service (Sioux Falls and Minneapolis) serves the depot at 10:45am. And westbound service (Gillette and Billings) serves the depot at 6:45 p.m.



Figure 2-14: Prairie Hills Transit Spearfish Bus Depot

Source: Google Street View (Oct 2021)

Prairie Hills Transit sells intercity bus tickets through the Jefferson Lines and Flix (Greyhound) ticketing systems. Tickets can be purchased Monday through Friday from 8:00 a.m. to 4:00 p.m. The agency has a contract

with Jefferson Lines and provides weekly sales reports. Through this role, Prairie Hills Transit is a recipient of South Dakota's Section 5311(f) intercity bus program. Depot staffing requires approximately 15 hours per week for administrative, reporting, and ticketing tasks – three staff people share the roles.

Prairie Hills Transit is very supportive of intercity bus service and recognizes a strong value in connecting rural transit to intercity services. The agency reported variable intercity bus ridership at the Spearfish depot. Warmer months typically see higher ridership with a peak during the Sturgis rally. Prairie Hills Transit's lobby provides a temperature-controlled passenger waiting area with restrooms and vending machines.

Table 2-18: Prairie Hills Transit Ticket Agent Funding

Prairie Hills Transit	Budget	Actual
Jefferson Lines Admin	\$1,365.84	\$955.58
Fringe Benefits	\$153.14	\$75.67
Jefferson Lines Ticket Agent	\$12,550.27	\$5,192.77
Fringe Benefits	\$1,868.26	\$446.64
Jefferson Lines	\$1,313.30	\$1,335.52
Total	\$17,250.81	\$8,006.48

SOURCE: SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, SECTION 5311(F) FUNDING, FY2024

Vermillion Public Transit

Vermillion Public Transit has been a Jefferson Lines ticket agent since 2008. Tickets can be purchased at the transit agency's main office at 604 ½ High St., Vermillion, SD. Vermillion Public Transit will provide a connecting transit trip from their office to the Jefferson Lines stop, but this must be reserved. The ticket office and bus stop at Casey's (Figure 2-15) are approximately one mile apart. Vermillion is served by Jefferson Line's Kansas City – Omaha – Sioux Falls – Fargo route. Northbound service (to Sioux Falls and Fargo) departs at 8:50 a.m. And the southbound service (to Omaha and Kansas City) departs at 9:20 p.m.



Figure 2-15: Vermillion Jefferson Lines Stop Casey's General Store

Source: Google Street View (Jul 2019)

Vermillion Public Transit sees a strong value in their partnership with Jefferson Lines. The connection allows their customers and residents to travel across the country. The agency has been a local advocate for securing a bus stop in Vermillion and acts as a local representative for Jefferson Lines. Vermillion Public Transit reported that summer months see the most intercity bus ridership, whereas winter months will only have a handful of riders.

Table 2-19: Vermillion Public Transit Ticket Agent Funding

Vermillion Public Transit	Budget	Actual
ICB Dispatch/Office Wages	\$1,203.00	\$976.69
ICB Dispatch/Office Fringe	\$436.00	\$384.65
Total	\$1,639.00	\$1,361.34

SOURCE: SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION, SECTION 5311(F) FUNDING, FY2024

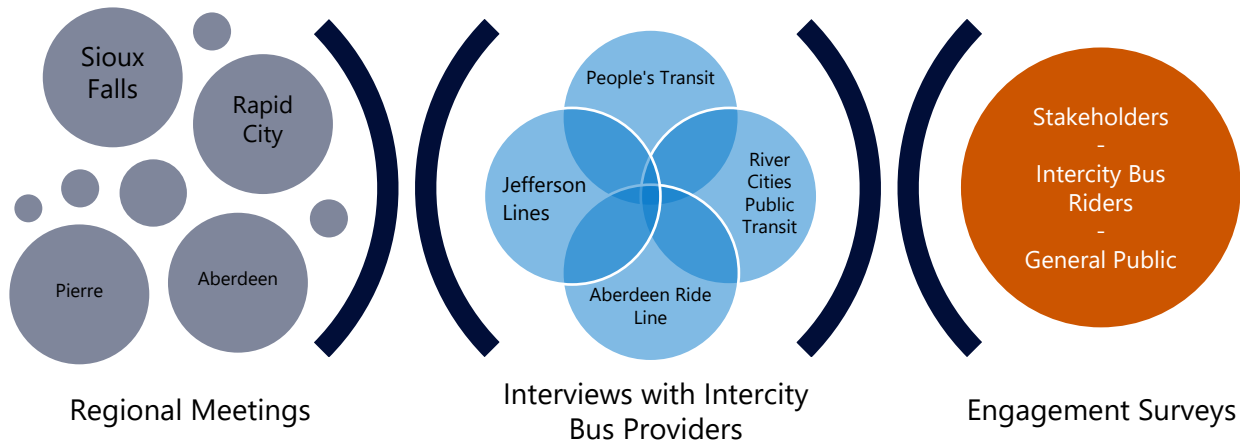
Chapter 3

Perceptions of South Dakota's Intercity Bus Service

Perceptions of Intercity Bus Service in South Dakota

To gain insights on the perception of existing intercity bus services an outreach process was developed through close coordination with SDDOT. This process included several elements: a series of open houses/regional meetings across the state, interviews with intercity bus providers, surveys of the transit providers, surveys of the regional economic development agencies, stakeholder surveys, on-board user surveys, and finally a general community survey aimed at non-users (or at least people not in the act of taking a trip. Surveys for transit providers and stakeholders were made available with the announcements for the open houses.

Approach to Identify Perceptions of Intercity Bus Service in South Dakota



Regional Meetings—Open Houses

Regional meetings were scheduled to provide both an in-person open house option and a virtual meeting option for stakeholders in the community to learn about the study and provide input about their perceptions of the intercity bus services and the role and needs of this service in the community. Meetings were held in each of the 12 SDDOT sub-regions. The schedule and locations are listed below in Table 3-1.

With the assistance of the SDDOT a press release announced the meetings, and an SDDOT web posting provided more information about the study and included a link to the presentation prepared for use in the meetings. A copy of the Power Point is provided in Appendix A to this report. In general, the meeting attendees included SDDOT staff, consulting team staff (both in-person and on-line), local transit providers, human service agency representatives, some local government officials, and often local media. The discussion and input received was wide ranging and provided significant insights regarding the current perceptions of intercity bus services in South Dakota, but also to some degree about transit generally. The following section presents an overview of the input received, categorized by topic area.

Table 3-1: Regional Meeting Schedule

SDDOT Area	Location	Address	Time	Time
Watertown	Watertown Reg. Library	160 6th St. NE	Tuesday, Oct. 31st, 2023	1:00 p.m. – 2:00 p.m. CT
Rapid City	Transportation Center	333 6th St.	Friday, Nov. 3rd, 2023	1:00 p.m. – 2:00 p.m. MT
Mobridge	AH Brown Public Library	521 N. Main St.	Thursday, Nov. 2nd, 2023	1:30 p.m. – 2:30 p.m. CT
Belle Fourche	Chamber	509 Grant St.	Friday, Nov. 3rd, 2023	10:30 a.m. - 11:30 p.m. MT
Sioux Falls	City of Sioux Falls Planning	231 N. Dakota Ave.	Friday, Oct. 27th, 2023	12:30 p.m. - 1:30 a.m. CT
Winner	Tripp County Library	442 S. Monroe St.	Wednesday, Nov. 1st, 2023	3:00 p.m. – 4:00 p.m. CT
Custer	Custer County Public Library	447 Crook St.	Friday, Nov. 3rd, 2023	4:00 p.m. – 5:00 p.m. MT
Mitchell	James Valley Comm Center	300 W. 1st Ave.	Friday, Oct. 27th, 2023	4:00 p.m. – 5:00 p.m. CT
Pierre	River Cities Transit	1600 E. Dakota Ave.	Wednesday, Nov. 1st, 2023	6:30 p.m. - 7:30 p.m. CT
Huron	Peoples Transit	120 Wyoming Ave. SW	Tuesday, Oct. 31st, 2023	9:30 a.m. - 10:30 a.m. CT
Aberdeen	KO Lee Aberdeen Library	215 SE 4th Ave.	Wednesday, Nov. 1st, 2023	9:30 a.m. - 10:30 a.m. CT
Vermillion	Edith B Siegrist Public Library	18 Church St.	Friday, Oct. 27th, 2023	9:30 a.m. - 10:30 a.m. CT

Needs are Addressed by Intercity Bus Services

At virtually every meeting there was discussion of the needs that are being addressed by the current intercity bus services, and their value to the community. Many of the rural transit feeders/agents see the need for intercity access as part of their overall mission, one that needs to be addressed as part of the range of services they provide to their communities. They see it as having value for the community. It is seen as another service they can offer—many of them provide a high level of customer service as part of their agency mission, and providing intercity bus access is part of that mission, going above and beyond. These feeder services are important in providing accessibility to major hubs without having to drive.

Meeting attendees see the need being addressed by intercity bus service is for access for those without a car or the ability to drive as not everyone has access to a vehicle. It is seen as vital for many who have few options. While some riders use intercity bus services to visit family some use it for basic needs such as groceries, banking, and access to medical care—particularly more specialized care provided in distant locations. Some attendees see this access as vital for people in the disability community.

The population using intercity bus services in South Dakota is quite diverse, according to those attending the meetings. It includes the elderly, seasonal workers, students, low-income persons, tribal members, family groups and others—intercity bus services are needed to meet the travel needs of a wide variety of people.

Attendees identified a need for clarity and understanding of how different groups use bus services. With such a variety of users it is not surprising that people using the rural feeders have tickets everywhere. Many people traveling from South Dakota make long-distance trips by bus—they may be going to the west via Billings, southwest via Denver, east and southeast. There are also more regional trips to Rapid City, Sioux Falls and southern Minnesota. Despite the identified value of intercity bus access for persons with disabilities, the providers identified very limited usage by persons who are wheelchair users—it may be that its availability for non-drivers is highly valued, but this results in relatively few trips. Where accessible service was used, the providers report that the coordination of accessible trips has worked through additional training on intercity bus ADA requirements and lift-use would be desirable. More importantly accessible connections were made.

Service Connectivity and Reliability

Service connectivity is generally seen as reliable, but there are more issues now with cancelled trips, etc. Concerns about decline in reliability/cancelled trips by Jefferson Lines—need improved service consistency. Varying levels of confidence in using intercity bus services, influenced by factors such as phone usage, information accessibility, and ticketing—problematic for some without technology or savvy—but rural feeders/agencies provide high level of customer support. Bus delays and lack of real-time information access—need for better real-time information, methods for providing riders with more advance notice of cancellations, etc. There is more of a problem with early buses, and drivers missing stops (due to turnover in Jefferson Lines drivers). Generally good relations between feeder carriers, agencies, and the Jefferson Lines agents in Sioux Falls and Rapid City.

Schedules of existing intercity may not be convenient, and more frequency would make it easier for people to plan trips. This may be a need for more frequency in the network generally, as lower frequencies now may mean longer layovers in a distant location, more connections, or a need to spend the night. Difficult to use for long-distance medical trips, due to need for first-mile/last-mile, limited schedules/frequency.

Generally good access to ticketing, but specific issues were identified with the new ticketing system:

- Coordination with Jefferson Lines and Greyhound systems—different solutions may be needed for passenger issues depending on which platform they used to buy their ticket. If they have a Greyhound ticket the feeder or agent is unable to assist the passenger, they cannot pull it up or reissue it—but can only tell the passenger how to go on the Greyhound site and how to make the needed changes.
- Privacy concerns with the need to provide e-mail and phone (but often needed to alert passengers about schedule changes).
- Support (training, information) for transit provider use of the ticketing system is needed, particularly given the changes in the platform over the past year. This is especially an issue for the rural transit agencies. There is concern that the ticketing system may not be showing all the available feeder options—in some cases ridership has declined abruptly to almost nothing, suggesting a problem with the ticketing system.

Cost of Service

In several meetings a participant presented the perception that the cost of intercity bus service is too high, and that ticket prices fluctuate excessively. One possibility suggested is a subsidy to lower ticket prices (perhaps a user-side subsidy). An aspect of this concern about the cost of service is that ticket prices are not predictable. This may be a result of the type of variable pricing model now used by the intercity bus industry, which varies prices according to demand with lower prices for trips well in the future, and higher ones for a trip in the immediate future, and trips with more transfers and longer travel times priced lower. At any rate, the perception is that intercity bus travel is too expensive and that fares are not predictable.

Lack of Community Awareness

In most of the meetings an immediate reaction of some participants is that they were unaware of the availability of intercity bus options (and sometimes also unaware of local transit services). Others who knew about intercity bus services also expressed a concern that there was low awareness of existing services in their communities. This led to discussion of the need for more promotion of intercity bus services in particular, but also transit generally. There is a need for marketing support beyond that provided by Jefferson Lines to support enhanced marketing efforts. Suggestions included signage at depots, at stops, on buses—more information on public transit websites about the availability of intercity connections would also be desirable.

Among those not in the transit provider community there was a general lack of awareness of all public transit services, including the availability of non-emergency medical transportation (including long-distance services). There is a need for improved public information about rural transit service provider service areas, so members of the public are aware of the available providers. It was also suggested that participation in community events would be a good marketing technique, including presentations to community groups and health workers—about all transportation services including intercity bus. This was linked to a perception that there is a need for more coordination among rural transit providers.

Interviews with Intercity Bus Providers

Interviews were conducted with the five intercity bus operators in South Dakota; including Jefferson Lines, Aberdeen's Ride Line, People's Transit, River Cities Public Transit, and Standing Rock Public Transit. In addition, two rural public transit operators, Prairie Hills Transit (agent for Jefferson Lines in Spearfish) and Vermillion Public Transit (Jefferson Lines agent in Vermillion) were also interviewed. The section below provides a summary of the discussions around perceptions of the existing intercity services with more information from these interviews, focusing on unmet needs, provided in Chapter 5.

- All intercity bus feeder providers noted that intercity bus service has been a benefit to their communities. Residents and visitors have limited options for regional and national travel, and many people depend on these services.
- One limitation to the existing intercity bus network is service frequency and schedule times. Many riders are not able to make a return trip the same day and some riders must spend the night at a transfer location while waiting for their next bus.
- Local marketing or advertising for intercity bus services could be improved. While service information is readily available, some residents may not have knowledge or experience with the service. One provider commented that "intercity feeder services are promoted, but it's usually a footnote in the service portfolio."

Communication With Jefferson Lines

An issue raised in the public engagement and in the interviews with the local transit operators was a lack of communication from Jefferson Lines. There were two aspects to this, one was an inability to contact and communicate with a company representative when routes were cancelled or changed. Local officials, transit staff or planners did not know who to call to address concerns or issues, and were unable to find out who could respond. Transit feeder carriers expressed concerns about not having regular periodic communication with Jefferson, not having signed written agreements, issues with the new ticketing system and not getting support that was expected for marketing and promotion. At the same time, the feeder carriers described good communication at the operations level with Jefferson agents in Fargo, Sioux Falls and Rapid City regarding the transferring passengers, including those with needs for ADA accessible service. The perception is generally that there is a need for more and regular communication, and who to contact for different issues.

Engagement Surveys

An equally important aspect of the study in South Dakota is the public's perception of intercity bus service in South Dakota. KFH employed four surveys to target different groups to ascertain a wide range of data and opinions.

Transit Provider's Perceptions

The survey of public transit operators provides a glimpse of the perception of intercity bus services in the state. This survey consists of 12 questions that includes open ended responses, multiple choice questions, and a rating matrix (see Appendix B for a copy of the survey). Respondents were also asked if they would like to receive additional information on the study and if so, to leave their contact information. The survey of public transit providers was distributed via email as a word document. The survey was also made available online through Survey Monkey. A link to the survey and a QR code were provided at the bottom of the word document to facilitate easier and more numerous responses.

- The majority of transit providers indicated that there were nearby intercity bus services that provide their communities with trips to larger cities in South Dakota and to cities in other states.
- Respondents provided details about available intercity bus services including the companies, schedules, and some stop locations. The most common intercity bus provider is Jefferson Lines. People's Transit and Standing Rock transit were mentioned as key feeders into the intercity bus network.
- When asked how the public would learn about the existing intercity bus services, several different responses were given including the bus company's website, local radio stations, calling the bus company on the telephone, word of mouth, and physical signage.
- Most transit providers said that information on intercity buses was readily available and easy to navigate, with a few indicating it was not easy or readily available.
- The ticketing process and ease of obtaining a ticket was said to be easy and could be completed on either the transit company's website or Jefferson Lines' website in most cases. Other transit operators said they will print out physical tickets for passengers and that some passengers reserve tickets by phone and pay cash to the driver.
- The respondents were given a rating matrix in which they were asked to rate 22 attributes of intercity bus service on a scale from 1-10, with 1 being the worst and 10 being the best. The attributes with the highest ratings were personal safety, the condition and cleanliness of the vehicles, assistance with mobility devices/boarding, and driver friendliness. The attributes with the lowest scores were schedule flexibility, availability of luggage space, availability of information, ease of getting a ticket/arranging a trip, and frequency of service.

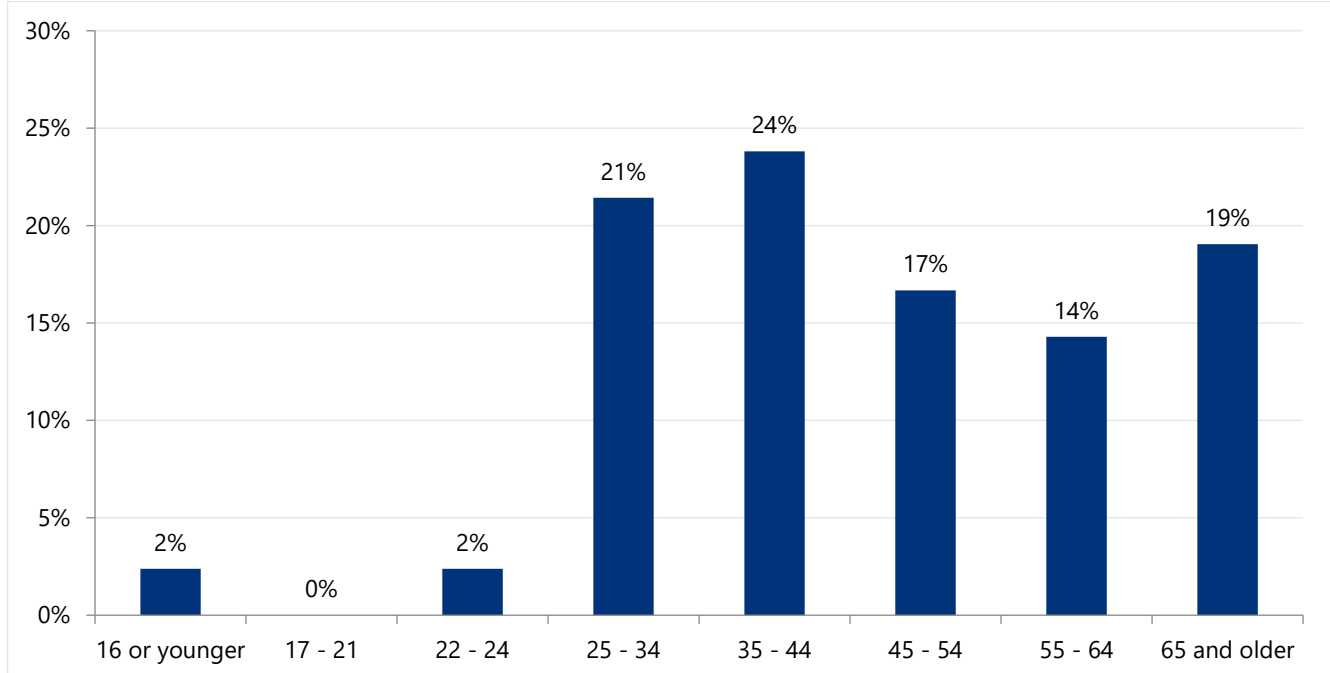
South Dakota Intercity Bus Rider Survey

To better understand the characteristics and perceptions of intercity bus riders in South Dakota, the study team prepared a survey oriented to the bus riders (Appendix C), which was distributed to bus riders between November 15, 2023, and January 15, 2024, by Jefferson Lines bus depot personnel and the staff at rural intercity bus depots. A QR code link was also provided on the survey form, and some riders completed the survey on-line as well. Forty-nine surveys were ultimately completed for analysis. While this sample is small, the results do offer insights into the population that uses the intercity bus.

Who Uses Intercity Buses, Where are they Going, and Why?

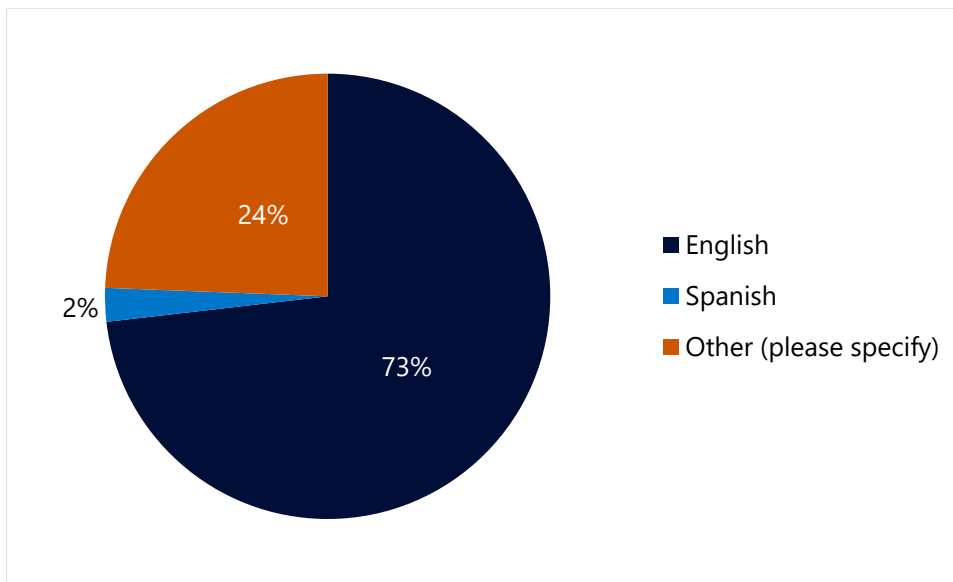
Intercity bus riders who responded to the survey were in the adult categories, with the largest percentage in the 35-44 year age group, with a similar percentage in the 25-34 year old group. Nearly 20% of riders were also 65 or older, as can be seen in Figure 3-1. Most notable is the almost complete absence of 17-21 year old riders, and the low percentage of 22-24 year olds. This is very different from most state surveys, where these age groups make up a very large percentage of intercity bus riders. It suggests that college student ridership is minimal in South Dakota.

Figure 3-1: Age of Intercity Bus Riders in South Dakota



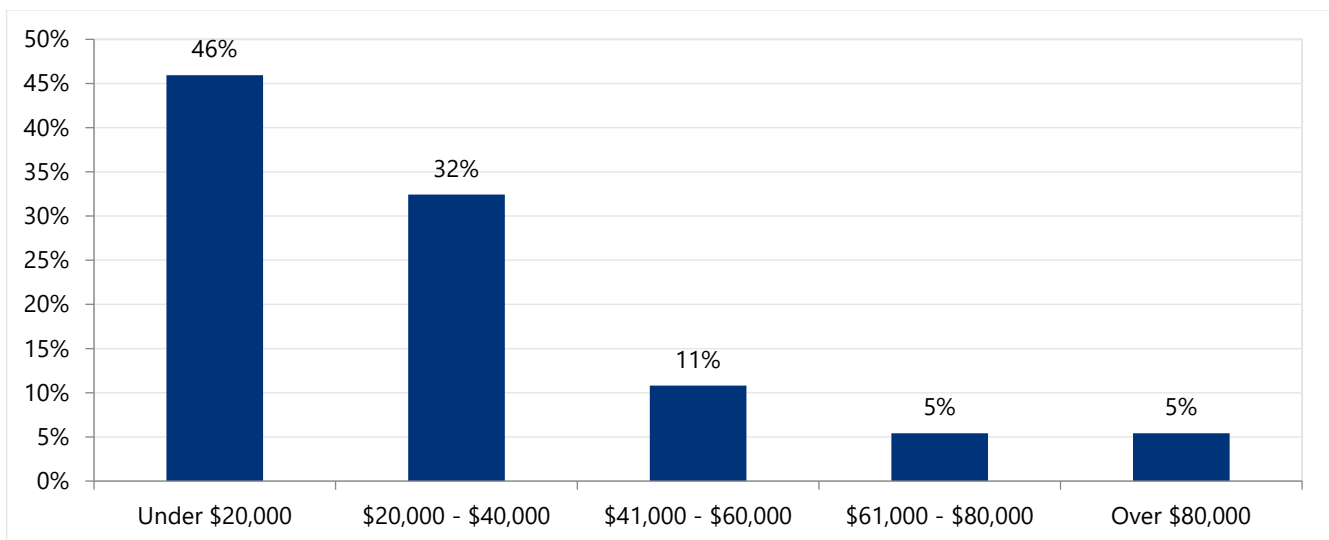
South Dakota is also unique in terms of the reported language used at home. Figure 3-2 illustrates language usage by intercity bus riders. While over 70% of riders speak English at home, few of the respondents speak Spanish at home, but a significant number reported that they speak Sioux or Lakota in addition to English (and in some cases Spanish).

Figure 3-2: Language Spoken at Home



Intercity bus riders in South Dakota reported low household income levels, as shown in Figure 3-3. Over 45% reported a household income under \$20,000, and another 30% reported a household income between \$20,000 and \$40,000.

Figure 3-3: Household Income of Intercity Bus Riders



The income levels may reflect the employment status of many intercity bus riders in South Dakota. Figure 3-4 presents the survey results regarding employment status. While 27% said they were employed full-time and another 15% reported they are employed part-time, nearly 20% said they are not employed, and another 22% are retired. The low percentage of student riders (5%) was reflected in the low usage by younger population groups mentioned above.

Figure 3-4: Employment Status

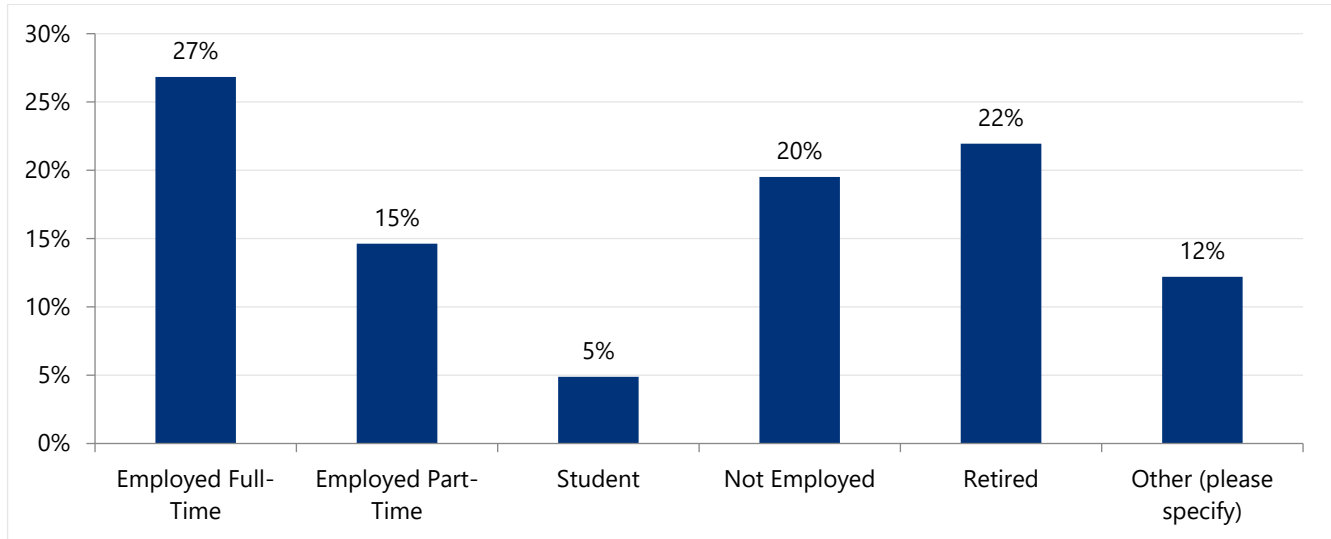
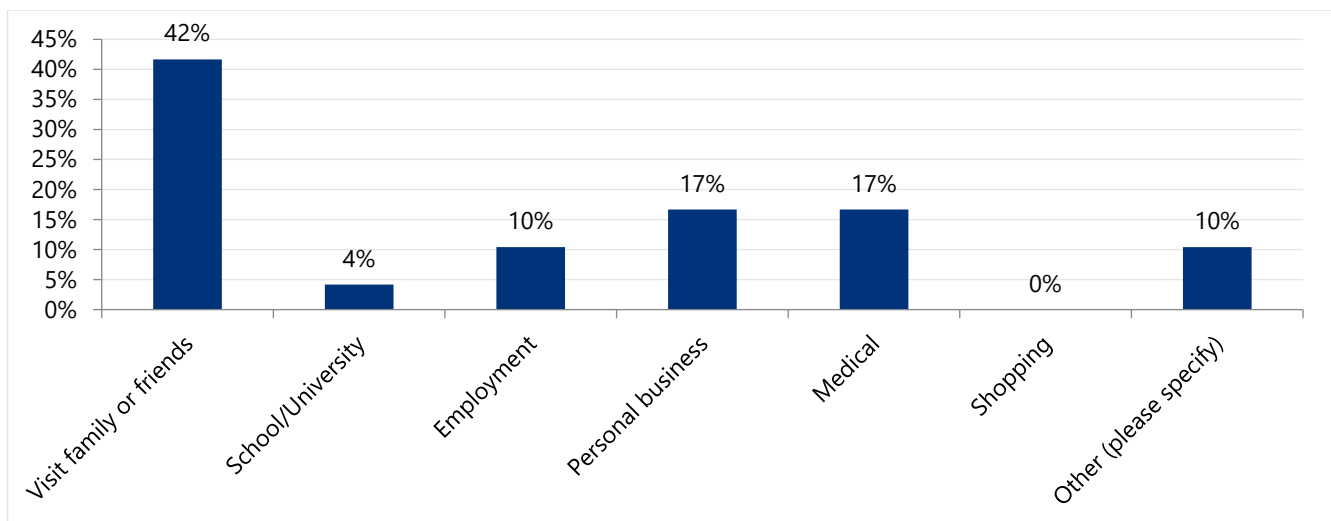


Figure 3-5 presents the reported trip purpose of South Dakota intercity bus riders. These percentages are typical of intercity bus riders generally, who are travelling primarily to visit family or friends. The percentage of riders in South Dakota traveling to school or university is small in comparison to national trends, and the percentage of medical trips is higher at over 15%.

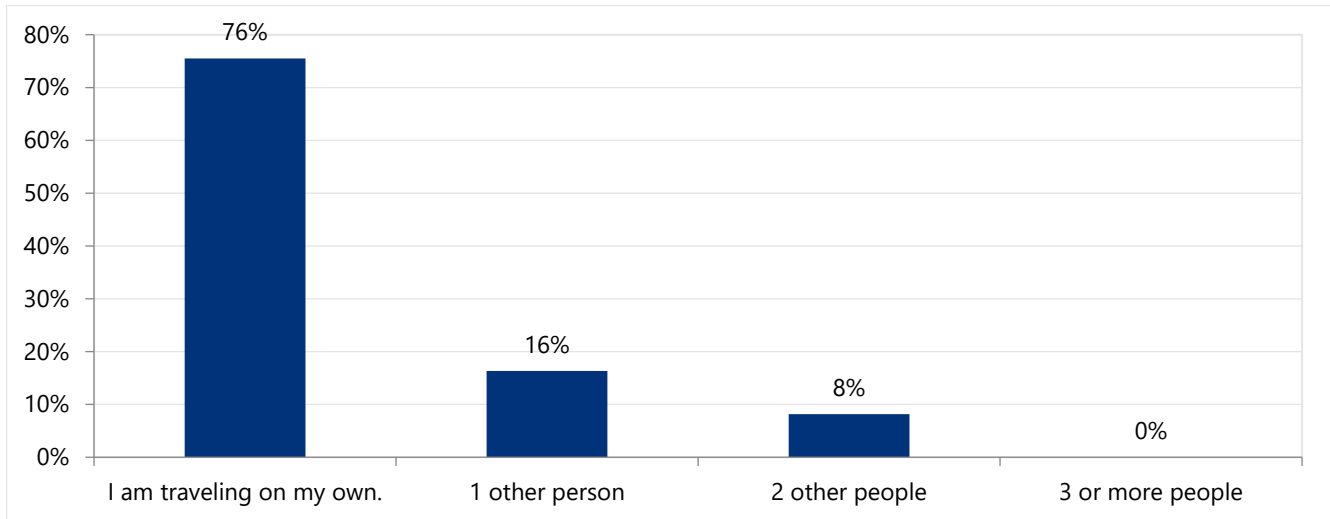
Figure 3-5: Trip Purpose



Travel Alternatives

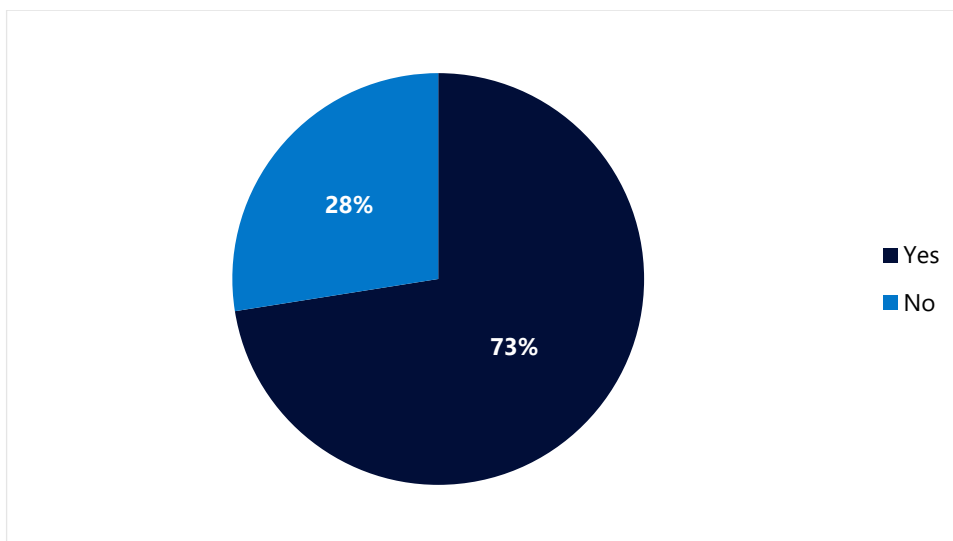
Figure 3-6 reflects the fact that most intercity bus riders are traveling on their own, and rarely in groups. This often reflects the fact that a bus trip may be cheaper for one person, but if two or three are traveling together the cost of sharing the drive is lower than multiple fares.

Figure 3-6: Travel Party Size



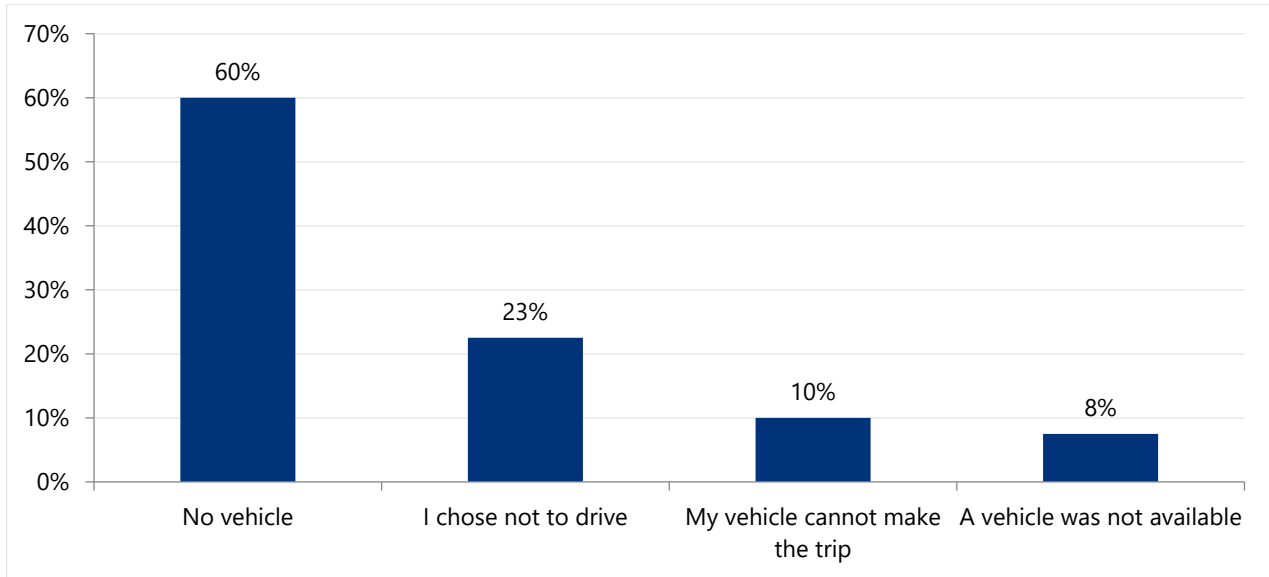
Sometimes the reason that a person takes the bus is that they lack a driver's license, but as can be seen in Figure 3-7, most riders in South Dakota have a driver's license.

Figure 3-7: Availability of a Driver's License



Though most South Dakota intercity bus passengers have a driver's license, having a vehicle available that can make a long-distance trip is more of a barrier to driving. Figure 3-8 presents vehicle access information from the survey. Sixty percent of South Dakota bus passengers did not have a vehicle, another 10% have a vehicle that cannot make a long-distance trip and 8% have a vehicle but it was not available. Twenty-two percent have a capable vehicle but chose not to drive.

Figure 3-8: Vehicle Access



Surprisingly, a significant percentage of respondents chose the intercity bus for their trip because they see it as having a short travel time. Figure 3-9 reports their reasons for taking the bus. The bus must fit their schedules well because intercity buses with multiple stops typically take longer than driving. Air travel involving a flight to a hub airport and a connecting flight is actually longer than some more direct bus trips (for example between Rapid City and Sioux Falls). Also noteworthy is that 25% of the riders had no other option.

Figure 3-9: Reasons for Taking the Bus

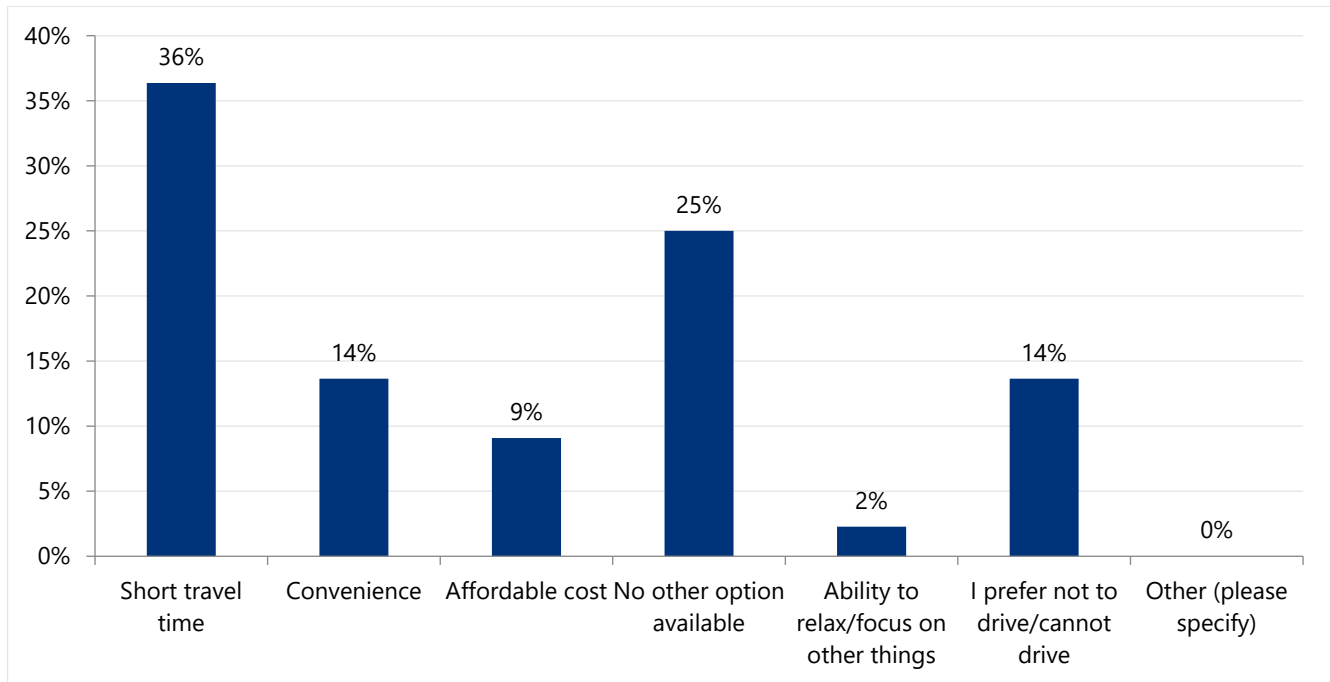
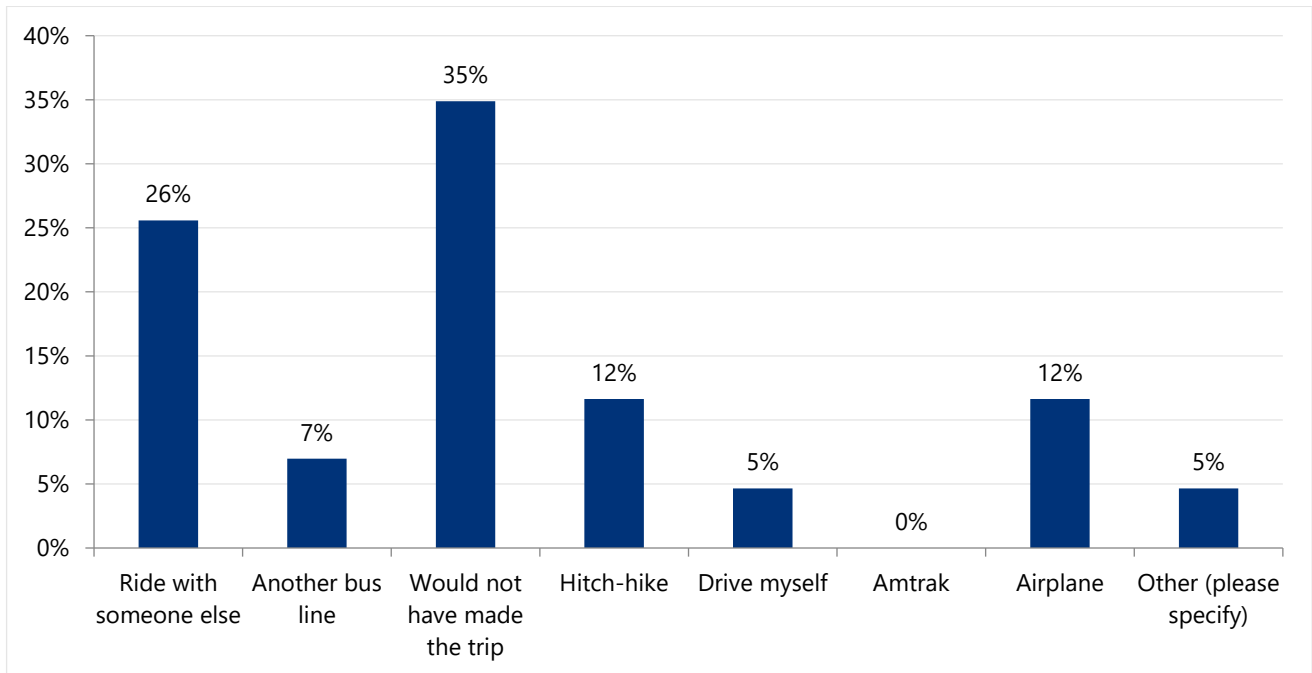


Figure 3-10 reflects the alternatives that bus riders would have had to use had the bus not been available. Significantly 35% of riders would not have made the trip, reflecting the key role of the intercity bus in providing mobility. Getting a ride from someone else was the most common alternative, but hitchhiking and taking a plane had the same response at just over 10%. In contrast to many other states, few saw the option of driving themselves as the way they would made the trip (5%), reflecting the low auto availability and desirability of driving themselves.

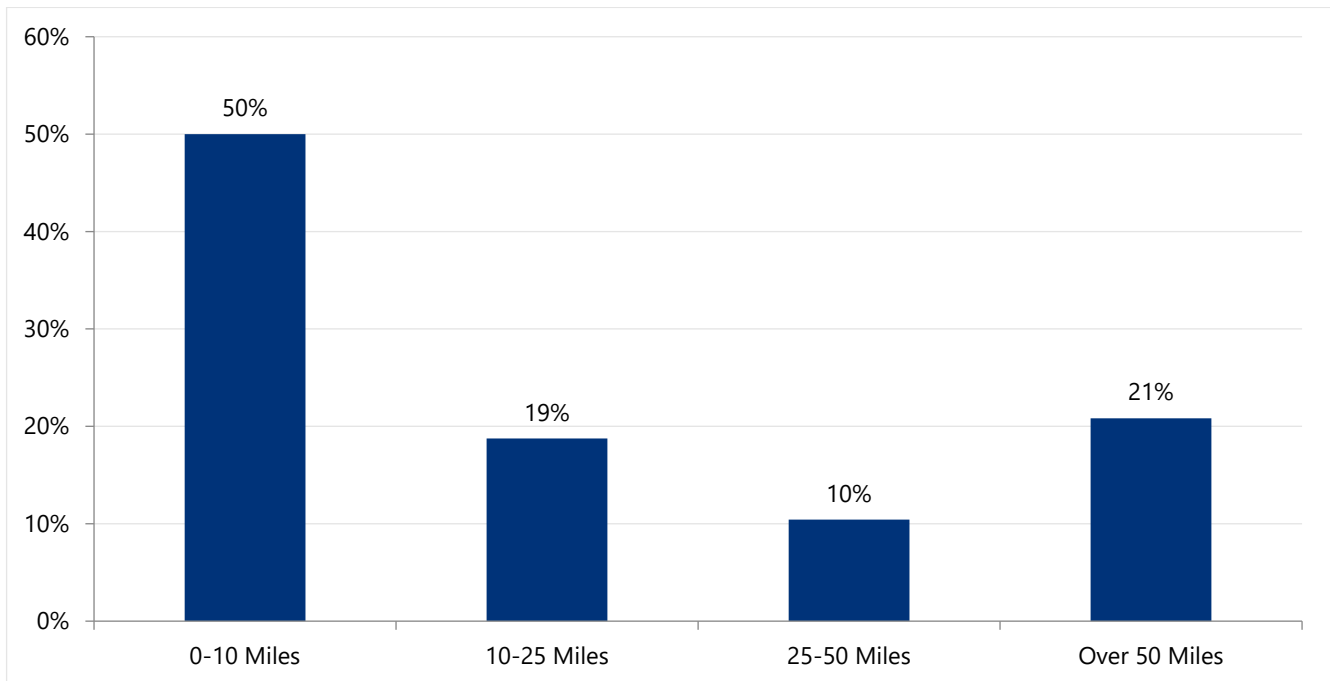
Figure 3-10: If Bus Service was Not Available



About This Trip

Typically most intercity bus trips originate within 25 miles of a stop. Figure 3-11 shows that this is true in South Dakota also, with half of all passengers traveling less than ten miles to reach the bus, and another 18% traveling between ten and 25 miles to reach the bus. The high percentage (20%) of riders who traveled 50 miles, or more is unusual, and may reflect the low population density of the state, or utilization of the feeder services to reach the Jefferson Lines bus routes.

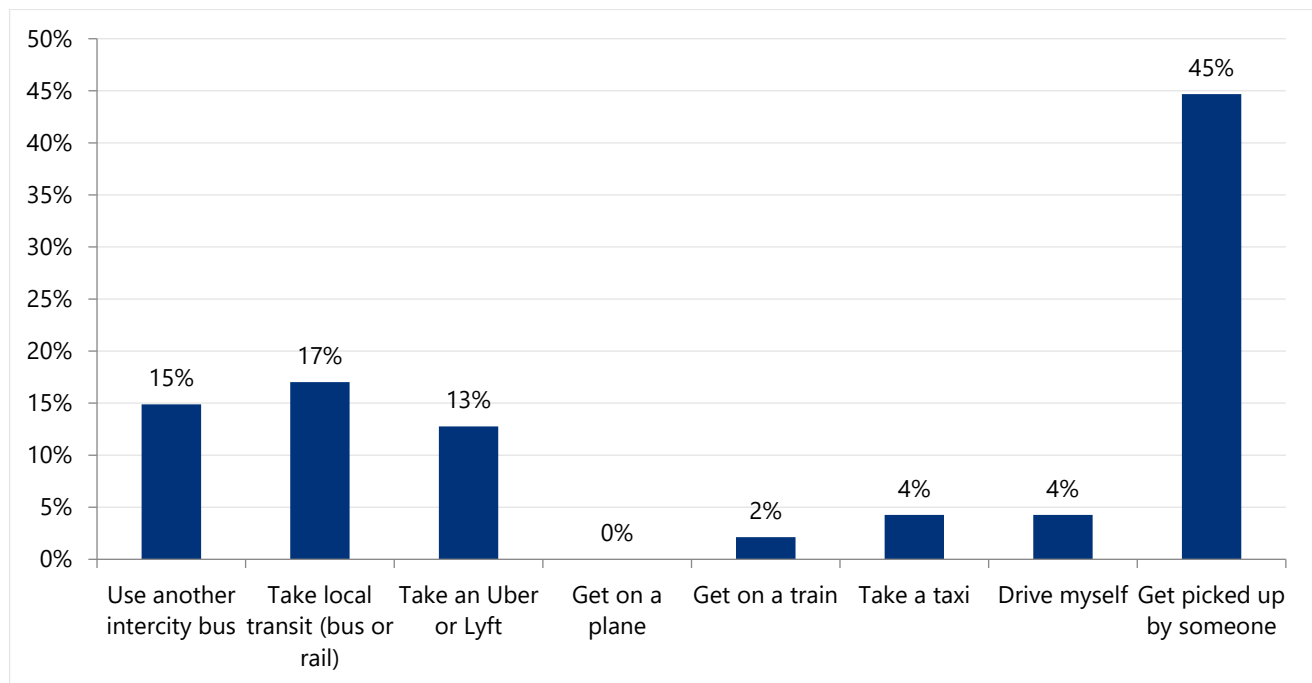
Figure 3-11: Distance to Boarding Stop



Where are they going? Destinations reported by riders reflected both in-state and out-of-state long-distance trips. Some utilize connections involving the feeders—Rapid City to Huron, or Rapid City to Pierre. About 25% of this sample was going to/from Sioux Falls (though the sample is biased because most were for trips to/from Rapid City or Spearfish). Other trip destinations included New York, Los Angeles, Seattle, Minneapolis, Omaha, Billings, Denver.

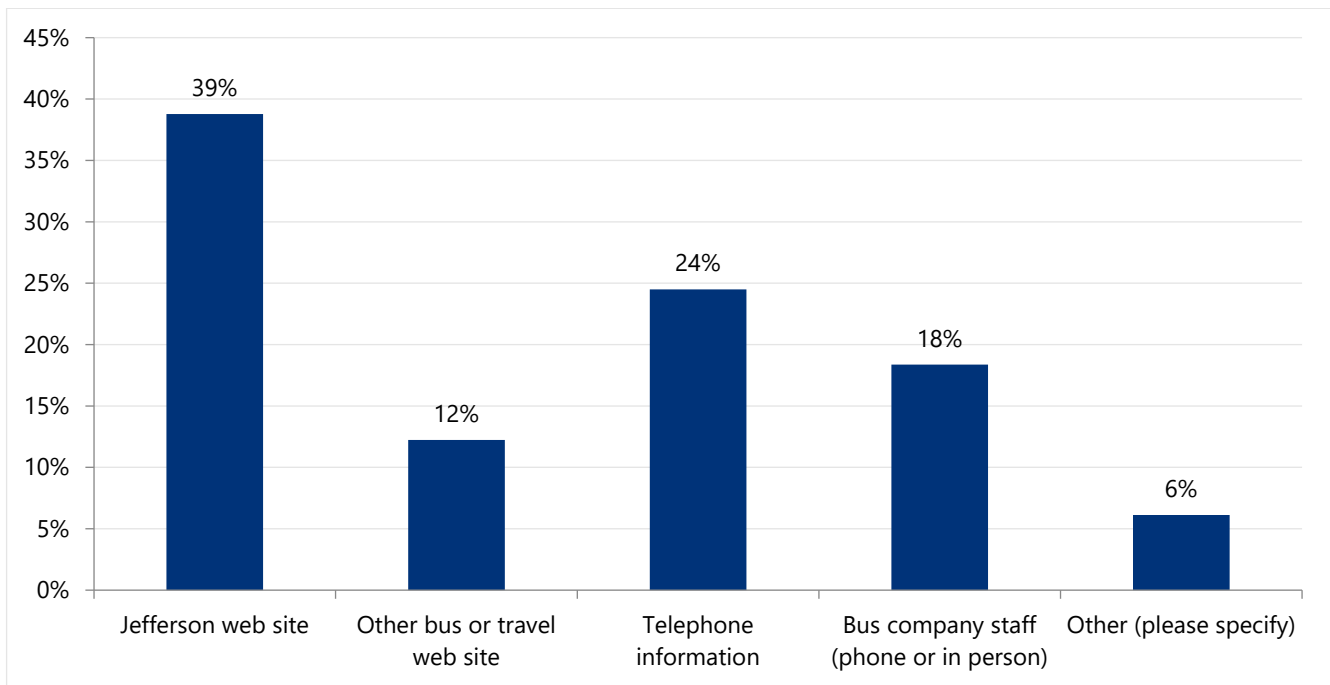
A significant percentage of passengers use local transit at their destination and almost as many transfer to another intercity bus, but most will be picked up by someone to reach their final destination. Figure 3-12 presents modal connections of South Dakota intercity bus riders.

Figure 3-12: Access at Destination



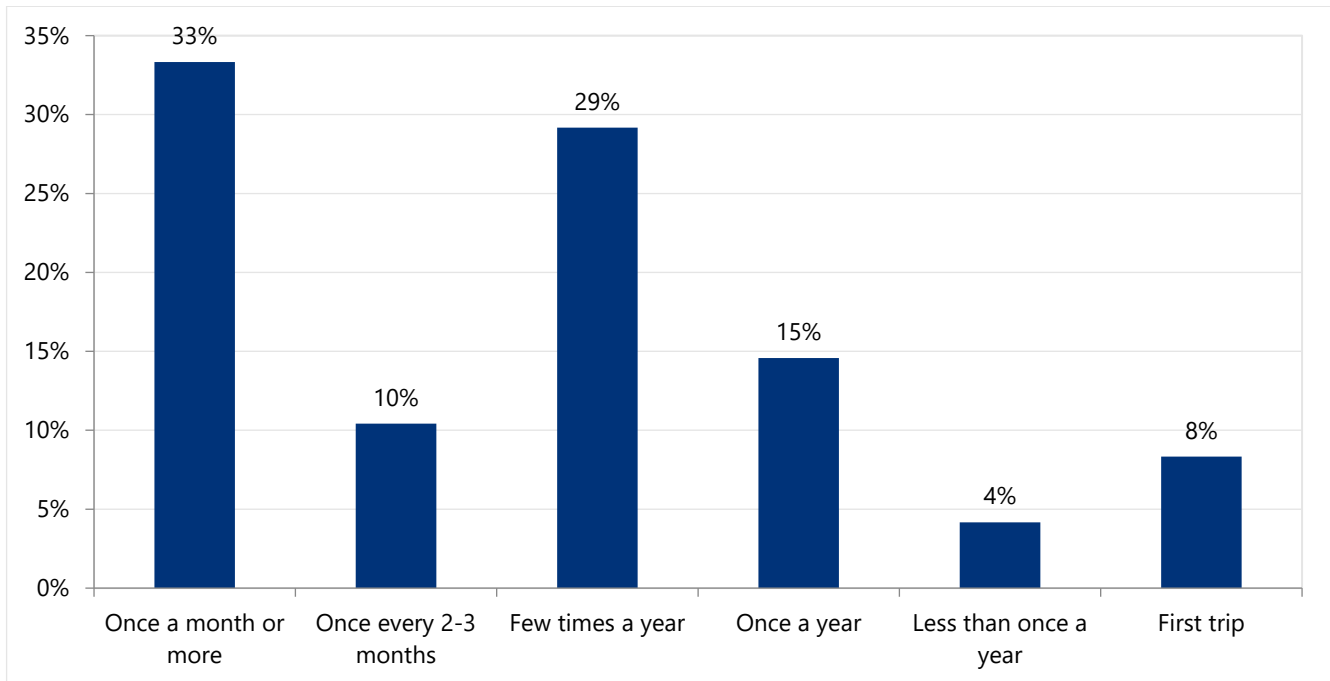
While South Dakota bus riders utilize web sites to obtain travel information, these percentages are lower than national averages. Figure 3-13 presents the source of information reported by the surveyed riders. Telephone information (25%) and bus company staff (phone or in person) at 18% were both significant information sources and reflect their continued importance in South Dakota.

Figure 3-13: Source of Information



Riders who responded to the survey have some experience in riding intercity buses, with over 30% riding once a month or more often, and another 10% riding once every 2-3 months, as shown in Figure 3-14.

Figure 3-14: Frequency of Use



Perceptions Regarding the Service

Figure 3-15 presents rider evaluation of the intercity bus service. On a scale of 0 to 10, with ten representing the best and zero the worst rating, only two items fell below 9.1 in overall weighted scoring: on-board wi-fi and availability of long-term parking at stops. Schedule information, the boarding process, availability of luggage space, and accessibility for persons with special needs were rated the highest at over 9.8.

Figure 3-15: Service Rating

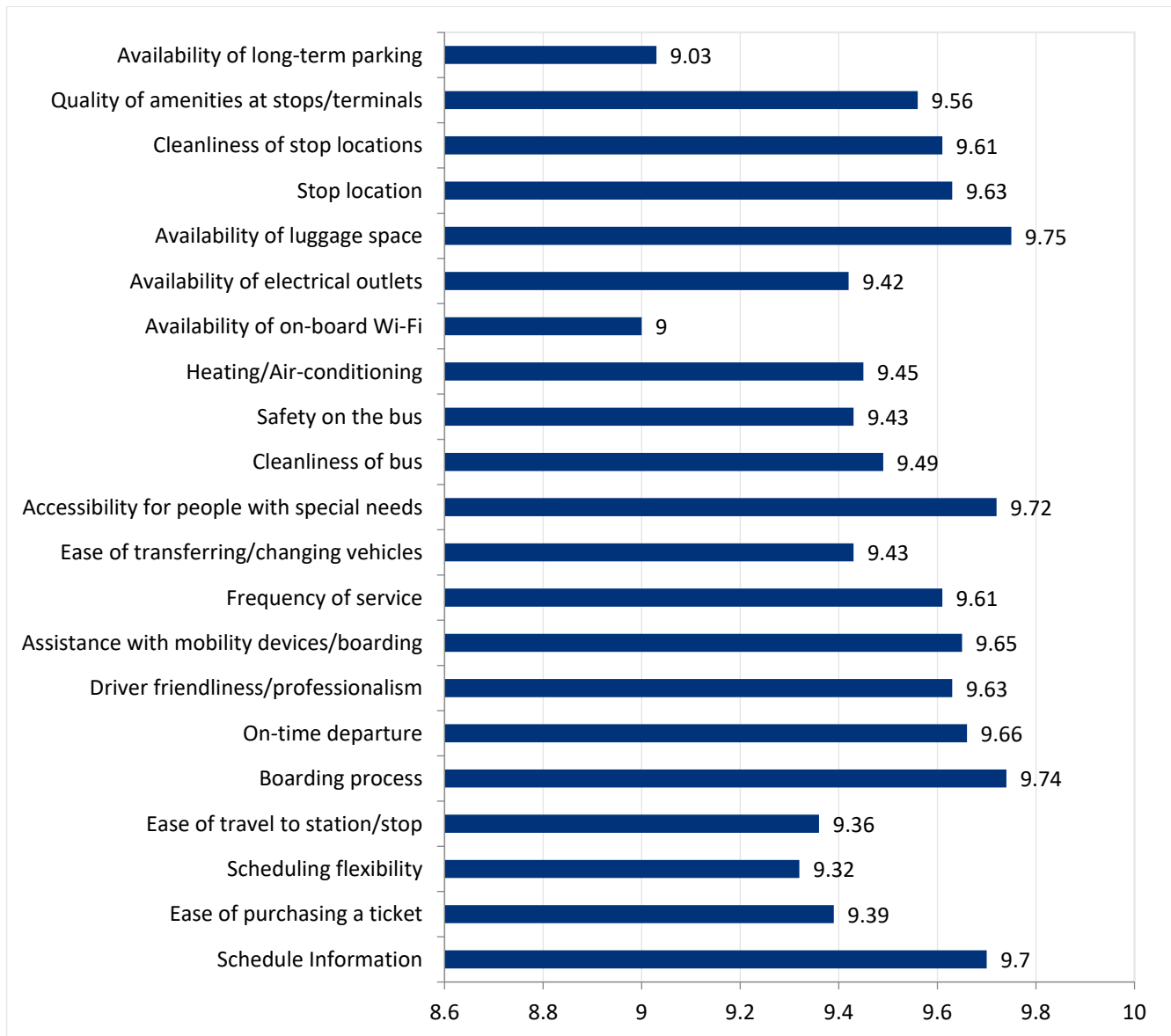
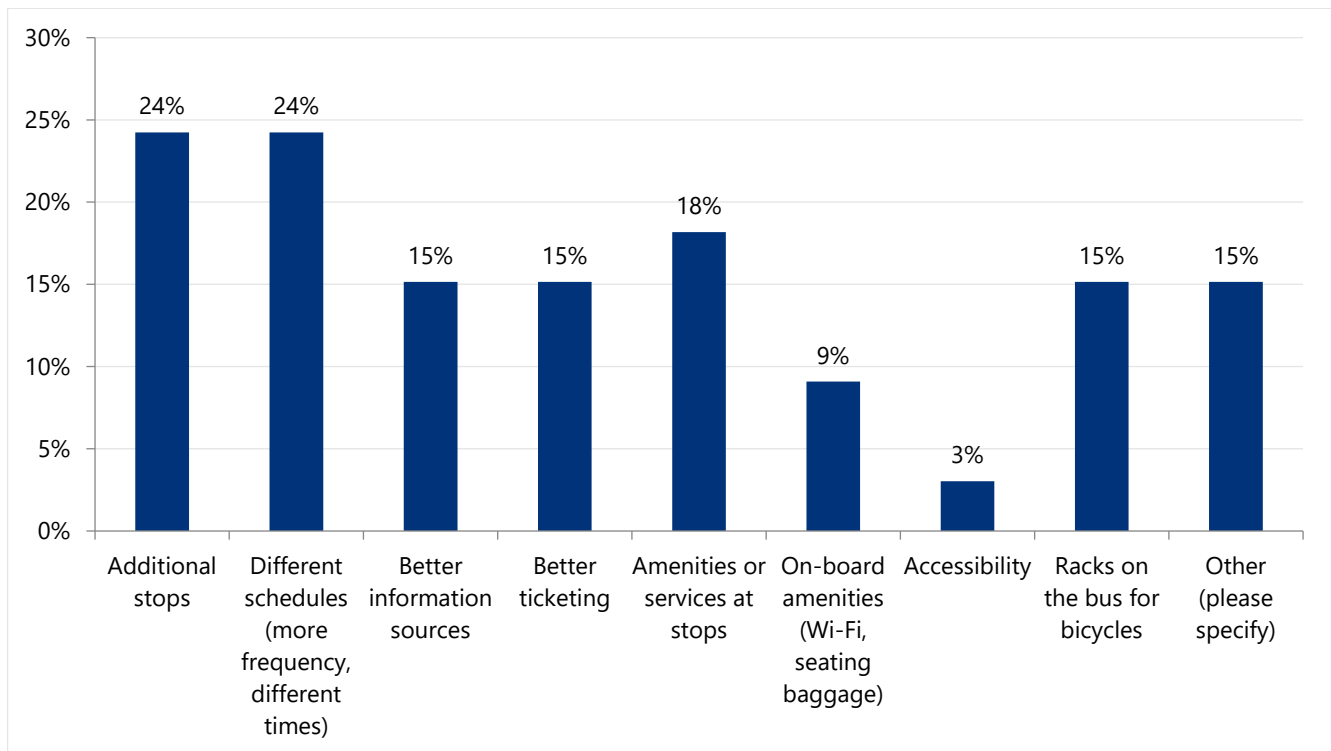


Figure 3-16 lists the preferred improvements to the service. Additional stops and different (or more) schedules both were cited by nearly 25% of respondents, followed by amenities or services at stops. Better ticketing, better information, bicycle racks on the buses, and others were all equally preferred by 15% of riders. Improved accessibility was mentioned, but by a very low percentage of riders.

Figure 3-16: Desired Areas of Improvement

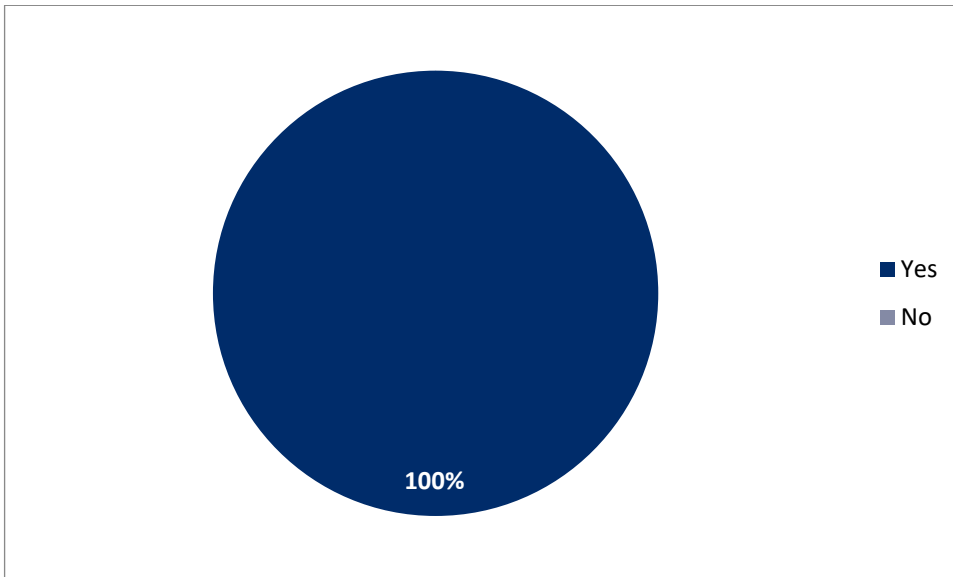


Finally, in terms of overall perception of the service, 100% of the riders surveyed would recommend this service to others (Figure 3-17). This is very unusual, as often customer survey responses are biased toward negative responses as persons with complaints are more likely to complete the survey. The comments provided by riders are reflective of a very positive perception of the service:

- I love Jefferson Lines. Very amazing. Please don't get rid of them.
- Thanks for the service
- first time!
- Maybe cheaper to fly
- Everything was great. Bathrooms were clean, staff was very helpful helping me find other transportation locally
- Jeff is a good bus line. Very nice. Thank you.
- The service is great, but the lack of availability of more stops and different schedule would make it an excellent service.
- Thank you
- Thumbs up!
- Thanks for the service

- Always very good
- Keep on doing what you're doing!
- Use Prairie Hill Transit. Don't know what I would do without it. Much needed service for me.

Figure 3-17: Recommendation of the Service



Summary Regarding Rider Characteristics and Perceptions

Although the rider survey represents a small sample of the intercity bus riders in South Dakota, it illustrates a number of the unique aspects of the intercity bus market in the state. The population using intercity buses in the state tends to be older than in many places, largely adults of working age, and a significant number of riders are over 65. There are relatively few young people riding intercity buses in the state, as there are few students on the buses. Although the riders generally are employed or retired, the bus-riding population has low household incomes. Most riders have a driver's license, but did not have a vehicle for these trips. South Dakota's intercity bus riders are similar to those across the country in that they travel primarily to visit family and friends, but medical trips make up a higher percentage than in many places. Many of the riders surveyed are relatively frequent users of intercity bus services. Riders thought service was convenient, but many had no option—they would have hitchhiked or not taken the trip if the bus was not available. In South Dakota there is relatively high usage of the telephone and bus agency staff for information, despite the availability of websites. Users rate the quality of service very highly. The improvements they desire basically include more service—more schedules, more stops—and some amenities such as better Wi-Fi and bicycle racks on the buses. These desired improvements reflect the desire for more of something that works. The perception of the service is very high among the surveyed respondents—100% of those surveyed would recommend it to others.

Conclusions Regarding Perceptions of Intercity Bus Service in South Dakota

The overall perception of intercity bus services in South Dakota is generally positive. Most populated places have access to the intercity bus network to some degree and tickets can be obtained from several different sources. Buses are clean and well-maintained, and the drivers have a high level of friendliness and professionalism. However, there is still room for improvement in the system. There is a need for improved communication between Jefferson and its partners, including the feeder carriers, the SDDOT and other local public officials. While there are several different sources of information on intercity buses, the availability of information could be wider and further reaching. Bus schedules could be more flexible in meeting the travel needs of South Dakotans. When asked what they would change about this service, most of the transit providers indicated they would not change anything. Some would change the frequency or flexibility of bus service, and others would change how information is distributed. Riders were quite satisfied, and desiring more service of this type, and some amenities (bike racks on buses, better wi-fi)—but 100% would recommend the service.

Chapter 4

Unmet Needs – Demographic Analysis

Introduction

This chapter presents an assessment of the gaps in the existing intercity bus network and unmet needs, examining demographic data and key destinations across the state. The existing intercity network was defined in Chapter 2, this is used as the basis for the unmet needs analysis.

The first process to assess unmet needs is to compare the access offered by the existing network to the residential location of persons with a higher need for public transit, including autoless households, persons living below poverty, persons over 65, and young adults 18-24. The total population of towns (potential stops) and population densities are another key consideration – the location of concentrations of population with relatively high transit needs effectively defines potential trip origins.

Population Served by Existing Intercity Bus Network

South Dakota's intercity bus network plays a vital role in the state's transportation network, connecting various populations across an expansive and diverse landscape. Examining the current population that uses this service provides some insight into its functionality and efficiency. South Dakota's population, like many states in the high plains, is concentrated in a few cities and towns, many of which are in the eastern half of the state, east of the Missouri River.

South Dakota's population is estimated to be 909,824 (2022 ACS Estimate). The current intercity bus network, including the rural intercity feeders, serves the majority of the state's population. Well over half, or 67%, of the state's population is within 10 miles of an intercity bus stop (see Figure 4-1). An even greater amount, 85%, are within 25 miles of an intercity bus stop in South Dakota. Though schedule frequencies play a large role in the efficiency of the intercity bus network, this is already very broad coverage across a large state and a good foundation to build off.

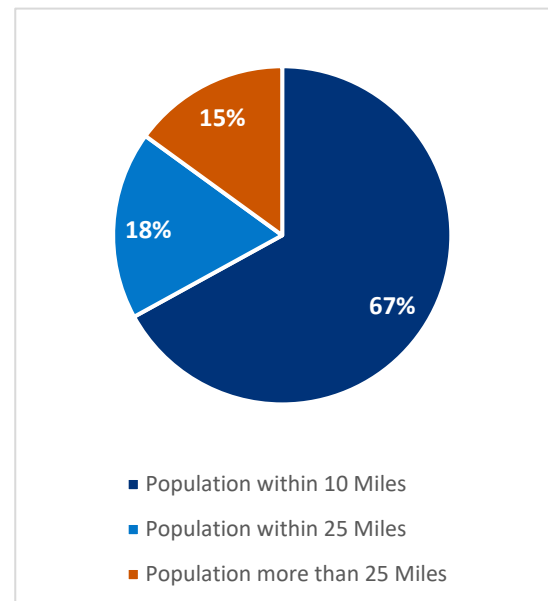


Figure 4-1: South Dakota Population Percentage by Proximity to Intercity Bus Stop

Demographic Analysis of Unmet Needs

To understand the service gaps throughout the state, a demographic analysis was performed to identify populations that likely have a high need for intercity bus to meet their long-distance travel needs. The relative need for intercity bus is determined by analyzing various demographic areas such as:

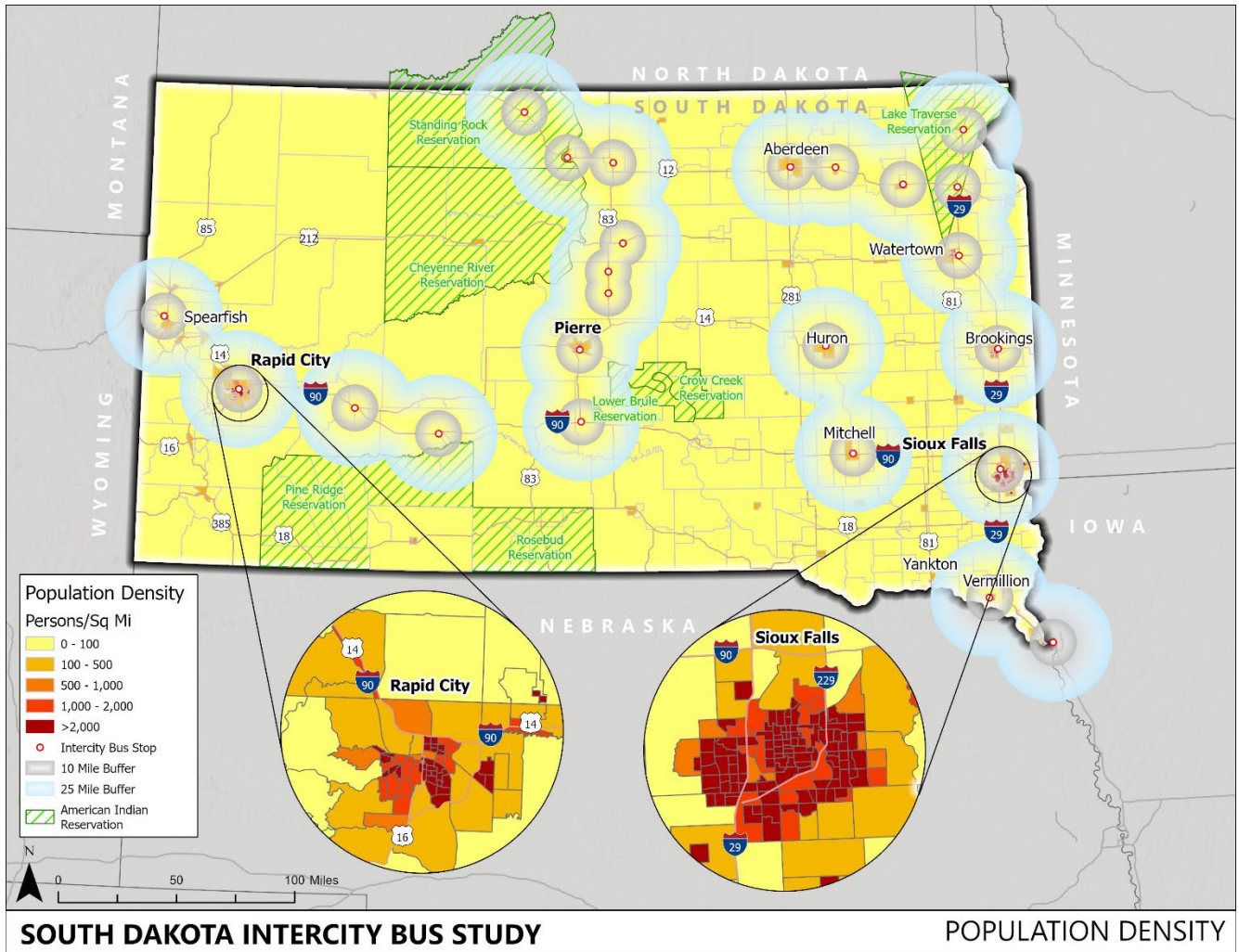
- Population/Population density
- Young adults (ages 18-24)
- Older adults (ages 65 and older)
- People living at or below the poverty line
- Autoless households

Another consideration for gaps and needs are trip generators, locations that would likely draw a large number of people from a wide area such as hospitals, universities, military installations, and large employers. While the present intercity bus network generally provides good coverage across the state, the gaps and needs of these populations will be identified in this section.

Population Density

Population density stands out as a highly reliable indicator of the success of public transportation. South Dakota's population density lies at both ends of the spectrum, with some census blocks having less than 1 person per square mile and the most densely populated having 12,800 people per square mile. However, most of the state is characterized by vast areas of very low density. The present intercity bus network provides service to most of the higher and medium-density areas of the state. Again, considering the existing coverage area, 85% of South Dakotans reside within 25 miles of an intercity bus stop. This coverage, paired with population density can be shown in Figure 4-2, means there are only a handful of medium to low-density areas that fall outside of the 25-mile radius of the intercity bus stops. Some of the locations that fall outside of the 25-mile radius include Hot Springs, Winner, Yankton, and Madison.

Figure 4-2: Population Density in South Dakota



SOURCE: 2020 POPULATION, US CENSUS BUREAU

Population

Figures 4-3, 4-4, and 4-5 compare the places served by the existing intercity network with the populations of Urban Clusters and Urbanized areas in the state, using different thresholds to illustrate the unserved towns at different population levels. Figure 4-2 shows all towns in the state with a population greater than 2,500. One readily apparent thing is that there are many small towns, with relatively few having a greater population. Study of the map reveals that there are only five locations with populations over 2,500 that are more than 25 miles from an existing intercity bus stop:

- Hot Springs
- Pine Ridge
- Winner
- Yankton, and
- Madison

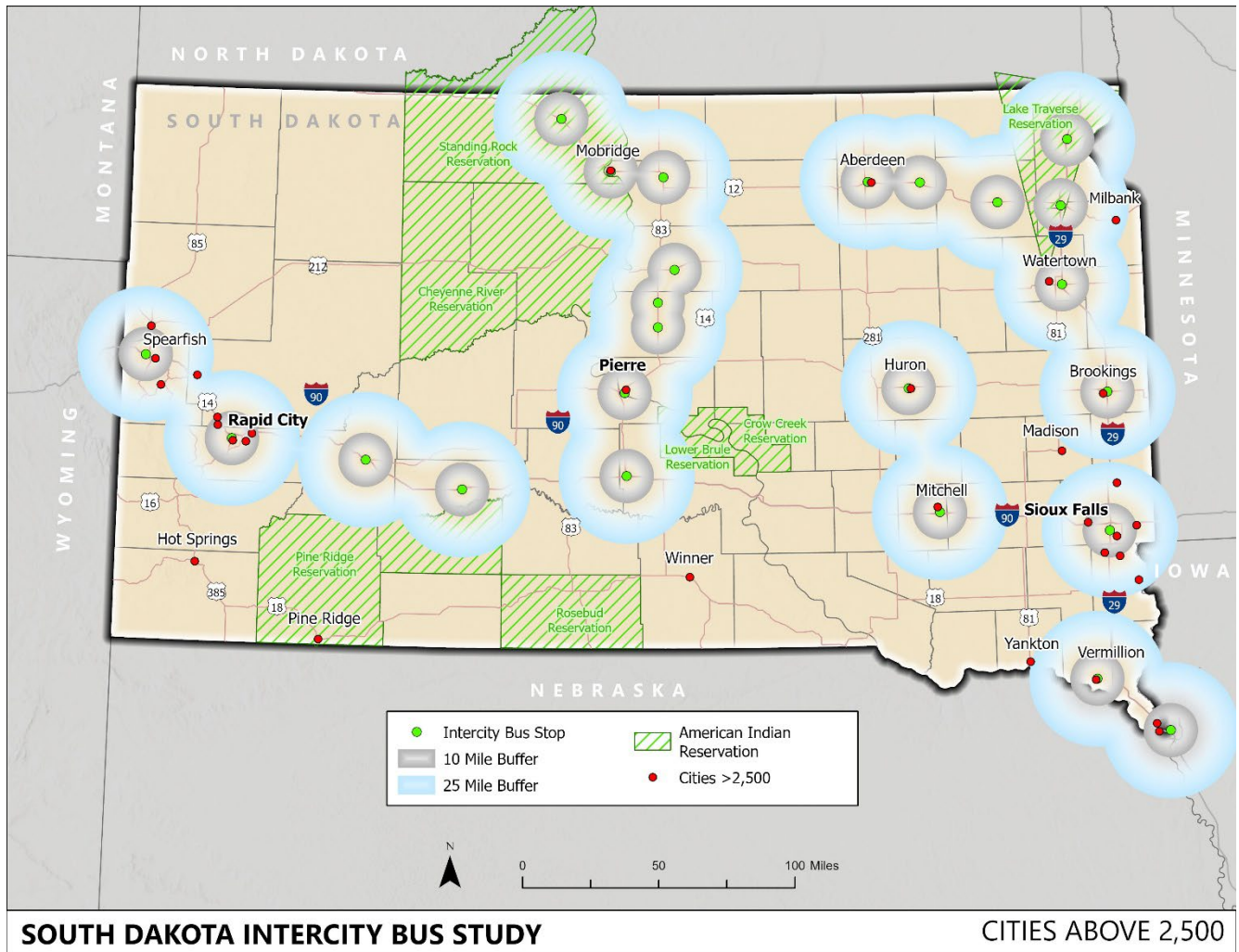
Twenty-five miles is used as the standard because previous studies in rural areas have shown that almost all intercity bus riders travel 25 miles or less to reach their intercity bus stop. Also, in many areas, access trips shorter than this distance can potentially be arranged using local rural public transportation services. In this case, Yankton, and Madison are each at the edge of the 25-mile catchment area. Whereas Hot Springs, Pine Ridge, and Winner are more distant.

Figure 4-4 raises the threshold of evaluation to 5,000 persons. In this case, only Madison and Yankton are outside the catchment area.

Finally, Figure 4-5 shows that all towns greater than 10,000 persons are served by the existing intercity bus stops.

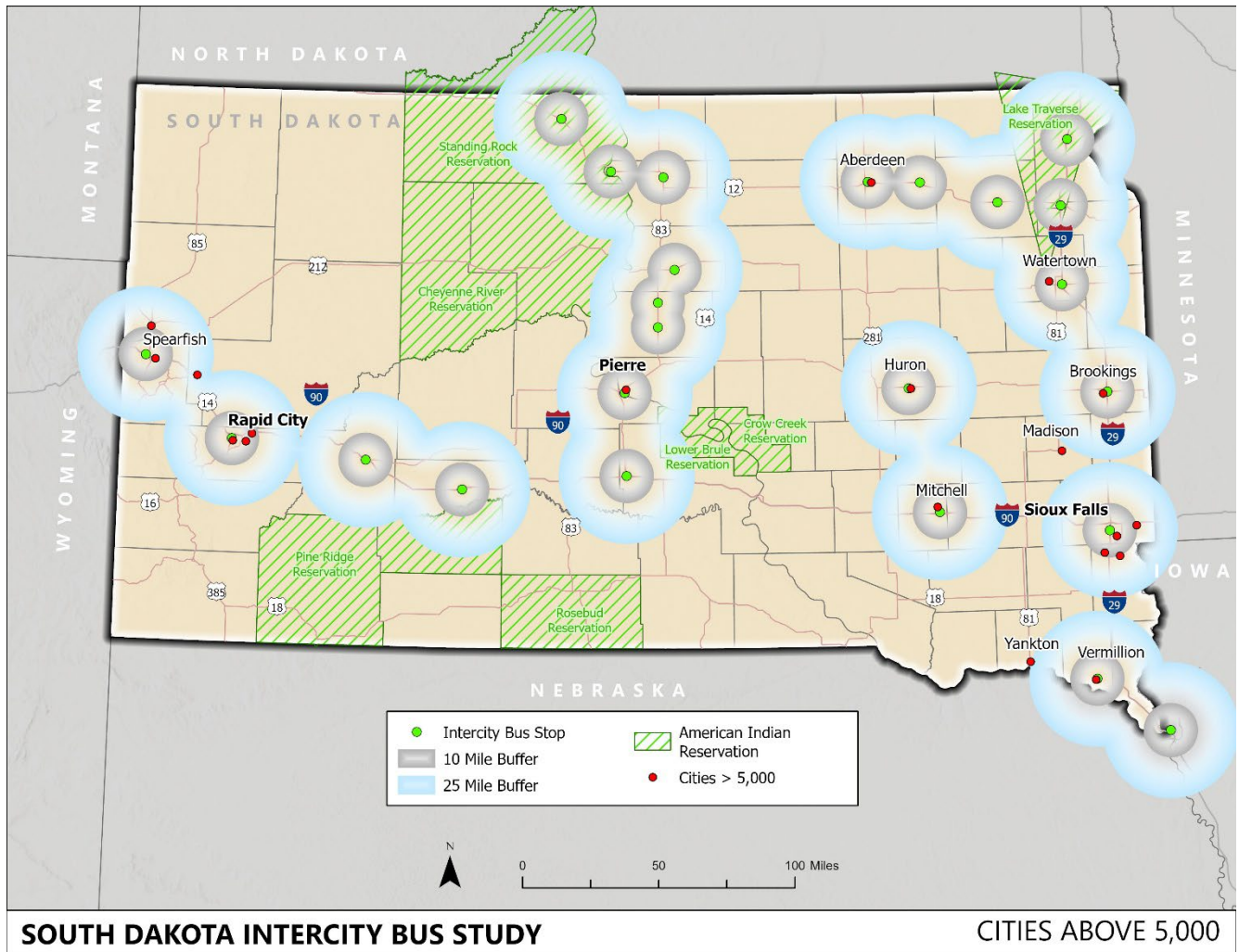
Though there are many towns with under 2,500 population, they are unlikely to produce sufficient intercity bus ridership to justify service designed specifically to link them to the national intercity network. Based on trip rate data for trips over 100 miles from small towns, and the general intercity bus mode share of 2%, over the course of a year a town of 2,500 would generate less than a trip per weekday. They might warrant a stop on a route otherwise justified by larger population centers. Based on the population distribution of South Dakota and the existing intercity network, the rationale for additional routes may be the need to service populations with a high level of transit dependence, to service key destinations, or to provide improved connectivity.

Figure 4-3: South Dakota Towns Greater Than 2,500 in Relation to the Intercity Bus Catchment Area



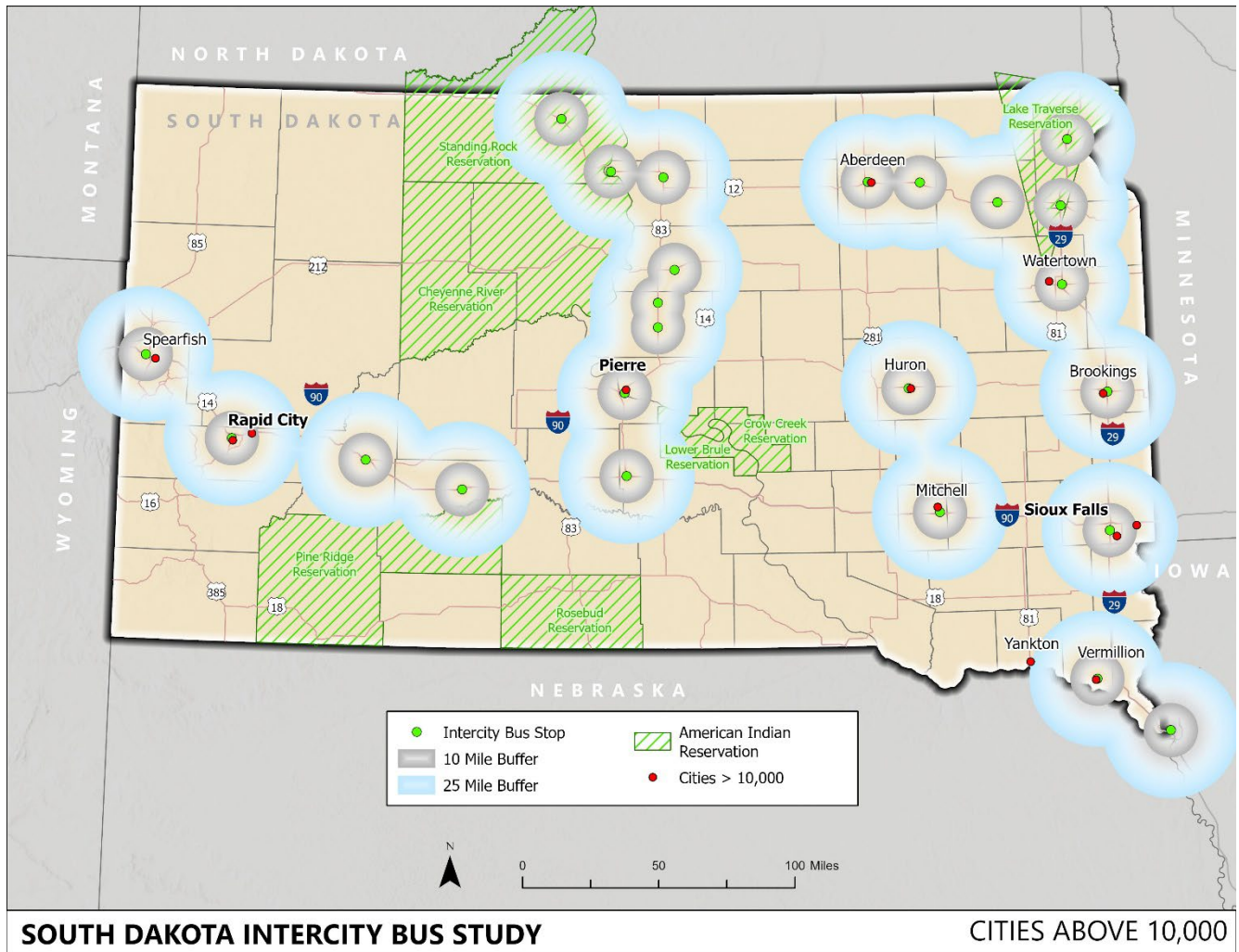
SOURCE: 2020 POPULATION, US CENSUS BUREAU

Figure 4-4: South Dakota Towns Greater Than 5,000 in Relation to the Intercity Bus Catchment Area



SOURCE: 2020 POPULATION, US CENSUS BUREAU

Figure 4-5: South Dakota Towns Greater Than 10,000 in Relation to the Intercity Bus Catchment Area

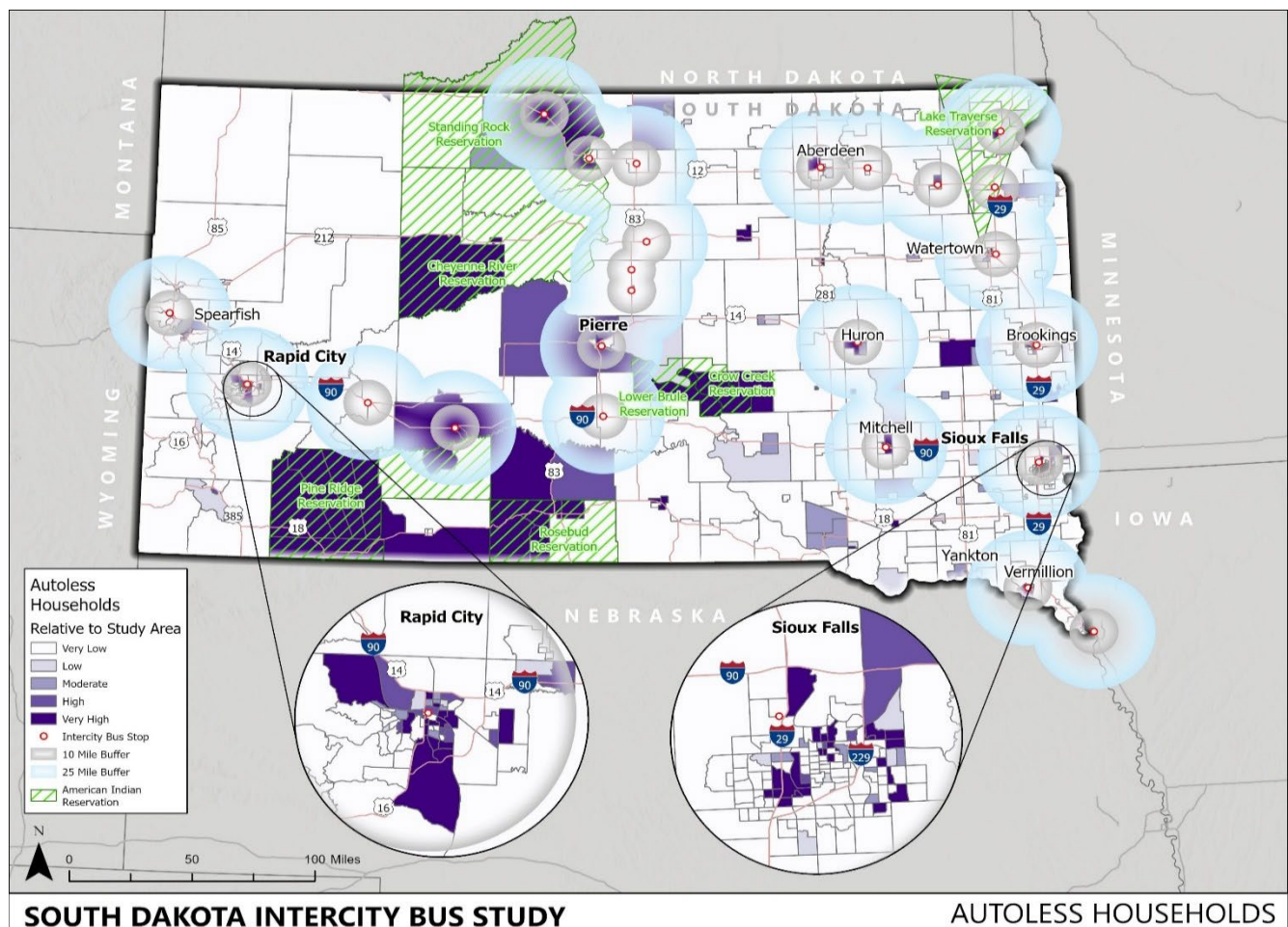


SOURCE: 2020 POPULATION, US CENSUS BUREAU

Autoless Households

Households that lack regular access to a personal vehicle are significantly more likely to depend on public transport, including intercity buses. While most households in South Dakota do have access to a vehicle, 5.1% (or 16,993 households) do not. While most of these autoless households are located within the 25-mile buffer (and many within 10 miles of the existing intercity bus stops), there are around 14,000 households beyond the 25-mile buffer. Of those 14,000, 8,111 households reside in block groups that are considered to be very high instances of autoless relative to the study area. This demonstrates that there is still a need for expanded intercity bus services (or public transportation generally) across the state, as accessing intercity bus services would be a struggle for these households. They would likely be dependent on friends or family members to drive them long distances to reach an intercity bus stop and may also reside outside of the scope of local public transit systems. Below, Figure 4-6 shows all of the autoless households across the state by census block group. As can be seen, a number of the areas that are ranked as having a high or very high autoless population and are more than 25 miles from an intercity bus stop are on American Indian Reservations.

Figure 4-6: Autoless Households in South Dakota

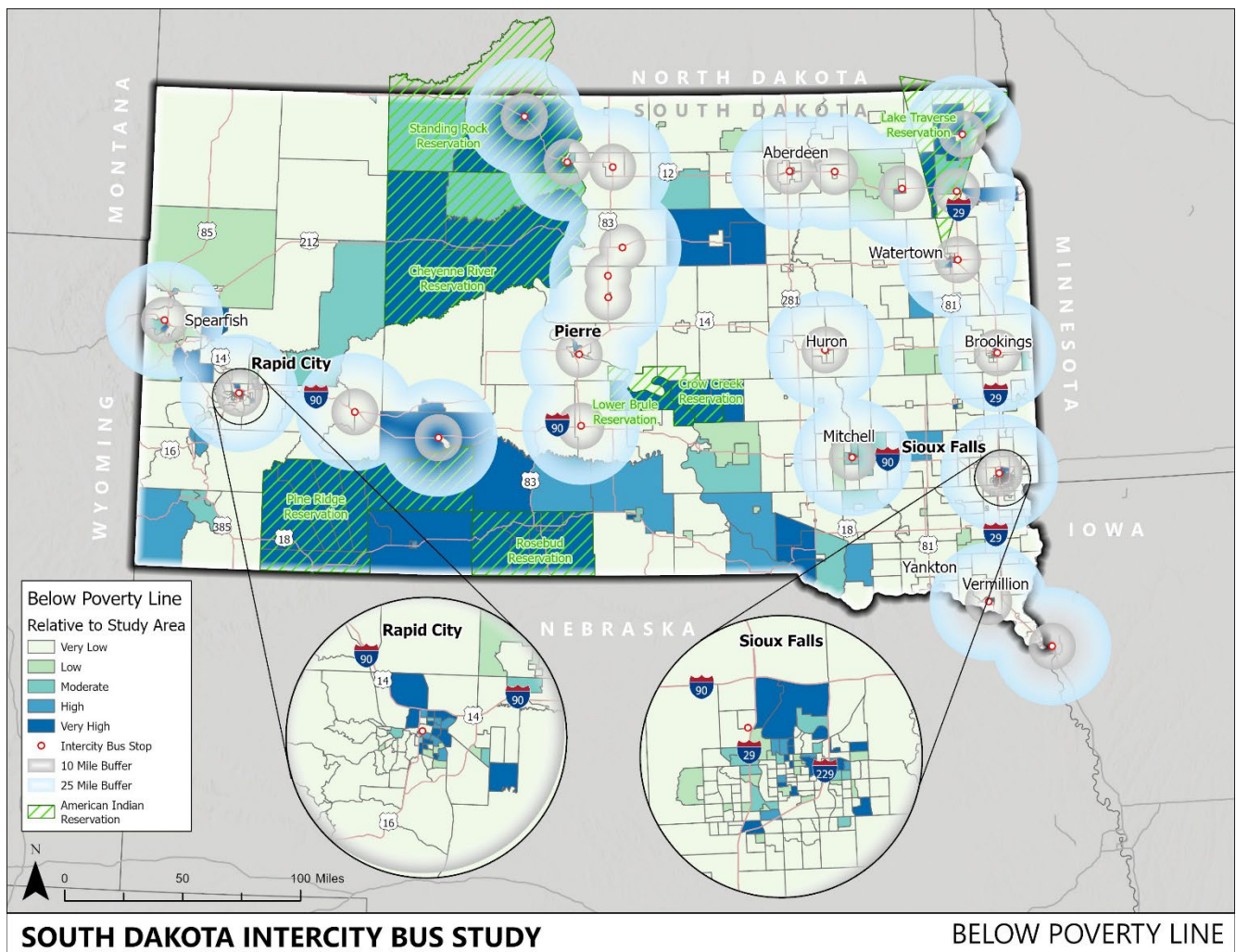


SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Persons in Poverty

Areas with high numbers of persons living at or below the poverty line are more likely to need public transit services. While persons living in poverty may have access to personal vehicles, long-distance trips may be too much of a cost burden for them or their vehicles may not be reliable enough for such distances. 12.5% of South Dakotans live in poverty according to the 2022 American Community Survey, which is very similar to the national average. At the Census Block Group level, there are 23,920 people in South Dakota living in poverty who reside more than 25 miles from the nearest intercity bus stop. Of those, 16,016 live in block groups that are considered to be very high in terms of levels of poverty. This shows that the majority of those living in poverty do live relatively close to the nearest intercity bus stop, but still, a large number of people live outside of the 25-mile buffer around the bus stops. Figure 4-7 shows the distribution of poverty across the state in relation to the intercity bus stops. Again, many areas of high poverty more than 25 miles from an intercity bus stop are on or adjacent to Reservations.

Figure 4-7: Persons Living Below the Poverty Line in South Dakota

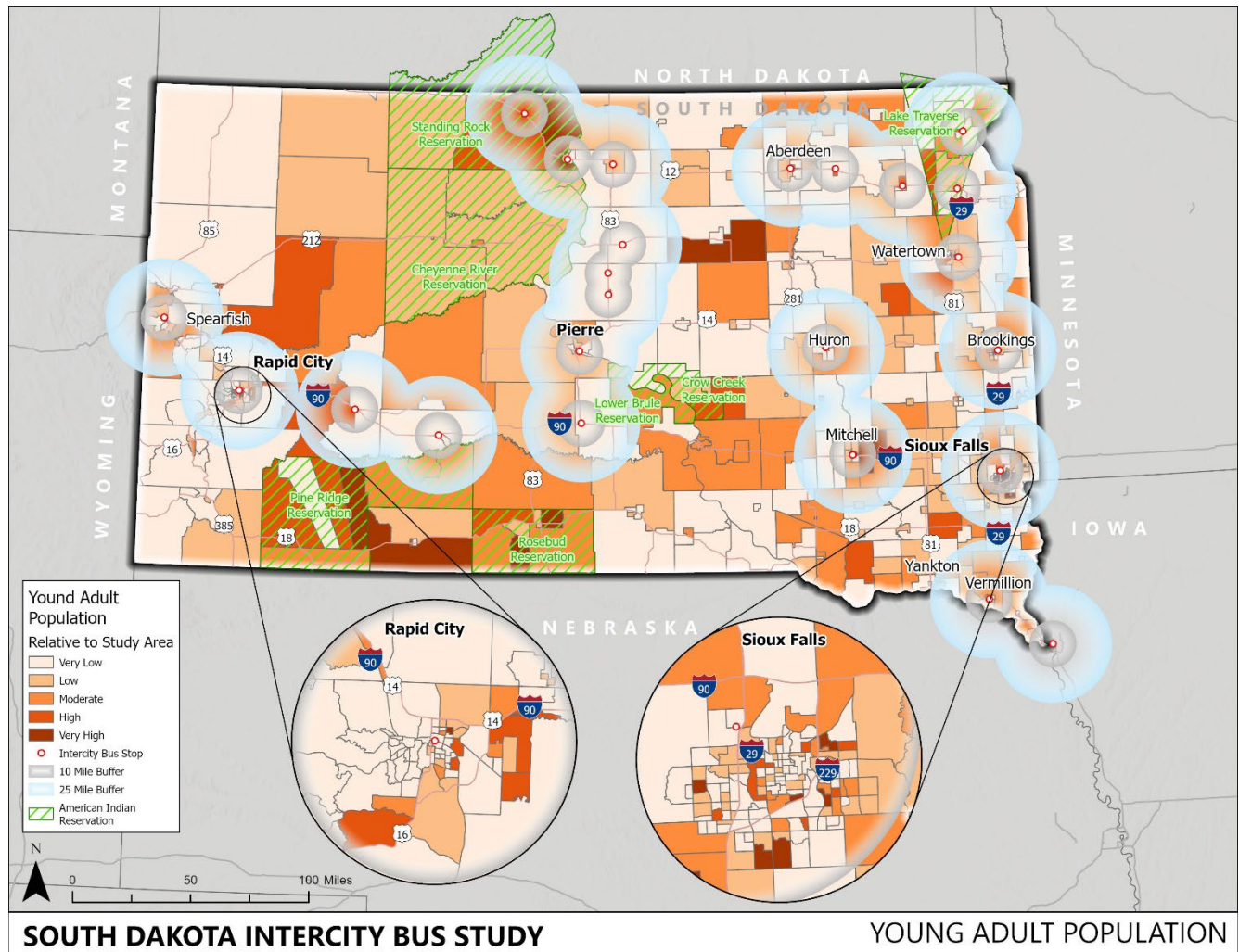


SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Young Adult Population

In this study, the young adult population is defined as those ages 18-24. Young adults are less likely to own or have reliable access to a personal vehicle as their incomes are often lower, making them another demographic more likely to depend on intercity buses to meet their long-distance travel needs. The young adult population is 96,937, or 11% of South Dakota’s population. Similar to other demographics already discussed, most of the state’s young adult population resides within 25 miles of the nearest intercity bus stop. There are still 13,139 young adults who live beyond 25 miles of an intercity bus stop. Only 809 of those are within block groups that are considered to be high concentrations of young adults relative to the state. Figure 4-8 gives more insight into the distribution of young adults in South Dakota.

Figure 4-8: Young Adults in South Dakota

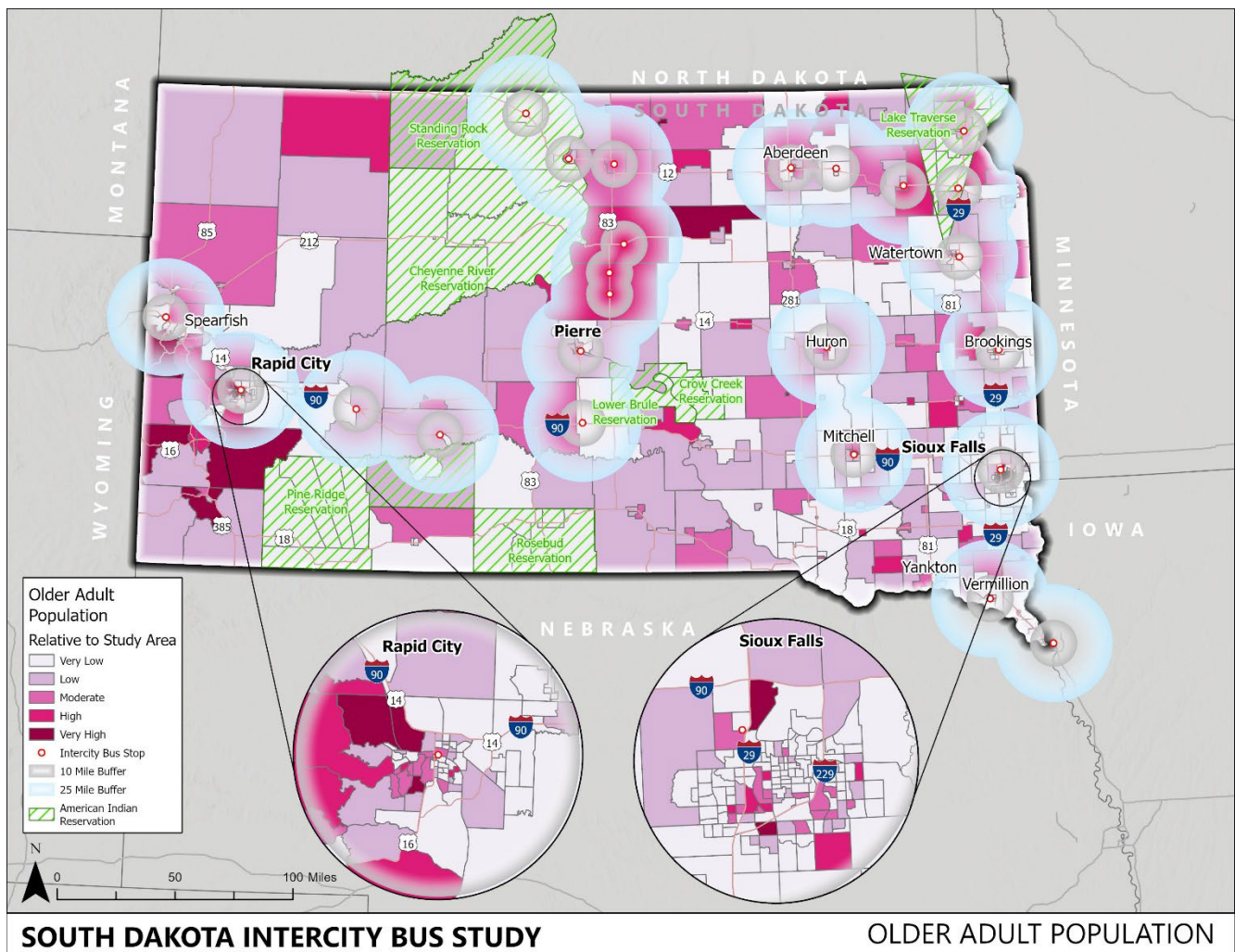


SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Older Adults

Similar to young adults, older adults, ages 65 and up, are another population that is less likely to have reliable access to a personal vehicle, though with more contributing factors. Along with income limitations, physical limitations play a role in the lack of availability of a personal vehicle, making older adults more dependent on intercity buses for long-distance travel. Older adults make up 146,784 or 17% of South Dakota’s total population. 21,080 older adults in South Dakota live further than 25 miles from the nearest intercity bus stop and 1,441 of those are residing within block groups with high concentrations of older adults. Like other demographics, most of this population is already served by intercity buses, but there are still 21,080 who lack good access to the state’s intercity bus network. Figure 4-9 shows the distribution of the older adult population in the state. In this case, the older adult population more than 25 miles from an intercity bus stop is concentrated in different areas, south of Rapid City and east of Mobridge.

Figure 4-9: Older Adults in South Dakota



SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

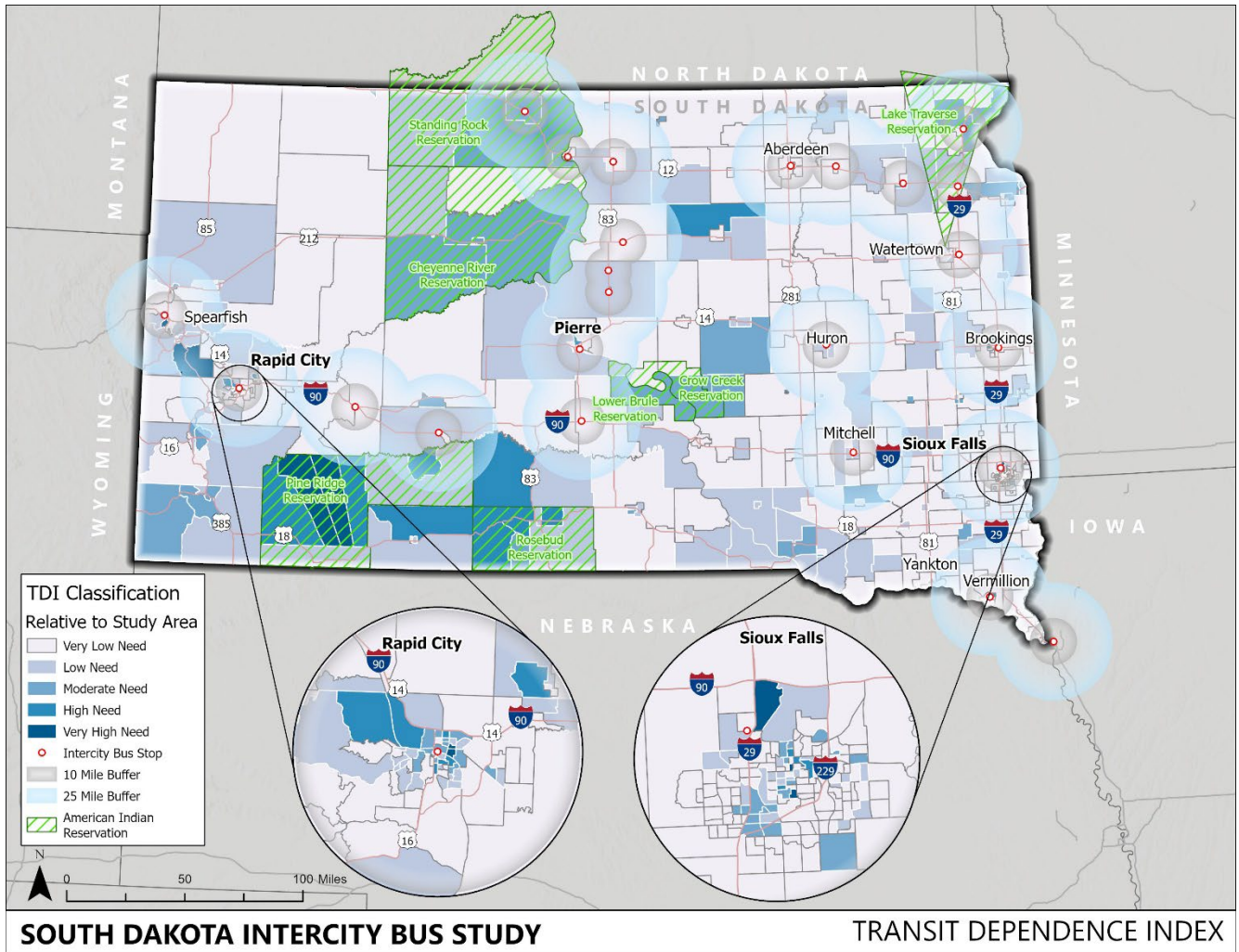
Index of Transit Dependence

The Transit Dependence Index (TDI) combines all the above demographic measures to predict which areas will have the highest need for intercity bus services and public transit in general. This helps to inform the study of areas of high need that still fall outside of the 25-mile radius of any given bus stop throughout the state. Since the majority of South Dakota has a very low population density, most of the state is considered to have low need for intercity buses. There are 19 block groups where 16,681 people reside that have a very high need for public transport. 15 of these block groups are within 10 miles of an intercity bus stop while only two are beyond 25 miles.

It should be noted that because some of the block groups in South Dakota cover large areas of land, part of the block group may be included in the 25-mile buffer while the remainder of the block group falls outside of it. This is where GIS maps can further inform the analysis so that it is more visually apparent that there are still many areas in the state that have a high need for transit that reside further than 25 miles from a bus stop, despite part of the block group touching the 25-mile buffer. Another thing to note is that many of the high TDI block groups that are beyond the 25 miles are located within American Indian reservations including the Pine Ridge, Rosebud, Lower Brule, and Cheyenne River Reservations. Figure 4-9 illustrates the transit dependence index throughout the state. To better visualize the fact that there are areas of high need that fall outside of the 25-mile buffer, Figure 4-10 uses a bivariate symbology to show both population density, shown as the circle size, and transit need, shown as shades of blue.

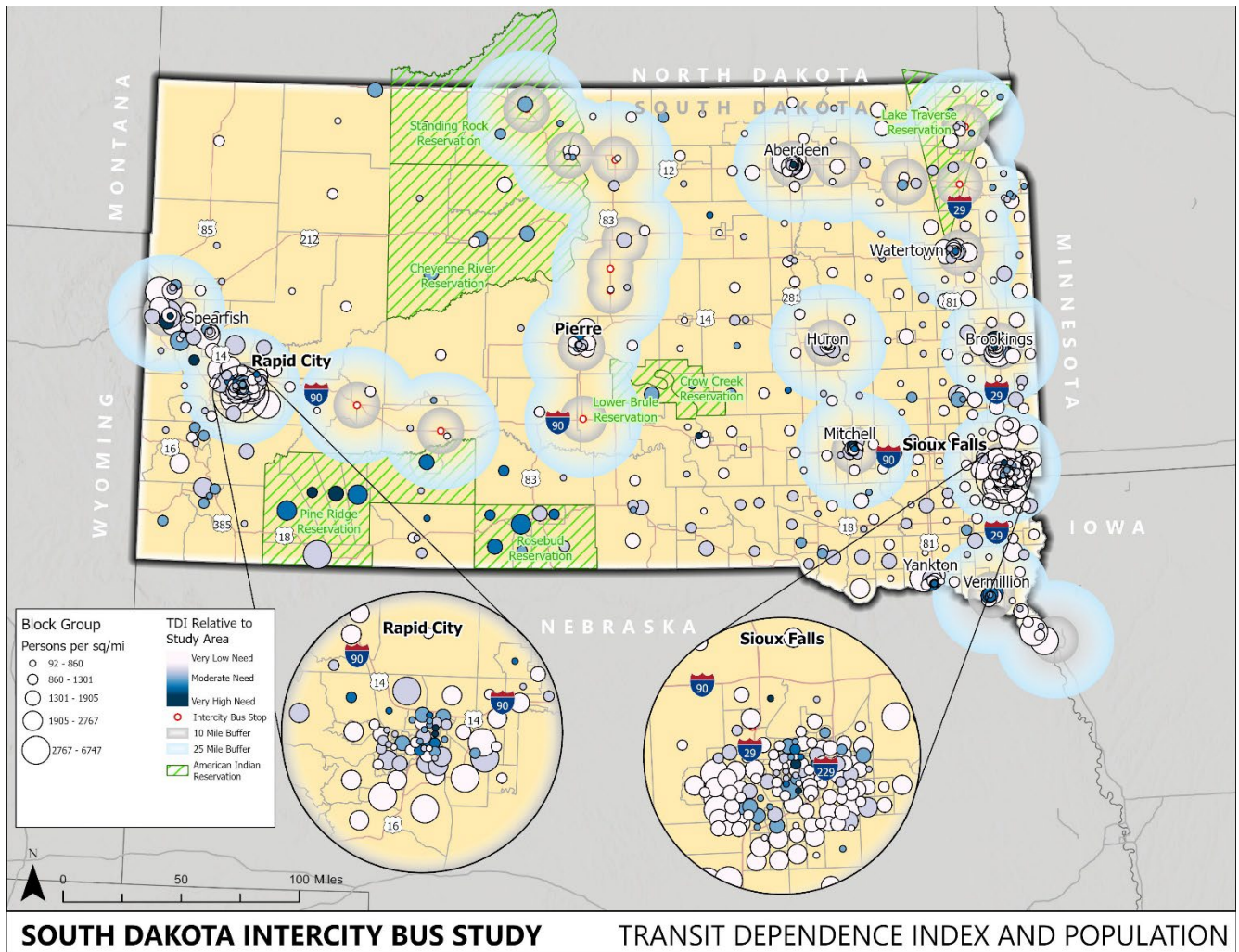
Looking at the combined measures of population density and transit need, the current intercity bus network appears to offer service where it is needed and likely to be used, except for the Pine Ridge and Rosebud Reservations.

Figure 4-10: TDI in South Dakota



SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Figure 4-11: TDI and Population Density in South Dakota

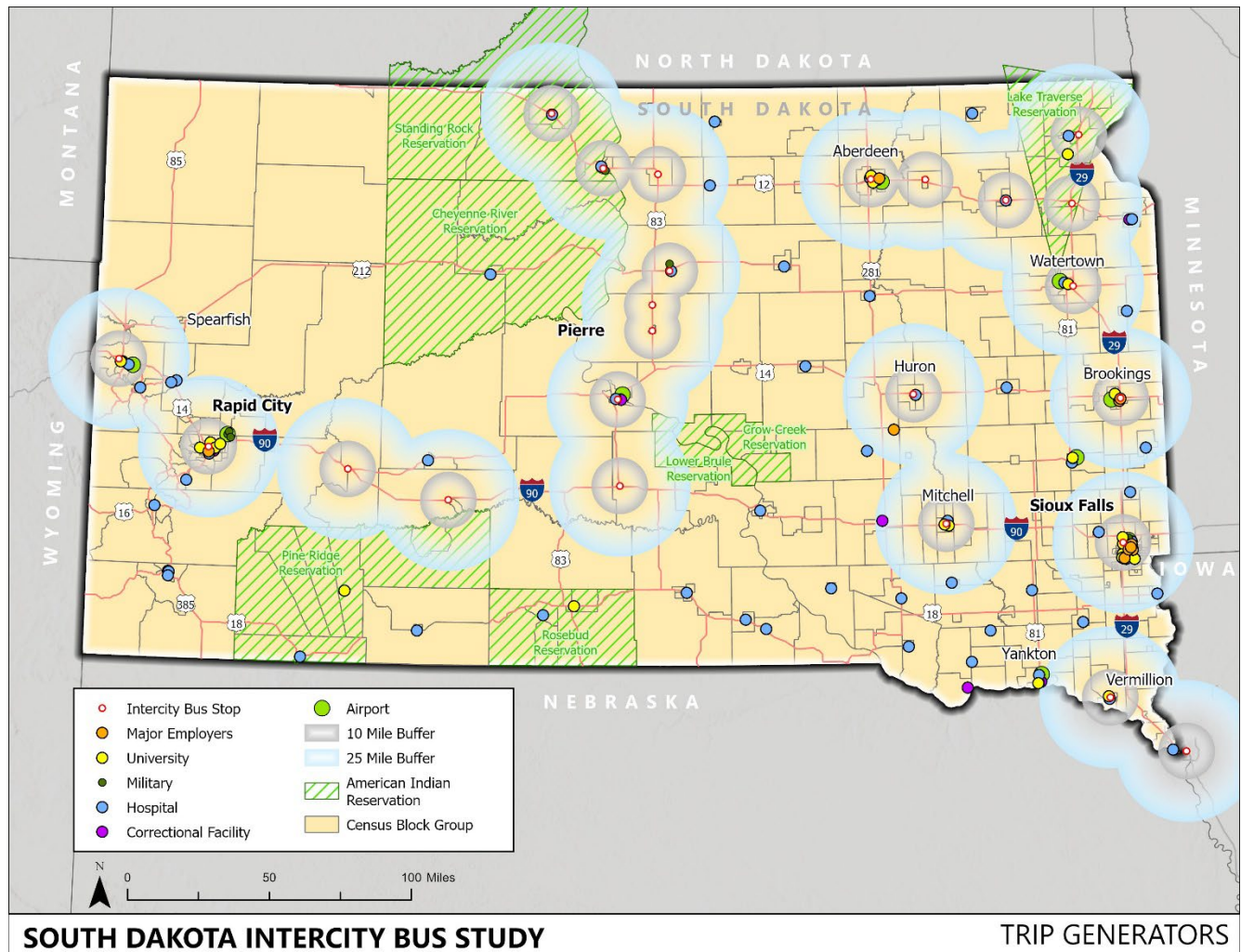


SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Trip Generators

The demographic analysis provided much meaningful data in this study. Another factor that can be used to predict intercity bus needs is trip generators. Trip generators are locations that would potentially serve as a destination for a large number of people, drawing them in from a large area. The trip generators included in the study are major employers, universities, military installations, hospitals, correctional facilities, and airports. There are a total of 137 trip generators identified for the study. Of those, 84 are within a distance of 10 miles or less of the nearest intercity bus stop. There are still 37 trip generators identified that are further than 25 miles from an intercity bus stop, making these locations more difficult for transit-dependent populations to easily access. Most of these locations are hospitals or healthcare clinics. The locations that fall outside of the 25-mile buffer zone can be found below in Table 4-1. Figure 4-12 shows the location of all trip generators throughout South Dakota.

Figure 4-12: Trip Generators in South Dakota



SOURCE: OPENSTREETMAP

Table 4-1: Trip Generators Beyond 25 Miles of an Intercity Bus Stop

Trip Generators Beyond 25 Miles			
Category	Name	City	No. of Hospital Beds
University/College	Sinte Gleska University	Mission	
	Dakota State University	Madison	
	Mount Marty College	Yankton	
	Oglala Lakota College	Agency Village	
	Black Hills State University - Rapid City	Agency Village	
Hospital/Clinic	Madison Regional Health System	Madison	40
	Sanford Health Chamberlain Medical Center	Chamberlain	25
	VA Black Hills Health Care System	Hot Springs	6
	Bennett County Hospital	Martin	14
	Avera Weskota Memorial Medical Center	Wessington Springs	16
	Freeman Regional Health Services	Freeman	25
	Marshall County Healthcare Center Avera	Britton	20
	Avera De Smet Memorial Hospital	De Smet	6
	Cheyenne River Health Center	Eagle Butte	8
	Rosebud Hospital	Rosebud	35
	Faulkton Area Medical Center	Faulkton	12
	Douglas County Memorial Hospital	Armour	11
	Platte Health Center Avera	Platte	17
	Eureka Community Health Services Avera	Eureka	6
	Community Memorial Hospital	Burke	16
Wagner Community Memorial Hospital Avera	Wagner	20	

Trip Generators Beyond 25 Miles			
Category	Name	City	No. of Hospital Beds
	Community Memorial Hospital	Redfield	25
	Landmann-Jungman Memorial Hospital Avera	Scotland	25
	Fall River Hospital	Hot Springs	25
	Regional Health Custer Hospital	Custer	11
	Saint Michael's Hospital Avera	Tyndall	25
	Pioneer Memorial Hospital	Viborg	12
	Winner Regional Healthcare Center	Winner	25
	Avera Hand County Memorial Hospital	Miller	11
	Avera Gregory Hospital	Gregory	25
	Pine Ridge Hospital	Pine Ridge	45
	Avera Sacred Heart Hospital	Yankton	45
	Summit Oaks Center	Yankton	34
Correctional Facility	Mike Durfee State Prison	Springfield	
	Fall River County Jail	Hot Springs	
Airport	Chan Gurney Municipal Airport	Yankton	
	Madison Municipal Airport	Madison	

SOURCE: OPENSTREETMAP

Summary of Demographic Analysis

South Dakota's current intercity bus network provides good coverage for most of its citizens. More importantly, the populations who most likely depend on intercity buses for long-distance travel are well served by this network. There are gaps in the network where people and places are too far from these intercity bus stops. Many of the highest needs that are too far away fall within the American Indian reservations. Many hospitals and healthcare clinics are well beyond the 25-mile radius of the intercity bus stops, making it challenging for high-need groups to access these vital services—though it is likely that providing local or regional access to these locations would be a higher priority.

Local public transit and demand-response systems may be able to fill some of these gaps and fulfill some of these needs. Still, the distances some of these trips would require might fall beyond the scope of what a local transit agency or human services agency may be able to feasibly accommodate. Figure 4-11, found above, best illustrates that there are areas of high transit need with moderate population densities that are more than 25 miles from the nearest intercity bus stop. This presents a challenge both to the people who depend on transit and the intercity bus providers who can only accommodate so much with limited resources. A key question is whether these areas can be feasibly served—and whether it should be with intercity services or expanded demand-response transit.

Chapter 5

Unmet Needs – Services, Staff, Vehicles, Technology

Introduction

Beyond the perceptions of intercity bus services (outlined in Chapter 3) and building upon the demographic analysis (Chapter 4), several unmet needs were identified through the community engagement process and interviews with intercity service providers.

Unmet Needs as Identified by Stakeholders

Need for Additional Intercity Bus Services

While this input is an expression of potentially unmet intercity needs, it can be considered a perception that there is not enough intercity bus service and that additional links are needed to provide more access. The specific requests varied with the location of the meeting, and the comments typically did not include detailed or specific proposals. These general needs are grouped by region:

North Central/East:

- Bryant and Bruce (near Watertown) have issues with access to transportation alternatives, including intercity bus.
- Mobridge to Aberdeen
- From Aberdeen to Fargo, to Brookings (existing feeder service connects Aberdeen with Jefferson Line's I-29 service which makes these connections)

West:

- More service on the western side of the state—north-south including access to Williston and Dickinson in North Dakota, and Cheyenne, Wyoming. All of these locations currently have intercity bus service, but trips are very time-consuming because of the need to travel to Billings and make a connection. This is a call for a more direct service from Rapid City to Williston and Dickinson (North Dakota).

- Connectivity south of I-90, east of Highway 79 for tribal communities Service is needed from tribal areas such as Rosebud and Pine Ridge reservations.
- North of Sturgis, there is a lack of transit coverage—this could be a need for feeder service to existing intercity stops.
- Peak service from Rapid City to Sturgis in August—this could be seen as a local rather than intercity service need.
- Connections from Rapid City/Spearfish to Denver without going through Billings or Omaha are needed.

South Central:

- Service from Huron to allow travel to go north without an overnight in Sioux Falls—maybe to connect with Jefferson at Brookings, alternatively go from Huron to Pierre and Aberdeen
- There is a need for a stop in Chamberlain (between Vivian and Mitchell) on the existing Jefferson services.
- Airport connections to Pierre were identified as a need.
- Improved secure waiting area and improvements to Pierre depot were identified as a capital need.
- Service between Yankton and Vermillion was identified as a need, though timing is likely to be an issue if the goal is making an intercity connection.

These were needs expressed in the outreach meetings and are affected by the location and the participants—there may well be other needs identified through the surveys. As noted, some of these are more likely to be considered as local or regional transit needs, rather than intercity bus service needs.

Other Intercity Bus Needs

In addition to needs related to potential service expansion, there were other needs identified in the regional meetings.

- Marketing Assistance: A key issue identified was the lack of awareness of the intercity bus (and local transit) options. Rural transit feeders felt a need for more marketing assistance from/about Jefferson Lines, though potentially it could be funded by the Section 5311(f) program through local providers.
- Limited improvements at Stops: Funding for changes to improve security, ticketing printing equipment, and potential upgrades to transit agency depots were also identified as a capital need.
- Shelter/options for vulnerable populations that use intercity buses, may need options during cancellations, emergencies, etc.—this is a community need that could be addressed in part by having a homeless shelter for men in Pierre.
- Training on ADA policy, service animal requirements, passenger assistance, and lift use for intercity bus drivers and operational personnel.

Surveys of Transit Providers and Regional Planners

An equally important aspect of the study in South Dakota is the public’s perception of intercity bus service in South Dakota. KFH employed four surveys to target different groups to ascertain a wide range of data and opinions. While the general community surveys are still currently open and collecting responses, the survey of public transit providers and the survey of regional planning agencies both included questions about unmet intercity bus needs (as well as perceptions of the service, which were discussed in Chapter 3). This survey consists of 12 questions that include open-ended responses, multiple-choice questions, and a rating matrix. Respondents were also asked if they would like to receive additional information on the study and if so, to leave their contact information. The survey of public transit providers was distributed via email as a Word document. The surveys were distributed via e-mail, and a link provided to an online Survey Monkey survey was provided.

The questions about unmet needs and groups needing service did not elicit a lot of response—quite likely because many were aware of the existing intercity bus services and their rural feeder routes and felt that these provided communities in their service areas with access to intercity trips. Areas or groups identified as needing intercity services included:

- A general observation in several surveys is that although there is access to intercity services for interstate trips, it is hard to go from town to town in South Dakota.
- A general observation that more schedules would allow for flexibility in scheduling trips.
- Access to/from tribal reservations.
- Persons making intercity trips that do not have a vehicle and need a ride to reach the station.
- Long-distance travel within the state for legislators to reach the state capital during legislative sessions—ideally Amtrak or similar transit.
- Travel for hunting services.
- Public transportation connectivity for Deadwood City (to intercity transportation?), particularly for low-income and elderly persons to reach medical facilities and larger towns.
- Yankton County was identified as needing transit services.
- More frequent service on Standing Rock Transit Route #7 between Mobridge and Bismarck, North Dakota.
- A connection between Mobridge and Aberdeen.
- Access to intercity bus stops in Vermillion and Mitchell from Yankton, also to serve education and commuter needs and for those without access to a personal vehicle.
- A bi-weekly bus connecting Martin, South Dakota with Rapid City for medical, shopping needs, etc.

The responses on these surveys to a large extent reflect needs for local or regional transit—often for medical, educational, and work trips rather than accessing the national intercity bus network. Even when the intercity connection is identified, the concern is about providing more local access to the intercity bus stops, or more frequency on existing intercity and feeder routes. It is possible that additional rural intercity feeder connections could address some of these needs and so they should be evaluated in that light.

Unmet Needs from a Connectivity Perspective

Some of the input has included comments about the need for more intercity frequency, and some of it has also called out the lack of service between towns in South Dakota—in some cases identifying some potential new route segments. At the same time, the analysis of coverage and the location of key destinations presented earlier shows that much of the population potentially has intercity access and that many key destinations are served by the existing network. However, it may be that the underlying issue comes from the basic design of the two Jefferson Lines routes and their key connections to each other in Sioux Falls, and to other services in Fargo, Billings, and Omaha.

This issue is that an overnight stay would be required to make many trips that connect key locations in the state. Feeder providers and others noted that there is a need for access from the central part of the state to go north more directly—or to any destinations in the I-29 corridor. College students heading to South Dakota State University in Brookings from anywhere in the I-90 corridor or the central part of the state would need to spend a night in Sioux Falls to then catch a connecting bus 45 minutes north to Brookings. While virtually all intercity bus travel takes longer than it would for a person to drive the same trip, the need to make circuitous routings and wait for connections between infrequent services makes it even more difficult and time-consuming. Reduced frequencies across the intercity bus network in the wake of COVID-related cutbacks have made this even more of an issue.

Table 5-1 illustrates this situation for some key origin-destination city pairs in South Dakota. Many of the trips that are more than 16 hours require an overnight stay—some for trips between places that are relatively close in terms of airline miles—for example from Huron to Brookings which can take over 16 hours elapsed by bus. At the same time, a trip from Pierre to Rapid City is only 3:45, including the connection in Vivian.

Table 5-1: Travel Times for Key Origin-Destination Pairs

Origin Town	Destination Town	Intercity Bus Time (Elapsed)	Overnight Required
Pierre	Sioux Falls	4:05	
Pierre	Brookings	20:00	Yes
Pierre	Rapid City	3:45	
Pierre	Fargo	23:50	Yes
Pierre	Minneapolis	9:20	
Pierre	Billings	10:40	
Pierre	Denver	26:50	Yes
Aberdeen	Sioux Falls	4:05	
Aberdeen	Brookings	3:15	
Aberdeen	Pierre	25:00	Yes
Aberdeen	Rapid City	25:45	
Aberdeen	Fargo	3:35	
Aberdeen	Minneapolis	9:15	
Aberdeen	Billings	14:40	Yes
Aberdeen	Denver	29:45	Yes
Huron	Sioux Falls	2:35	
Huron	Brookings	16:15	Yes
Huron	Pierre	4:30	
Huron	Rapid City	6:15	
Huron	Fargo	27:25	Yes
Huron	Minneapolis	7:50	
Huron	Billings	13:10	
Huron	Denver	25:20	Yes
Rapid City	Sioux Falls	6:00	
Rapid City	Brookings	23:45	Yes
Rapid City	Pierre	3:55	
Rapid City	Fargo	20:50	Yes
Rapid City	Minneapolis	11:15	
Rapid City	Billings	6:35	
Rapid City	Denver	28:45	Yes

SOURCE: GOOGLE MAPS

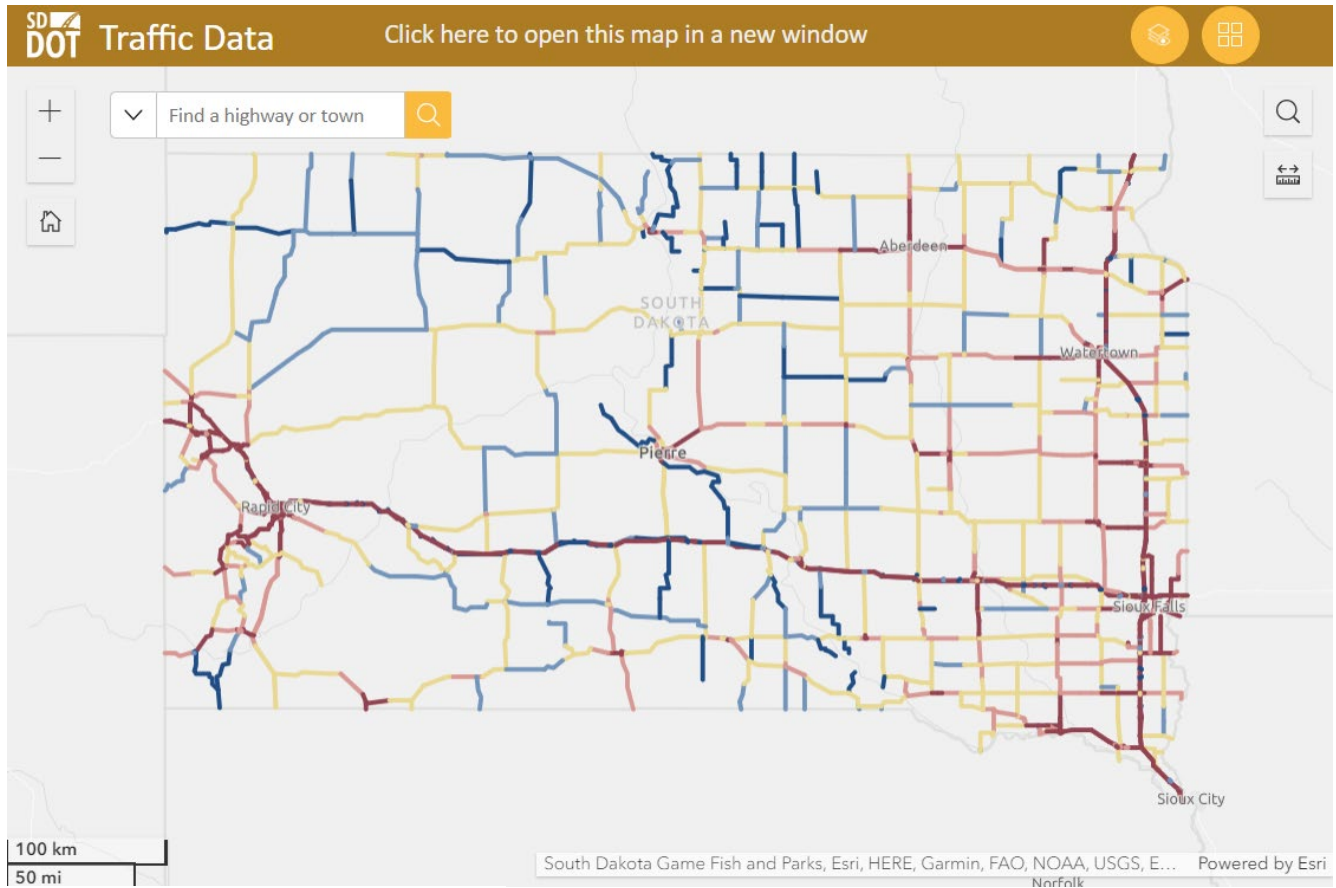
While it may not be possible, or make sense, to implement new routes in every case as a means to address this issue, improvements in connectivity might be one factor in favor of some of the suggested routes. For example, a direct east-west service from Pierre through Huron to Brookings has been suggested—primarily to address the need to connect the east-central part of the state to the north-south service¹. Similarly, a connection from Rapid City south through Chadron (Nebraska) and western Nebraska to Denver has been suggested—again primarily to address travel times and effectively increase regional access, since both Rapid City and Chadron already have intercity bus service. Ultimately the feasibility of such options will depend on the potential scheduling of connections and an assessment of the likely ridership—as well as the availability of funding. Potential routes to address these service needs are developed and prioritized in Chapter 7.

Traffic Volume Data

Another technique that can be used to evaluate the current network in terms of potential network gaps is to compare the existing intercity network to statewide traffic volumes—potentially to see if there are links or corridors that have high levels of traffic but no intercity bus service. The SDDOT collects and analyzes traffic volume data, publishing it online in the map provided below as Figure 5-1. Referring to the key, it is apparent that the Jefferson intercity services are serving the high-volume I-90 and I-29 routes, and that the Aberdeen rural feeder is also serving a route with relatively high traffic volume. The north-south routes from Pierre and Huron to I-90 have middling traffic volumes – from both places the east-west traffic volume is higher—further suggesting additional analysis of a potential link from Pierre through Huron to Brookings. Similarly, there are high volumes from Yankton through Vermillion to I-29, a link that was mentioned in surveys as needing intercity access.

¹ It should be noted that the Huron to Mitchell feeder bus only operates Tuesdays and Fridays, so the access to/from Brookings (for example) is really very limited.

Figure 5-1: South Dakota Traffic Volume Data



Current ADT (2022)

- Greater than 2,500
- 1,501 - 2,500
- 551 - 1,500
- 251 - 550
- 0 - 250

SOURCE: SDDOT TRAFFIC DATA MAP - [HTTPS://DOT.SD.GOV/TRANSPORTATION/HIGHWAYS/TRAFFIC](https://dot.sd.gov/transportation/highways/traffic)

Unmet Needs to Maintain Existing Services

Based on the stakeholder input and data from the existing intercity providers, there are needs for continued funding and support to maintain South Dakota’s intercity access. These needs include administrative, operating and capital funding. To a large extent SDDOT is already meeting many of these needs, and this inventory is intended to document the continued needs to maintain these services.

Operating Assistance

While the two main intercity routes operated by Jefferson Lines are recovering ridership in the wake of the COVID pandemic, given the population densities and the expenses involved in serving long routes they will need continued operating assistance over the next four years. Table 5-2 presents estimates of these needs. Note that the table includes projected operating cost increases and holds the South Dakota revenue constant—providing a conservative estimate of the required funding.

Table 5-2: Projected Funding Needs for Jefferson Lines Routes

Jefferson Lines (Both Routes 703/704 and 705/706)						
	FY 23 Actual	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Estimated Annual Miles (FY 2023 Actual)	435,713	435,713	435,713	435,713	435,713	435,713
Cost Per Mile (1)	\$4.70	\$5.00	\$5.20	\$5.41	\$5.62	\$5.85
Annual Operating Cost	\$2,047,851	\$2,178,565	\$2,265,708	\$2,356,336	\$2,450,589	\$2,548,613
Estimated Annual Revenue Per Mile	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85
Projected South Dakota Revenue (2)	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782
Projected Net Operating Deficit (Existing Service Only)	-\$806,069	-\$936,783	-\$1,023,926	-\$1,114,554	-\$1,208,807	-\$1,306,831

(1) FY 2024 increase of 6.5%, after that projected at 4% per year.

(2) Conservative estimate of flat revenue--no change.

Table 5-3 presents estimates of required funding needs to maintain the three SDDOT-funded feeder routes, and the agency expenses of the two funded depots. In the survey input provided for the study there was no indication that additional administrative or operating staff would be needed to maintain the existing services. Therefore, these estimates assume that the actual operating funding under Section 5311(f) represents the costs of the existing service, and that these costs will increase 4% per year over the next five years.

Table 5-3: Projected Operating Funding Needs for Feeders/Depots

	FY2023 Budget	FY2023 Actual	FY2024	FY2025	FY2026	FY2027	FY2028
River Cities Transit	\$205,000	\$193,658	\$201,404	\$209,460	\$217,839	\$226,552	\$235,615
People's Transit	\$17,455	\$6,725	\$6,994	\$7,274	\$7,565	\$7,867	\$8,182
Aberdeen Ride Line	\$47,200	\$23,116	\$24,041	\$25,002	\$26,002	\$27,042	\$28,124
Prairie Hills Transit	\$17,251	\$7,334	\$7,628	\$7,933	\$8,250	\$8,580	\$8,923
Vermillion Transit	\$1,639	\$1,193	\$1,241	\$1,290	\$1,342	\$1,396	\$1,451
	\$288,545	\$232,026	\$241,307	\$250,959	\$260,998	\$271,438	\$282,295

Unmet Needs for Capital, Technology Equipment and Marketing

Through the data collection process a number of equipment and equipment needs were identified, and in addition each of the operating agencies will need to replace vehicles used in Section 5311(f) service. The equipment and facility needs identified by the providers are presented in Table 5-4. For the most part these are office equipment items: scanners for reading QR codes, newer computers, printers, etc. In terms of facility-related needs, River Cities has identified a need for an expansion bump-out for the bus depot in Pierre, and several identified a need for signage—either for their depot or at stops.

Table 5-4 Equipment and Non-Vehicle Capital Needs

Intercity Feeder Provider	Aberdeen Ride Line	People's Transit	River Cities	Prairie Hills	Vermillion
Office Equipment					
QR Code Scanner	\$250	\$250	\$250	\$250	\$250
Computer	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Display Screen				\$1,500	
Printer				\$500	\$500
IT Support	\$500	\$500	\$500	\$500	\$500
Facility					
Facility Expansion			\$250k+?		

Of the providers operating Section 5311(f) intercity service, only Jefferson Lines identified a need for capital for a bus. However the three feeder service providers are operating a significant number of miles and over time the vehicles used for this service will need replacing. SDDOT only provides Section 5311 funding for vehicle capital only for intercity services, and to date has used it only to fund new coaches for Jefferson Lines. Potentially new vehicles for the feeder services would be eligible as well. Based on the reported mileage on the vehicles used for these services and their annual additional miles, Table 5-5 presents unmet needs for vehicle replacement.

Table 5-5 Unmet Intercity Vehicle Capital Needs:

Intercity Feeder Provider	Aberdeen Ride Line	People's Transit	River Cities
Feeder Vehicle	2019 Dodge Durango Mid-Size/Full-Size SUV	2019 Ford Transit Connect	2020 Ford Transit 2021 Ford Transit
Class	Other Light Duty (4yrs/100k miles)	Other Light Duty (4yrs/100k miles)	Medium Size Light-Duty (5ys/150k miles)
Note/Other	ADA Trips, Large Groups, Luggage, etc. use 14-Passenger Bus	ADA passengers would take an ADA minivan	Existing vehicles are lift equipped
Vehicle Mileage	88,835	87,273	144,242 47,882
Annual Feeder Service Mileage	32,894	~100 miles per RT 9,100 estimate	61,954
Vehicle Replacement Plan	Agency's capital replacement plan	Agency's capital replacement plan	Agency's capital replacement plan
5-Yr Need Accessible Van (12/2) with baggage racks	2025 Replacement 2030 Replacement	2027 Replacement	2025 Replacement 2027 Replacement

Jefferson Lines operates approximately 500,000 miles per year in South Dakota, so a new coach every two years is basically a replacement. South Dakota funds Section 5311 capital at 80% federal, so a new \$675,000 coach would require \$270,000 in federal funds each year. This is included in Table 5-6. For the other providers, based on current mileage and usage, anticipated replacement needs are identified in Table 5-6.

While all of the feeder service providers indicated that they can and do provide service to persons needing wheelchair access, the ability to successfully meet every potential trip depends on successful communication with Jefferson Lines regarding inbound wheelchair passengers, with the potential for a problem. In addition, the FTA Section 5311(f) guidance calls for all vehicles used in Section 5311(f) funded service to be fully wheelchair accessible and to have space for baggage. For that reason, the vehicles proposed to meet replacement needs are the smallest wheelchair accessible cutaways, rather than being SUVs or non-accessible minivans. The proposed size is intended to avoid requirements for CDL drivers, while providing accessibility and adequate capacity.

Table 5-6 presents these unmet needs for vehicle capital by provider and anticipated replacement year. Under current SDDOT policy these could be funded with Section 5339 with an 85% federal share because of their role in ensuring ADA compliance.

Table 5-6: Five-Year Projection of Intercity Vehicle Capital Needs

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Jefferson Lines	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
River Cities Transit		\$95,000		\$102,752		
People's Transit				\$102,752		
Aberdeen Ride Line		\$95,000				
	\$270,000	\$470,800	\$292,032	\$509,217	\$315,862	\$328,496

Unmet Needs for Staffing (Existing Services)

In the surveys of providers and subsequent interviews, the only issue identified with staff needs arose in the Jefferson Lines interview. In the wake of the COVID pandemic, Jefferson, like most of the intercity bus operators, had difficulties finding enough CDL qualified coach operators to cover all services, and there were missed trips due to lack of a driver. Fortunately, this condition seems to be easing and service has become more reliable. Among the transit operators providing feeder services there were no issues identified regarding unmet staff needs. Generally, the transit providers assign the same drivers to the intercity connections. At the depots the staff perform intercity bus-related activities as one part of their overall duties and no mention was made of a lack of staff or staff time to perform these functions.

Conclusions

This chapter documents an analysis of the unmet needs for services based on stakeholder input, examination of travel times, and a comparison with statewide traffic volumes. It also presents data on the operating and capital needs to maintain the current services, including both the Jefferson Lines routes and those connecting services operated by the rural transit operators. Estimates of costs for addressing these needs were also developed and included. The strategy for addressing these needs, including the feasibility of addressing these needs within the likely financial constraints, will be presented in the next chapter.

Chapter 6

Needs to Maintain and Enhance Existing Service

Introduction

This chapter presents the needs to maintain and improve the existing intercity bus program element of South Dakota's Section 5311 program. It takes into account the information compiled in the review of existing services and the review of unmet needs for intercity services. In general, the current program is well-regarded, provides a high level of intercity access and seems to function well, and for that reason the initial focus is on the needs to maintain and enhance the existing service.

Maintain Existing Intercity Services

As noted above, the existing services provide intercity access to a substantial part of the state's population by combining long-distance intercity bus services that is part of the national intercity network with feeder services that link smaller population centers to this network. A basic strategy for SDDOT is to maintain this existing network through a combination of operating/administrative assistance, and capital grants.

Operating Funding

Jefferson Lines – I-90 and I-29 Corridors

SDDOT has prudently worked with Jefferson Lines to maintain intercity services on the two major interstate corridors in the state, even as ridership and revenue declined during the COVID pandemic. Going forward, it makes sense to maintain these services, but it is likely that ridership has stabilized at the current level. At the same time, operating and capital costs have increased, and may continue to increase—requiring additional funding.

Table 6-1 presents a summary of the likely costs in the near-term of maintaining these two routes. South Dakota's overall Section 5311 allocation for FY2024 is \$9,707,091 and the 15% set-aside based on that amount is \$1,456,064. The table presents the likely costs of an increase in operating costs from \$4.70 per mile to \$5.00 or \$5.50.

It should be noted that Jefferson Lines provides the non-federal share out of other company funds, so only 51.76% of the net operating deficit is the federal share that would be provided by SDDOT. In addition, it is possible that the net operating deficit might well be less than projected, as these routes have performed well—with a 60% farebox recovery in 2023, it is possible that additional ridership could reduce the funding required to maintain this service. This suggests consideration of expanding the service by adding two daily round-trips on the Fargo-Sioux Falls service, to provide for daily service—accompanied by an additional two-days per week of service on the Ride-Line service from Aberdeen to the connect with Jefferson service in Summit.

Table 6-1: Projected FY2024 Costs for Maintaining Jefferson Lines' Routes 703/704 and 705/706

Jefferson Lines (Routes 703/704 and 705/706)									
Scenario	Annual SD Miles (FY2023)	Cost Per Mile	Annual Cost	Revenue Per Mile	Total Revenue	Net Operating Deficit	SDDOT Operating Cost (51.76% Federal)	SDDOT Administrative Cost (82.82% Federal)	Total Jefferson Operating
FY2023 Actual	435,713	4.70	\$2,047,851	\$2.85	\$1,241,782	\$806,069	\$417,221	\$113,490	\$735,141
Low FY2024 Projection	435,713	5.00	\$2,178,565	2.85	\$1,241,782	\$936,783	\$484,879	\$131,893	\$854,354
High FY2024 Projection	435,713	5.50	\$2,396,422	2.85	\$1,241,782	\$1,154,639	\$597,641	\$162,566	\$1,053,040
Low FY2024 with Daily Routes	475,713	5.00	\$2,378,565	2.85	\$1,355,782	\$1,022,783	\$529,392	\$144,002	\$932,786
High FY2024 with Daily Routes	475,713	5.50	\$2,616,422	2.85	\$1,355,782	\$1,260,639	\$652,507	\$177,490	\$1,149,713

Table 6-2: Five-Year Projection of Jefferson Lines' Routes 703/704 and 705/706

Jefferson Lines (Both Routes 703/704 and 705/706)							
	FY2023 Actual	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Estimated Annual Miles (FY 2023 Actual)	435,713	435,713	435,713	435,713	435,713	435,713	435,713
Cost Per Mile (1)	\$4.70	\$5.00	\$5.20	\$5.41	\$5.62	\$5.85	\$6.08
Annual Operating Cost	\$2,047,851	\$2,178,565	\$2,265,708	\$2,356,336	\$2,450,589	\$2,548,613	\$2,650,557
Estimated Annual Revenue Per Mile	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85
Projected South Dakota Revenue (2)	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782	\$1,241,782
Projected Net Operating Deficit (Existing Service Only)	-\$806,069	-\$936,783	-\$1,023,926	-\$1,114,554	-\$1,208,807	-\$1,306,831	-\$1,408,775

(1) FY 2024 increase of 6.5%, after that projected at 4% per year.

(2) Conservative estimate of flat revenue--no change.

Operating Funding Needs—Existing Feeder Services

- River Cities—Pierre to Vivian, Pierre to Mobridge
- People’s Transit—Huron to Mitchell
- Aberdeen Transit—Aberdeen to Summit

These three feeder operators have applied in the past for Section 5311(f) funding for these services and have historically invoiced less than their budget. These services should be continued. This will require funding for operations, administration, and capital.

Table 6-3 presents projected annual funding needs to maintain these services at the current level of service. These figures assume the current frequency levels for these services—daily for River Cities, two days per week for People’s Transit, and three days per week for Aberdeen Ride Line. This includes expenses for dispatch office staff and fringe as well as bus driver wages and fringes. The actual FY2023 expenditures have been used as a base, and a 4% annual growth rate is assumed. Based on the interviews no additional staffing is required.

Table 6-3: Five-Year Operating Funding Needs for Existing Feeder Services

	Four Percent Annual Increase							
	FY2023 Budget	FY2023 Actual	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
River Cities Transit	\$205,000	\$193,658	\$201,404	\$209,460	\$217,839	\$226,552	\$235,615	\$245,039
People's Transit	\$17,455	\$6,725	\$6,994	\$7,274	\$7,565	\$7,867	\$8,182	\$8,509
Aberdeen Ride Line	\$47,200	\$23,116	\$24,041	\$25,002	\$26,002	\$27,042	\$28,124	\$29,249
	\$269,655	\$223,499	\$232,439	\$241,737	\$251,406	\$261,462	\$271,921	\$282,798

Operating Funding Needs – Bus Agency/Depots:

Section 5311(f) administrative funding is used to support operation of the intercity bus agency and depot functions provided by:

- Vermillion—Vermillion Transit
- Spearfish—Prairie Hills Transit

These have provided for continued service to the public providing information and safe, comfortable waiting areas for the Jefferson services. Continued funding is warranted. Table 6-4 presents an estimate of funding needs for the five-year period. Again, this is based on actual FY2023 funding requirements, and the input from the agencies that did not identify needs for additional funding. A 4% annual funding increase is shown.

Table 6-4: Five-Year Estimate of Funding Needs for Existing Agency Depots

	Four Percent Annual Increase							
	FY 23 Budget	FY 23 Actual	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Prairie Hills Transit	\$17,251	\$7,334	\$7,628	\$7,933	\$8,250	\$8,580	\$8,923	\$9,280
Vermillion Transit	\$1,639	\$1,193	\$1,241	\$1,290	\$1,342	\$1,396	\$1,451	\$1,509
	\$18,890	\$8,527	\$8,868	\$9,223	\$9,592	\$9,976	\$10,375	\$10,790

Capital Needs

Jefferson Lines

SDDOT policy provides for capital funding using Section 5311/Section 5311(f) funding only for intercity program vehicles. In the past that has been limited to a new coach every other year for Jefferson Lines, based on the annual mileage operated by the firm in the state. Jefferson operates approximately 500,000 miles per year in South Dakota, so a new coach every two years is basically a replacement. South Dakota funds Section 5311 capital at 80% federal, so a new \$675,000 coach would require \$270,000 in federal funds each year at current prices.

Table 6-5 presents a five-year projection of these costs, inflated by 4% per year.

Public Transit Operators

One need identified in the study concerns the capital replacement needs for vehicles operated by the feeder carriers. The previous needs assessment documented the current mileage and condition of the vehicles used for these routes, and projected replacement needs for the five-year period based on FTA guidelines appropriate to the vehicle type.

Table 6-5 also includes the costs for these intercity feeder vehicles with ADA accessible vehicles. For River Cities, the replacements are assumed to be a 12-passenger cutaway with two-wheelchair positions, and a baggage rack. This would ensure that all FTA requirements regarding accessible vehicles are met, and yet this vehicle would not require a driver with a CDL and would have capacity for peak loads. This table presents the 85% federal share to be funded through SDDOT. For Aberdeen Ride Line and People's Transit, the assumed replacement vehicle is a smaller vehicle with five seats plus a wheelchair or seven

passenger seats if there is no one using the wheelchair position.¹ SDDOT lists that vehicle \$103,406. For all intercity feeder replacement vehicles, the local share is 15% for the acquisition of vehicles for purposes of complying with or maintaining compliance with the ADA, which is true in this case. Following the current SDDOT policy these vehicles would be funded under Section 5339 rather than Section 5311 or 5311(f). Again, the FY2025 estimated current vehicle costs are inflated by 4% per year for the out years.

Table 6-5: Unmet Needs for Replacement Vehicle Capital by Provider and Year (Federal Share)

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Jefferson Lines	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496
River Cities Transit (1)		\$117,894		\$127,514		
People's Transit(1)				\$98,870		
Aberdeen Ride Line(1)		\$91,411				
	\$270,000	\$490,105	\$292,032	\$530,097	\$315,862	\$328,496

(1) These vehicles would be funded with Section 5339 under the SDDOT program. The federal share is 85% for acquisition of vehicles for purposes of complying with or maintaining compliance with the Americans with Disabilities Act (ADA; 42 U.S.C. 12101 et seq).

Technical Assistance Needs: Existing Services

Formal Contracts Between Jefferson Lines and the Rural Transit Providers

One issue identified in the review of existing services is the concern that there is no current formal contract in place between the South Dakota feeder carriers, agency depots, and Jefferson Lines. There is a need for a contract that would specify:

- The roles of the transit providers, either as a contractor or agent of Jefferson Lines, or both.
- The responsibilities of each party
- Payments, and
- Clarify FMCSA authority and insurance coverage for these services.

¹ FMCSA does not require registration and proof of insurance for vehicles operated for compensation carrying interstate passengers if the vehicle capacity is eight passengers or less (including the driver) and the GVWR is under 10,000 pounds. Neither Aberdeen Ride Line nor People's Transit is currently registered with FMCSA, and both have lower ridership per trip than River Cities, allowing use of a smaller vehicle.

Technical Assistance to Restore Ridership on the Standing Rock Transit-Mobridge to Bismarck Route.

A concern is that the ridership on this rural intercity connector has fallen to a level close to zero, whereas it formerly provided for a higher level of ridership. Technical assistance may be needed to help the providers (Standing Rock but also the connecting services provided by Jefferson Lines and River Cities Transit) identify the reasons for the decline and make any needed changes. North Dakota DOT may also need to be involved in this effort. Steps should include ensuring that this service is in the ticketing system and is discoverable, and it may require additional assistance for local marketing to let potential users know it exists and how to use it. That could include social media, local radio, and newspaper advertising—perhaps \$5,000—but the technical assistance effort should involve the provider to determine what is actually needed.

Statewide Support for Additional Marketing

Another way in which the existing network could be enhanced is additional marketing. The outreach portions of this study revealed that the current feeders and many in their communities had no idea that these services exist—and in some cases no awareness of the existing local transit. The feeder carriers expressed a desire for more marketing support from Jefferson Lines, which is warranted but perhaps needs to be funded with a separate agreement that includes specific elements—it may be that these are best contracted or conducted at the local level as well, through some funding to the feeder operators and depot hosts to provide for more marketing. It will need to be collaborative effort between the state, the transit operators and Jefferson Lines, and might well be conducted as part of a statewide marketing initiative.

Enhancements to Existing Service

Two potential enhancements to the current network were identified. One is that the transit system in Brookings is developing a new facility, and this is an opportunity to initiate a role for the transit agency as the depot for Jefferson Lines in Brookings. A second is the restoration of daily service to Jefferson Lines schedules 703 and 704, which would also require adding two weekday days of service to the Aberdeen Ride Line connecting service.

Brookings Ticketing Agency

Currently Jefferson's schedules 703 and 704 stop at a truck stop in Brookings. This enhancement would take advantage of the expanded facility being planned by Brookings Area Transit to add the role of intercity bus agency to the menu of services offered by the transit agency, providing for additional informational and ticketing support, and a secure place for passengers to wait. It would need to be dependent on the transit system's willingness to take on this role and provide for any increase in the local match required for the facility to serve in this capacity. Brookings is a stop on the Jefferson Lines Fargo-Sioux Falls route once a day each way and is home to the largest university in the state. It would

require annual administrative funding to support the intercity bus depot functions related to security, ticketing, information, etc.

Operating costs would likely include additional administrative costs, time for a staff member to act as an intercity bus agent, the agent's fringe benefits for that time, and miscellaneous costs including office technology and supplies, etc. Table 6-6 includes the operating costs for this additional role serving the two Jefferson schedules five days per week.

There could be a capital need for depot space, amenities, ticket counters and office space so that it can function as the Brookings intercity bus depot. This could include paving for bus access, etc. These needs are not yet defined and so there is no current estimate of the incremental requirement or costs to address these aspects of becoming the intercity bus agency.

Additional Frequency on Jefferson Lines Schedules 703 and 704

Finally, as mentioned above, the existing network could be enhanced by reinstating daily frequency on the Jefferson Lines Interstate 29 service and the Aberdeen Ride Line feeder, if and when demand supports and there is availability of equipment and drivers. Table 6-6 also includes estimates of the federal share of Jefferson Lines net operating deficit for expanded service for each of those two levels the option of adding two daily trips on the 703 and 704 trips to offer seven day per week service. The Aberdeen Ride Line service would also need to be expanded to five-days per week, weekdays, an increase of two days per week, which would require funding, and an estimate of these operating costs is included in the table. The five-year projections of these costs is included based on a 4% inflation projection.

Table 6-6: Operating Costs of Enhanced Service

	Projected FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Brookings Depot						
ICB Administration	\$1,500	\$1,560	\$1,622	\$1,687	\$1,755	\$1,825
ICB Ticket Agent	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849	\$6,083
ICB Ticket Agent Fringes	\$750	\$780	\$811	\$844	\$877	\$912
Other ICB Costs	\$1,500	\$1,560	\$1,622	\$1,687	\$1,755	\$1,825
Brookings Agency Sub-Total	\$8,750	\$9,100	\$9,464	\$9,843	\$10,236	\$10,646
Additional Two Days of Service on I-29						
Jefferson Lines	\$78,432	\$81,569	\$84,832	\$88,225	\$91,754	\$95,425
Aberdeen Ride Line	\$15,411	\$16,027	\$16,669	\$17,335	\$18,029	\$18,750
Subtotal-Expansion of Two Days	\$93,843	\$97,597	\$101,501	\$105,561	\$109,783	\$114,174
Total for Enhanced Service	\$102,593	\$106,697	\$110,965	\$115,403	\$120,019	\$124,820

Summary of Needs for Maintaining and Enhancing Existing Services

Table 6-7 presents the combined estimate of funding needs for maintaining the existing intercity services with limited enhancements suggested above. Note that the Jefferson Lines operating cost is estimated based on a 4% annual increase after FY2024, while the estimated revenue is flat, leading to an increase in the net operating deficit over this period. Potentially fare revenue could increase in line with costs, which would result in a more balanced projection—this is conservative.

As can be seen in Table 6-7, in the absence of any state match or additional funding, relying solely on the Section 5311(f) federal allocation and Section 5339 for local system vehicle capital, there is an excess of funding needs to maintain the existing service and add very limited enhancements of another agency depot and two days more of service in one corridor. If Jefferson fare revenue increases at the same 4% rate, the costs are much more in balance. Another possibility is that if there are some accumulated funds in this program account, depending on their potential lapse period they could be used to address some of the capital needs. This analysis assumes that the SDDOT policy allowing use of Section 5311 for vehicle capital only for intercity would also apply to vehicles operated by local transit operators in intercity service. If those vehicles are funded out of Section 5339(b) or other federal programs, then the likelihood that the 15% amount will meet the needs is higher.

Table 6-7: Summary of Needs for Maintaining and Enhancing Existing Services

Existing Service:	FY2023 Actual	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Operating Needs							
Jefferson Lines	\$806,069	\$936,783	\$1,023,926	\$1,114,554	\$1,208,807	\$1,306,831	\$1,359,104
River Cities Transit	\$193,658	\$201,404	\$209,460	\$217,839	\$226,552	\$235,615	\$245,039
Aberdeen Ride Line	\$6,725	\$6,994	\$7,274	\$7,565	\$7,867	\$8,182	\$8,509
People's Transit	\$23,116	\$24,041	\$25,002	\$26,002	\$27,042	\$28,124	\$29,249
Prairie Hills Transit	\$7,334	\$7,628	\$7,933	\$8,250	\$8,580	\$8,923	\$9,280
Vermillion Transit	\$1,193	\$1,241	\$1,290	\$1,342	\$1,396	\$1,451	\$1,509
Total	\$1,038,095	\$1,178,090	\$1,274,885	\$1,375,552	\$1,480,245	\$1,589,126	\$1,652,691
Capital Needs (Section 5311)							
Jefferson Lines	\$270,000	\$280,800	\$292,032	\$303,713	\$315,862	\$328,496	\$341,636
Total Funding Needs:	\$1,308,095	\$1,458,890	\$1,566,917	\$1,679,265	\$1,796,107	\$1,917,622	\$1,994,327
Enhancements:							
Brookings Depot		\$8,750	\$9,100	\$9,464	\$9,843	\$10,236	\$10,646
Expansion of Two Days		\$93,843	\$97,597	\$101,501	\$105,561	\$109,783	\$114,174
Total		\$102,593	\$106,697	\$110,965	\$115,403	\$120,019	\$124,820
Combined Existing and Enhancements:							
		\$1,561,483	\$1,673,614	\$1,790,230	\$1,911,510	\$2,037,642	\$2,119,147
Section 5311(f) Allocation (Estimated)		\$1,456,064	\$1,514,307	\$1,574,879	\$1,637,874	\$1,703,389	\$1,771,524
		-\$105,419	-\$159,307	-\$215,351	-\$273,636	-\$334,253	-\$347,623
*Section 5311(f) Allocation estimated from 15% of FY 2024 Full Year Section 5311 Allocation, with 4% Annual Growth Rate.							
Additional Capital Needs (Section 5339)							
River Cities Transit			\$117,894		\$127,514		
Aberdeen Ride Line			\$91,411				
People's Transit					\$98,870		
Sub-Total S.5339		\$0	\$209,305	\$0	\$226,384	\$0	\$0
TOTAL ICB FUNDING NEEDS		\$1,561,483	\$1,882,919	\$1,790,230	\$2,137,894	\$2,037,642	\$2,119,147

Chapter 7

Potential Service Expansions

Introduction

This chapter presents potential service expansions to address unmet needs, fill gaps in the network, or improve connectivity. It takes into account the information compiled in the review of existing services and the review of unmet needs for intercity services. Both of those reviews included substantial input from the state's transit providers, the intercity program participants, users, and other stakeholders. As part of the ongoing grant program, if there is sufficient funding, SDDOT could solicit grant applications for new feeder routes to link high need unserved areas with intercity service or improve connectivity.

Potential Routes to Address Gaps

The analysis suggests that the existing intercity network provides a high level of coverage to the state, as most of the places with sufficient population to support services are served. However, there are some places with a high transit need that are some distance from the existing intercity stops, and input from transit providers and regional meetings suggests that there are potential needs for additional connections to avoid extremely long travel times to make key connections. Chapter 5 addressed unmet needs. In this chapter, the unmet needs for service expansion are developed into potential routes for preliminary analysis of costs and feasibility.

Table 7-1 presents descriptions of 10 potential routes that would provide for either new coverage or new linkages, or both. The table discusses the rationale (advantages) of each route or service. It should be noted that there may be other program projects worth considering that do not involve new coverage, such as additional depots, facility improvements, marketing, or additional frequencies for existing services.

Table 7-1: Potential Route Alternatives

Proposed Route:	Stops:	Advantages:	Issues:	Likely Operator:
Yankton-Vermillion	None	Addresses input, Higher population points outside 25-mile radius	Local Match, Schedules	Yankton Transit
Yankton-Mitchell	Tyndall, Parkston	Connecting previously unserved towns to e-w intercity service	Local Match, schedule to connect in both directions	Yankton Transit
Madison-Sioux Falls	None	Connecting previously unserved area to major urban area	Local Match, schedules to connect to intercity	East Dakota Transit
Winner-Chamberlain	Gregory	Connecting previously unserved area to e-w intercity service	Local match, schedules to connect to intercity, stop in Chamberlain	ROCS
Murdo-Valentine	White River, Mission	Addresses input, serves high need area	Local Match, schedule design	Rosebud Sioux Tribe or Open Plains Transit (NE)
Rapid City-Chadron	Hot Springs, Oglala, Pine Ridge	Addresses input, serves high need area, improves connectivity (Scottsbluff and Denver)	Local Match, schedule design, coordination with local transit (Pine Ridge)	Oglalla Sioux Transit or Open Plains Transit (NE)
Rapid City-Dickinson	Sturgis, Newell, Castle Rock, Reva, New England (ND)	Addresses input, serves unserved area, connectivity to north	Local Match, Schedule design—connection to Jefferson at both ends, costs of long route, low potential ridership	Prairie Hills Transit
Pierre-Huron-Brookings	Highmore, Miller, Huron, Arlington	Addresses input, improved connectivity to I-29 North-South services, South Dakota State	Local Match, schedule design, long route, need for depot/transfer point in Brookings	River Cities Public Transit
Huron-Brookings	Arlington	Addresses input, improved connectivity to I-29 North-South services, South Dakota State, short route increases feasibility	Local Match, schedule design, need for depot/transfer point in Brookings	People's Transit
Mobridge-Aberdeen	Selby, Bowdle, Ipswich	Addresses input, connectivity to I-19 North-South services, may address regional needs	Local Match, schedule design, long route	Standing Rock Public Transit

Figure 7-1 presents a map of these routes to illustrate their location and potential connections. Not all stops are shown—potential stops listed were chosen to provide service to places with some population concentrations while minimizing stops to allow reasonable travel times. Each of the routes was suggested for consideration in a survey or at a regional meeting. Two of them provide access to high-need areas in the Rosebud and Pine Ridge Indian Reservations, which are currently unserved. Several of the routes offer a primary benefit in providing new connections that would allow access between places on the I-90 route and those on the I-29 route without the need to spend a night in Sioux Falls. The route from Rapid City to Chadron has been proposed as a through route to Scottsbluff, Nebraska with a connection from there to Denver on Kimball County Transit’s intercity route. Developing a timetable for such a route could be difficult, given the need to have a meaningful connection with the national intercity bus network and the limited frequency of the national network’s routes.

Table 7-2 presents a preliminary screening assessment of these potential routes, including an estimate of the additional mileage, a consideration of the potential demand, proposed frequencies, likely operators, and total operating cost. In addition, there are estimates of the cost per rider based on the highest demand estimate, along with an estimate of the boardings per trip at the proposed frequencies.

Figure 7-1: Map of Potential Route Alternatives

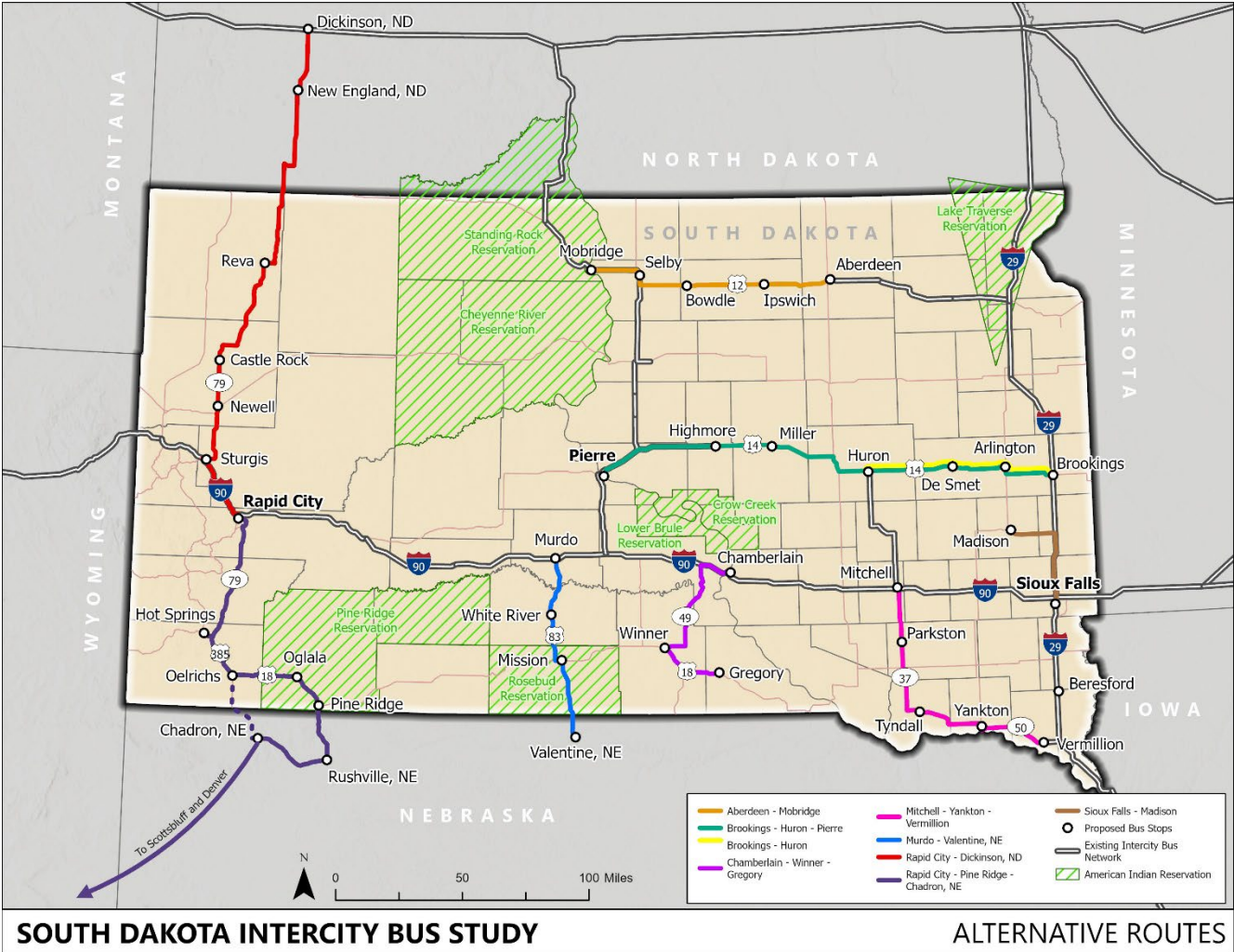


Table 7-2: Preliminary Assessment of Potential Routes

Route Alternative:	One-Way Route-Miles	Incremental Population Served (1)	Estimated Demand-Trip Rate based on populations (2)	Suggested Frequency	Annual Vehicle Trips	Annual Miles	Potential Operator (3)	Cost Per-Mile (4)	Estimated Annual Operating Cost	Cost Per Rider based on Trip Rate Est.	Average Boardings per Trip (Based on Trip Rate)	Operating Staff Required	Vehicles Required	Estimated Capital Cost (5)
Yankton-Vermillion	26	10,492	734	3 days/wk	312	8,112	Yankton Transit	\$4.98	\$40,398	\$55	2	1	1	\$95,000
Yankton-Mitchell	84	18,077	1265	5 days/wk	256	21,504	Yankton Transit	\$4.98	\$107,090	\$85	5	2	1	\$95,000
Madison-Sioux Falls	51	6,650	466	5 days/wk	256	13,056	East Dakota	\$5.36	\$69,980	\$150	2	1	1	\$95,000
Winner-Chamberlain	84	6,615	463	3 days/wk	156	13,104	ROCS	\$2.21	\$28,960	\$63	3	1	1	\$95,000
Murdo-Valentine (NE)	77	4964	347	2 days/wk	208	16,016	Open Plains	\$4.80	\$76,877	\$222	2	1	1	\$95,000
Rapid City-Chadron	164	13075	915	2 days/wk	208	34,112	Open Plains	\$4.80	\$163,738	\$179	4	2	1	\$95,000
Rapid City-Dickinson (ND)	225	9133	639	2 days/wk	208	46,800	Prairie Hills	\$3.04	\$142,272	\$223	3	2	1	\$95,000
Pierre-Huron-Brookings	190	3199	224	2 days/wk	208	39,520	River Cities	\$4.65	\$183,768	\$820	1	2	1	\$95,000
Huron-Brookings	74	915	64	2 days/wk	208	15,392	People's Transit	\$3.53	\$54,334	\$849	0	1	1	\$95,000
Mobridge-Aberdeen	100	2098	147	2 days/wk	208	20,800	Standing Rock	\$1.49	\$30,992	\$211	1	1	1	\$95,000

(1) Population of Stops not already receiving intercity bus or rural intercity feeder service.
 (2) Estimated by assuming 3.5 intercity trips over 100 miles per person with a bus mode share of 2%. No error term applied.
 (3) Selected to minimize deadhead.
 (4) Total Cost per Mile from the SDDOT Transit Statistical Report (except Open Plains Transit--cost assumed)
 (5) Capital cost estimated assuming a small cutaway with 12 ambulatory seats and wheelchair positions for two wheelchairs, and a baggage rack, at an estimated cost of \$95,000.

The information in this table presents estimates for all the parameters based on reasonable assumptions. A review of these assumptions may result in the need to change these or develop additional alternatives, but the emphasis in this case is to provide information that could allow a relative comparison of options and potential costs. There are several caveats:

- **Demand Estimates:** To develop order of magnitude estimates of potential demand, the study team tried several approaches¹. The one shown in the table above is based on detailed data on person trip productions for rural residents making long distance trips. The state of Michigan Travel Counts Surveys documented person trip rates between 3.27 and 3.55 for rural areas of the state, with 3.49 for the Upper Peninsula. Similar counts in Ohio had higher trip production rates, but the low density of South Dakota suggested that the Upper Peninsula rate might be more appropriate. Applying that rate to the population produces an estimate of total long-distance trips, so a second step applied an intercity bus mode share to get an estimate of potential intercity bus trips. While there is very limited data for long-distance trips by rural residents, one study documented a mode share of 1.85 percent overall for intercity bus, with a mode share of 2 percent for trips between 100 and 300 miles in length. In this case the two percent split was used. Data on the existing feeder ridership is limited, and ridership is still recovering from the pandemic and may be affected by perceived reliability issues. The projected demand levels appear to be comparable to the feeder routes.
- **Suggested Frequency:** For this purpose, suggested frequencies were developed that are similar to those of the lower ridership existing feeders in an effort to provide more potential passengers per trip. More trips were assumed for larger ridership or shorter routes. Daily service would cost more—unfortunately none of the current models for rural intercity bus ridership are sensitive to frequency variations, so it is not clear if ridership would increase in proportion to costs. The existing Pierre to Vivian route is daily seven days per week and has ridership that is much higher than the two- and three-day services, but it is not clear if this is because Pierre generates more long-distance trips, or there is more robust local transit, or if it is because of the frequency.
- **Timetables and Feasibility:** At this point in the analysis timetables have not been developed for these routes. The Jefferson Lines routes on I-90 and I-29 are once a day each way, and developing a timetable for connections with those routes would be a requirement before any could be considered feasible. One of the characteristics of the current network is that the feeder routes are relatively short, facilitating operation by rural transit providers and allowing connections with the Jefferson routes at reasonable times. Extending those routes may be problematic.

¹ The study team applied the Transit Cooperative Research Program Report 147 Rural Intercity Bus Demand Estimation Tool to each of the routes to estimate ridership. However, all of these routes serve many places that have small populations, and many do not serve new places but provide better connections between places that are already served. The model was developed with a calibration base that includes many larger population areas, and generally provides estimates based on the new population served—it is insensitive to travel time and frequency. Consequently, the model showed zero ridership in several cases because the model estimated ridership is less than the error term of the model.

- **Local Match:** Currently the rural feeders provide the local match for the services they operate as part of their overall matching requirements. Local system boards may be reluctant to increase match for long routes that serve statewide network needs but are not as much of a local priority. While Jefferson Lines provides the match for its services, it may not want to allocate more company funds for potentially low ridership feeder routes. There is currently no local match provided by the state of South Dakota for intercity services,

The purpose of these proposals is to serve as a basis for discussion of unmet needs and gaps, and the feasibility of implementing additional or new services to address gaps or unmet needs. Consideration of implementation strategies will need to follow meetings with SDDOT and the Advisory Committee.

Needs for Additional Vehicles and Drivers for Expansion Services

For each of the proposed services it was assumed that the operator would need an additional vehicle for that service because they have not previously needed vehicles for that purpose. It is possible that some of these could be operated with a vehicle in the existing fleet that is otherwise not needed to meet existing service needs. None of the routes would require more than one vehicle for direct operation, assuming that when a spare is needed it could be provided from the pool of other transit vehicles operated by that entity.

The situation for drivers is similar—assuming that an additional person would be needed to operate this expansion service. In a couple of cases preliminary assessment of the schedules that might be needed to meet the intercity bus could require a service day that would call for a second driver, but this would need to be determined once a detailed timetable was developed for each connecting service. This would also likely require consideration of transit system hours, as intercity bus connections might well require drivers to operate outside of the normal operating hours of the rural system. This might trigger additional staffing needs if it was determined that a dispatcher or other back up is required outside the normal hours. The assumption is that the fully allocated operating cost per mile for each system provides for the wages and fringe benefits that would be required for the additional staff.

Needs for Expansion Facilities

In addition to the potential unmet needs for vehicle capital and operating funds, there are three identified potential near term future needs for public depots along existing Jefferson routes. ROCS has applied for funding to administer bus agents in Beresford and Chamberlain, and a potential for Brookings Area Transit to manage a depot for Jefferson Lines in Brookings as part of their new facility. Each of these would require some Section 5311(f) funding for staffing, and also for marketing and support for this additional role for the transit agencies. Table 7-3 presents an estimate of potential funding requirements for operation based on current applications and information about the costs of the existing agencies in Spearfish, Vermillion, Pierre, Huron and Aberdeen. It does not include any incremental capital costs, which are yet to be identified.

Table 7-3: Administrative Costs for Additional Agency Depots

	Chamberlain	Beresford	Brookings	Total
ICB Administration	\$1,500	\$1,500	\$1,500	\$4,500
ICB Ticket Agent	\$5,000	\$5,000	\$5,000	\$15,000
ICB Ticket Agent Fringes	\$750	\$750	\$750	\$2,250
Other ICB Costs	\$1,500	\$1,500	\$1,500	\$4,500
				\$26,250

These costs were estimated based on the invoice amounts from the existing transit operated agency depots, which vary considerably—the actual amounts for these expansions could be higher or lower, depending on the volume of ticket sales/information requests and

Weighing the Options

The potential expansion routes have been designed based on community and stakeholder feedback. To get a better understanding of the needs behind each recommendation, a performance assessment was conducted to consider the relative benefit of each service. This assessment should not be considered as the final answer but a mechanism that provides a means of assisting with the development of priorities that could form the basis for an expanded intercity bus program.

New Populations Served

As seen in Table 7-4, 82.6% of South Dakota’s population resides within 25 miles of a current intercity bus stop. This section explores the priority of expanding intercity bus services based on population coverage. Of the top 10 most populated cities in the state, Yankton is the only city without intercity bus services – this elevates the proposed Mitchell – Yankton – Vermillion route to the top of the list with approximately 23,300 new population served.

Table 7-4: New Populations Served

Potential New Routes	New Population Served*	Population Percentage	New Stops	Score
Mitchell - Yankton - Vermillion	23,300	3.3%	Parkston, Tyndall, Yankton	5
Rapid City - Pine Ridge - Chadron, NE	12,684	1.8%	Hot Springs, Oelrichs, Oglala, Pine Ridge	4
Chamberlain - Winner - Gregory	11,646	1.7%	Chamberlain, Gregory, Winner	4
Sioux Falls - Madison	9,531	1.4%	Madison	3
Murdo - Valentine, NE	7,899	1.1%	Mission, Murdo, White River	3
Brookings - Huron - Pierre	7,653	1.1%	Arlington, De Smet, Highmore, Miller	3
Brookings - Huron	4,951	0.7%	Arlington, De Smet	2
Aberdeen - Mobridge	3,673	0.5%	Bowdle, Ipswich	2
Rapid City - Dickinson, ND	843	0.1%	Sturgis, Newell, Castle Rock, Reva, New England (ND)	1
Existing Intercity Service Coverage	581,104	82.6%		

*NEW POPULATION SERVED INCLUDES THE PREVIOUSLY UNSERVED POPULATION OF CITIES/TOWNS WITHIN 25 MILES OF A NEW/PROPOSED INTERCITY BUS STOP.

SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Additional Destinations

Beyond populations numbers, several of the proposed intercity bus routes serve key destinations within the state (key destinations are further detailed in Chapter 4). Key destinations include hospitals, universities, airports, jails, etc. Again, the Mitchell – Yankton – Vermillion route is at the top of the list with 10 new key destinations served including area hospitals, human service agencies, and Mount Marty College.

Table 7-5: Additional Key Destinations

Potential New Route	Number of New Key Destinations	New Destinations	Score
Mitchell - Yankton - Vermillion	10	Avera Landmann-Jungman Memorial Hospital, Avera Sacred Heart Hospital (Yankton), Avera Saint Benedict Health Center (Parkston), Avera Saint Michael's Hospital (Tyndall), Chan Gurney Municipal Airport, Douglas County Memorial Hospital, Federal Prison Camp Yankton, Human Services Center (Yankton), Mike Durfee State Prison, Mount Marty College	5
Rapid City - Pine Ridge - Chadron, NE	4	Fall River County Jail, Fall River Hospital, Pine Ridge Hospital, VA Black Hills Health Care (Hot Springs)	4
Chamberlain - Winner - Gregory	3	Avera Gregory Hospital, Sanford Health Chamberlain Medical Center, Winner Regional Healthcare Center	3
Sioux Falls - Madison	3	Dakota State University, Madison Municipal Airport, Madison Regional Health System	3
Murdo - Valentine, NE	2	Rosebud Hospital, Sinte Gleska University	2
Brookings - Huron - Pierre	2	Avera De Smet Memorial Hospital, Avera Hand County Memorial Hospital	2
Brookings - Huron	1	Avera De Smet Memorial Hospital	1
Aberdeen - Mobridge	0		0
Rapid City - Dickinson, ND	0		0

High Transit Dependence

Due to relatively low population densities, many of the block groups in rural areas are vast in size. While the proposed Murdo – Valentine route incorporates a higher number of high transit dependence block groups, the actual TDI population is greater for the proposed Rapid City – Pine Ridge – Chadron route.

Table 7-6: High Transit Dependence

Potential New Route	Total TDI Block Groups	Combined TDI Population*	Score
Rapid City - Pine Ridge - Chadron, NE	4	7,228	5
Murdo - Valentine, NE	5	6,689	5
Aberdeen - Mobridge	1	643	1
Mitchell - Yankton - Vermillion	0	-	0
Chamberlain - Winner - Gregory	0	-	0
Sioux Falls - Madison	0	-	0
Brookings - Huron - Pierre	0	-	0
Brookings - Huron	0	-	0
Rapid City - Dickinson, ND	0	-	0

*TDI COMBINED POPULATION IS THE TOTAL NUMBER OF AUTOLESS HOUSEHOLDS, INDIVIDUALS LIVING BELOW THE FEDERAL POVERTY LEVEL, AND INDIVIDUALS IN THE AGE GROUPS 18-24 AND 65 OR ABOVE.

SOURCE: AMERICAN COMMUNITY SURVEY, 5-YEAR DATA (2018-2022)

Network Improvements

Some of the proposed routes do not score well in other metrics because they have endpoints that are already served by intercity routes. However, these routes provide a more direct trip for many residents. As an example, Mobridge is connected to Aberdeen via four transfers and an overnight stay in Sioux Falls. Providing a more direct and regular connection between these two locations could bolster ridership by making the service more accessible. For this category, scores were derived from the number of transfers that would be eliminated. As seen in Table 7-7, the Aberdeen – Mobridge example scores the most points whereas new routes typically score lower.

Table 7-7: Network Improvements

Potential New Route	Network Improvements	Score
Aberdeen - Mobridge	Eliminates up to 4 transfers, new intermediate stops	5
Mitchell - Yankton - Vermillion	Eliminates up to 2 transfers, new intermediate stops	4
Brookings - Huron - Pierre	Eliminates up to 2 transfers, new intermediate stops	4
Brookings - Huron	Eliminates up to 2 transfers, new intermediate stops	4
Sioux Falls - Madison	New route and endpoint	3
Murdo - Valentine, NE	New route and endpoint	3
Rapid City - Pine Ridge - Chadron, NE	New route and endpoint, new intermediate stops, more direct connection to Denver	3
Chamberlain - Winner - Gregory	New route and endpoints, new intermediate stops	2
Rapid City - Dickinson, ND	New route, new intermediate stops	2

Projected Annual Ridership and Operating Costs

The estimated ridership and projected operating costs were outlined below in Table 7-8 and they provide an invaluable metric for prioritizing implementation of future services. The estimated ridership is driven by the estimated frequency of each route. As an example, the Mitchell – Yankton – Vermillion route would run five days per week in a relatively dense area, results in an estimated 1,999 annual passenger trips. Whereas twice weekly service from lower density areas show lower estimated ridership. These estimates are also factored by the projected annual operating cost which provides an average cost per rider. Due to relatively lower operating costs, several of the lower demand routes generate lower cost per rider figures.

Table 7-8: Estimated Annual Ridership and Costs

Potential New Route	Estimated Frequency	Estimated Annual Trips	Estimated Trips Score	Projected Annual Operating Cost	Cost per Rider	Cost Efficiency Score
Chamberlain - Winner - Gregory	3 days/wk	463	3	\$28,960	\$62.55	5
Mitchell - Yankton - Vermillion	5 days/wk	1,999	5	\$147,488	\$73.78	5
Sioux Falls - Madison	5 days/wk	466	3	\$69,980	\$150.17	4
Rapid City - Pine Ridge - Chadron, NE	2 days/wk	915	4	\$163,738	\$178.95	4
Aberdeen - Mobridge	2 days/wk	147	2	\$30,992	\$210.83	2
Murdo - Valentine, NE	2 days/wk	347	3	\$76,877	\$221.55	2
Rapid City - Dickinson, ND	2 days/wk	639	4	\$142,272	\$222.65	2
Brookings - Huron – Pierre	2 days/wk	224	2	\$183,768	\$820.39	1
Brookings - Huron	2 days/wk	64	1	\$54,334	\$848.97	1

Prioritization Scoring

The combined scores are totaled in Table 7-9. Based on the scoring approach, there was a tie between the Mitchell – Yankton – Vermillion and Rapid City – Pine Ridge – Chadron route with a score of 24. There was also a tie between Chamberlain – Winner – Gregory and Murdo – Valentine with scores of 17. On the low end, the Brookings – Huron route scored the lowest with a combined score of 9.

Again, these scores are not meant to provide an order or implementation but rather context for prioritizing future intercity bus services. When expansion services are planned, there should be a thoughtful examination of current priorities.

Table 7-9: Prioritization Scoring

Potential New Route	Population Score	Destinations Score	Transit Dependence Score	Network Improvement Score	Estimated Trips Score	Cost Efficiency Score	Total Score
Mitchell - Yankton - Vermillion	5	5	0	4	5	5	24
Rapid City - Pine Ridge - Chadron, NE	4	4	5	3	4	4	24
Chamberlain - Winner - Gregory	4	3	0	2	3	5	17
Murdo - Valentine, NE	3	2	5	2	3	2	17
Sioux Falls - Madison	3	3	0	2	3	4	15
Aberdeen - Mobridge	2	0	1	5	2	2	12
Brookings - Huron – Pierre	3	2	0	4	2	1	12
Rapid City - Dickinson, ND	1	0	0	3	4	2	10
Brookings - Huron	2	1	0	4	1	1	9

Intercity Feeder Expansion: Possibilities

Based on this analysis and prioritization, the highest needs for additional service are found in areas that have populations that are more transit dependent and that have few connections to the intercity network:

- Rapid City to/from Pine Ridge (potentially with connections or as part of service to/from Chadron, NE or Scottsbluff, NE.
- Murdo to or through the Rosebud Reservation, with possible connections in Valentine, NE

Operators have not been identified for either of these services—the tribal transit operators would be logical providers, and Open Plains Transit in Nebraska has expressed interest in operating these as extensions of service they now provide to Pine Ridge (in South Dakota) and Valentine. Service designs to provide for meaningful intercity bus connections, meet hours of service requirements and provide for (relatively) convenient service will require local input and collaboration with Jefferson Lines. If operated by the tribal transit providers using FTA Tribal Transit funding the possibility exists that no local match would be required.

Additional priorities for which SDDOT might solicit grant applications for additional feeder routes/connections include:

- Yankton-Vermillion (Sioux Falls)
- Gregory-Winner-Chamberlain
- Madison-Sioux Falls

Again, the feasibility of each of these remains to be determined, given the need to make a meaningful connection with the Jefferson routes, which have very limited frequencies. Expansion possibilities are also limited by the available Section 5311(f) funding and the need for local match for the non-federal share of the operating deficit of any service. South Dakota does not provide for state operating match funding, so service would require local or carrier support—which so far has been provided by Jefferson Lines and the local feeder operators.

This overall strategy basically consists of maintaining and enhancing the existing services through a grant program that offers funding to support intercity services in the state. If there are no providers willing to apply for that funding and implement service, SDDOT would be justified in certifying that there are no unmet rural intercity needs and utilizing the funding for other rural transit needs. The alternative model would require SDDOT to become the grantee and contract for services it deems necessary, which would be a completely different model. Because there are no connecting unsubsidized services that could provide in-kind match, SDDOT would need to issue RFPs for particular services, find contract operators, monitor their operations, and provide the local match (the non-federal share of 48.24%). Currently there is no state program that would provide that funding.

Vision Plan

The previous sections have presented a strategy of maintaining the existing network, enhancing it slightly, and then if funding is available adding services to address unmet needs or improve connectivity. All of these have been developed under the assumption that South Dakota's intercity bus program is to be operated using the available FTA Section 5311(f) funding with no state funding for match, and no additional state funding. Local match is provided by Jefferson Lines and the five participating rural transit systems. The analysis suggests that the available federal funding is largely needed to maintain the existing/enhanced network, and potentially the highest priority expansion routes if farebox revenue on the Jefferson routes increases.

In this section we present options for a situation in which state funding is available to provide for more service than would be allowed by the available Section 5311(f) funding. Decisions to provide additional funding are up to the state, including both the executive and legislative branches, and this is not intended to recommend a course of action but to provide information.

Option One: Funding the Expansion Routes

One option would be to use additional state funds to implement the expansion routes defined in the previous section. Implementing all of them would provide for a statewide network and would cost an estimated \$900,000 per year to operate (initially). These cost figures are based on fully-allocated costs per mile from the local operators, and do not include any potential additional revenue. Incremental costs could be lower, and fare revenue would also offset some of these expenses.

The operating cost could also be reduced if the state funding was limited to a subset of the routes that could be identified as priority routes—those having a higher score in terms of providing additional population coverage, improved connectivity, likely ridership and higher cost-effectiveness. Based on the assessment in the previous section, state funding could be focused on routes with a score of 17 or greater, which would require \$417,063 per year to operate.

Option Two: Alternative Route Structure

The expansion routes have all been designed to address the FTA requirement for providing a meaningful connection to the national intercity bus network. All would require passengers to transfer from feeder routes to the intercity routes, and in many cases would have long travel times because of the need to connect to the limited intercity schedules which offer one bus a day each way, with many trips requiring an overnight stay.

This option presents a set of routes that are not constrained by the need to connect with intercity bus service, but instead provide for more direct routes to the state's largest city, Sioux Falls and the second largest Rapid City, linking the largest population centers with daily service each way. It is assumed that the two Jefferson routes would be continued to link the eastern and western and the northern and southern portions of the state and would continue to require Section 5311(f) funding. Figure 7-2 presents a map of these routes, which include:

- Pierre-Vivian-Chamberlain-Mitchell-Sioux Falls
- Yankton-Vermillion-Beresford-Sioux Falls
- Huron-Madison-Sioux Falls
- Aberdeen-Summit-Watertown-Brookings-Sioux Falls
- Yankton-Mitchell
- Pine Ridge-Hot Springs-Rapid City-Box Elder
- Spearfish-Sturgis-Rapid City

These routes would be scheduled to provide for a morning trip to Sioux Falls (except Yankton-Mitchell), with potential stops including the airport, the Jefferson Lines depot, the transit center, and the major medical centers. An evening outbound trip would allow users to spend the day in Sioux Falls or connect from flights arriving in the afternoon. Exact timetables would need to be developed, but the services would be designed to complement the existing Jefferson Lines interstate routes and the current feeder routes, which would require ongoing funding (with the FTA funds) to link South Dakota with other states and tie western South Dakota to Pierre and Sioux Falls and to provide additional frequencies. By providing two daily round-trips more convenient connections could be made between the smaller cities as well—for example a student from Pierre headed to Brookings could ride the inbound bus to Sioux Falls in the morning, and catch the outbound bus to Brookings late that morning, reaching Brookings in the early afternoon instead of having to spend the night in Sioux Falls.

An estimated operating cost for this supplementary network would be \$3,760,927, based on two roundtrips per day, weekdays, as shown in Table 7-10. Potential operators could include the existing transit systems, and the estimated cost is based on the fully allocated per-mile operating costs of the public transit providers of the origin cities. 3-2 shows the expansion routes as part of the vision plan.

Figure 7-2: Map of “Vision Plan” Expansion Routes

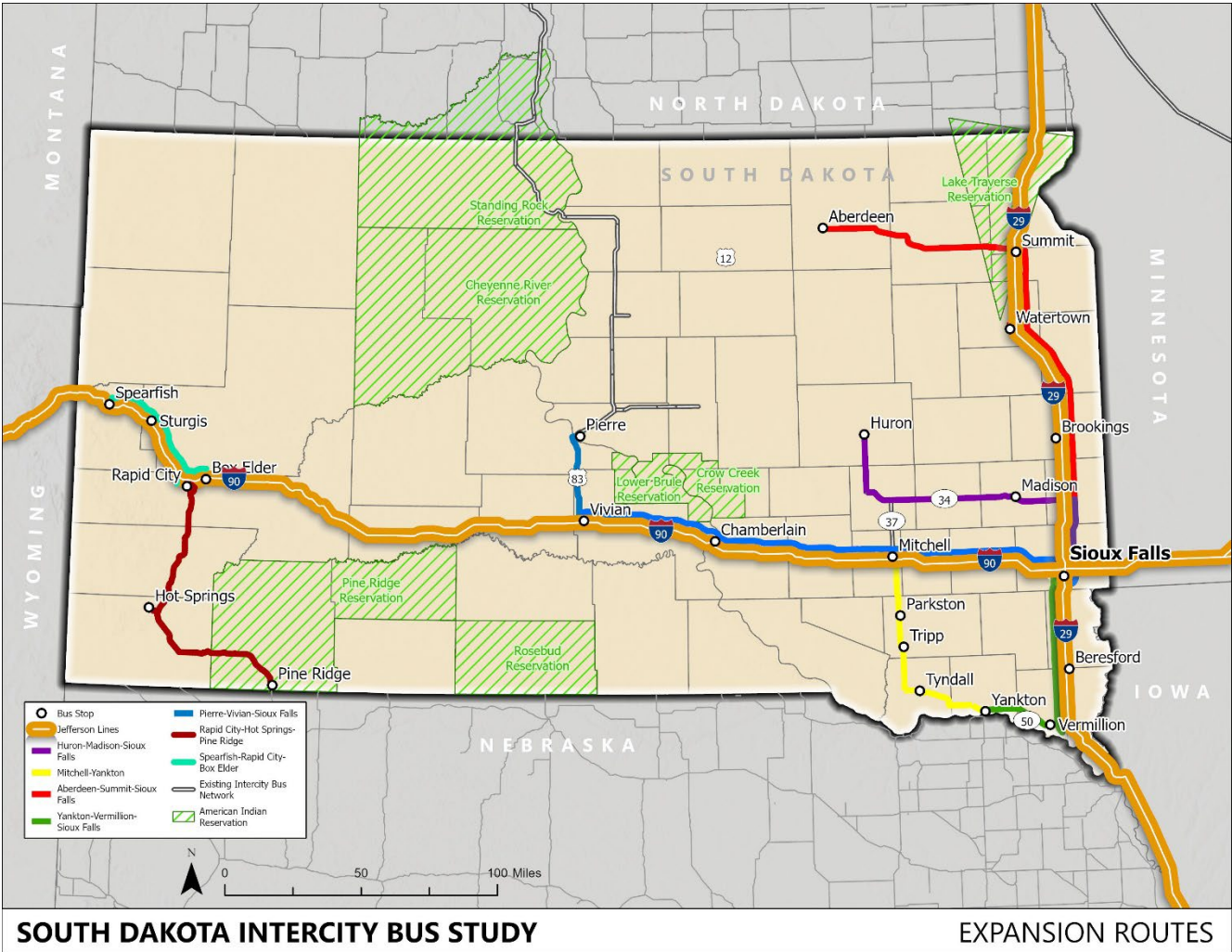


Table 7-10: Vision Plan for State Funded Regional Intercity Bus Service

Route	One-Way Miles	Daily Frequency	Days per Year	Annual Bus-Miles	Cost per Bus-Mile	Annual Operating Cost	Fare Revenue at 10%	Net Operating Deficit
Pierre-Vivian-Chamberlain, Mitchell-Sioux Falls	228	4	254	231,648	\$4.50	\$1,042,416	\$104,242	\$938,174
Yankton-Vermillion-Beresford-Sioux Falls	90	4	254	91,440	\$4.50	\$411,480	\$41,148	\$370,332
Huron-Madison-Sioux Falls	125	4	254	127,000	\$4.50	\$571,500	\$57,150	\$514,350
Aberdeen-Summit-Watertown-Brookings-Sioux Falls	211	4	254	214,376	\$4.50	\$964,692	\$96,469	\$868,223
Yankton-Tyndall-Tripp-Parkston-Mitchell	87	4	254	88,392	\$4.50	\$397,764	\$39,776	\$357,988
Spearfish-Sturgis-Rapid City-Box Elder	55	4	254	55,880	\$4.50	\$251,460	\$25,146	\$226,314
Pine Ridge-Hot Springs-Rapid City	118	4	254	119,888	\$4.50	\$539,496	\$53,950	\$485,546
								\$3,760,927

Implementing the “Vision Plan” with non-federal funding would also likely require a major change in the way the program is managed. SDDOT would need to issue RFPs and contract for the services, rather than offering grant funds to local entities who may or may not respond to an offer of funding. This model of a state agency contracting for service can be seen in the Bustang service operated by the Colorado DOT.

This option is an effort to depict an alternative that could link the largest towns in the state with a more frequent schedule. It is difficult to estimate the ridership and revenue that would be generated because there has not been an alternative of this type, and there is limited experience in this state with persons who have a vehicle and the ability to drive being attracted to transit options. But it would serve the largest part of the state’s population more conveniently.

Chapter 8

Strategies and Recommended Plan

Introduction

This chapter presents the ongoing strategy for the intercity bus program element of South Dakota’s Section 5311 program. In general, the current program is well-regarded, provides a high level of intercity access and seems to function well, and for that reason the proposed strategies begin with the maintenance of those services, needed improvements, and potential expansions—but within the existing program and budget constraints.

Strategies for South Dakota

Strategies for developing a comprehensive statewide intercity bus network have been broken into four steps. The first, consultation and certification with intercity carriers and stakeholders, is key to determining the ever-changing service needs (as well as meeting FTA requirements). The public and stakeholder engagement task of this plan revealed a significant appreciation for the existing intercity services, maintaining this network should be considered a top priority. Enhancements to the existing services should then be considered. Potential service expansion would then be considered for expanded intercity feeder services based on the availability of ongoing funding after meeting the needs to maintain the existing network.



Consultation and Certification

It should be noted that in the development of strategies the basic elements of the Section 5311(f) program govern the options. The FTA guidance requires each state to spend 15% of its annual Section 5311(f) allocation on intercity projects, unless the state certifies that it has no unmet rural intercity needs. If a state so certifies, it needs to have conducted a consultation process involving the intercity carriers and stakeholders at least every four years and have a rationale for determining that there are no unmet rural intercity needs that considers the results of the consultation.

State Management Plan

South Dakota's State Management Plan presents the policies and actions through which the SDDOT implements the FTA Section 5311(f) program. It includes the following elements:

- The Section 5311(f) program is included in the annual Section 5311 grant application process affording carriers and transit providers the opportunity to request funding—this should be continued.
- In the application there is a separate 5311(f) section addressing the applicant's intercity projects which are budgeted separately, allowing them to be funded under the 15% set-aside requirement—this should be continued.
- SDDOT should ensure that the application is provided to not only existing carriers, but include potential intercity operators:
 - South Dakota transit operators,
 - Tribal transit in South Dakota and adjoining states,
 - Intercity carriers potentially able to serve South Dakota:
 - Jefferson Lines
 - Groome Transportation (Minnesota)
 - Windstar (Iowa and Nebraska)
 - Burlington Trailways (Iowa-based, service between Illinois and Denver)
 - Express Arrow (Nebraska-based, service in Nebraska, Colorado, Wyoming)
 - National carriers Greyhound Lines, Flixbus, Megabus
 - Others as may be identified from inventories.
- For both maintenance of effort projects and potential expansion, in the separate intercity section of the application it should solicit applications for the state's project priorities with specific descriptions as a scope of services. These could include service on specific routes/services described in general terms, or other project priorities such as operation of depots, related capital improvements, etc. However, this should not limit the application to these projects—it is always possible that a carrier or transit provider may identify a need or project not anticipated or previously identified.
- The State Management Plan includes a requirement for documented meetings between feeders and intercity partners, including SDDOT—this should be incorporated into the application as a requirement and in the grant documents. Currently this is supposed to be quarterly, possibly this could be relaxed to every six months, though a quarterly check-in would not seem to be overly burdensome.
- SDDOT should consider certifying that there are no unmet needs if after all project expenditures the Section 5311(f) funding requirement is below the 15% set-aside. The actual Section 5311(f) expenditures may differ from the budgets submitted in applications—operating expenses may be more or less than anticipated, revenues from fares may be higher or lower than projected. The FTA

guidance provides significant flexibility to the state in managing these funds and it would be prudent to avoid certifying and shifting the funds until the actual 5311(f) project expenditures are known. Within the program of projects funds designated for intercity bus projects can be transferred to other intercity bus projects, or to other projects if more than the required percentage has been allocated for intercity bus projects.

- Section 5311 guidance permits the state to designate program reserve funding for intercity projects not yet identified. FTA requirements state that “The percentage required to be expended for intercity bus transportation may be withheld and not obligated in a given year, if the state plans to obligate the funds at a later date along with funds from subsequent years’ apportionments. The state should note its intention to withhold funds for later obligation in the state’s application to FTA Budget.”¹ While the state may wish to withhold funds for later obligation there is obviously a need to use these funds or certify no unmet need before they lapse.

Consultation Process

In the next Four-Year Intercity Bus Needs Assessment include the consultation as an explicit task—this project included all the elements, but it is more evident to FTA if they are labelled as a task.

- The consultation process should include a survey of potential operators asking for them to identify intercity needs:
 - Private Operators potentially able to provide service—adjacent region.
 - Public Transit Providers
 - Tribal Transit
- It should offer telephone/virtual interviews with individual carriers to discuss unmet needs—typically private firms do not like to discuss their business in front of potential competitors.
- The consultation report should document the survey/interview results.
- The results should be incorporated in the overall unmet needs study and identify priority options that will be included as specific project solicitations in the annual grant solicitations. Not all needs will likely have the same priority.

Monitoring

As it does for the other Section 5311 providers, SDDOT is required to provide oversight to ensure compliance with all federal requirements, and any additional state requirements or policies (for example state program implementation as described in the State Management Plan). States that provide Section 5311(f) funding to private for-profit carriers also have to conduct oversight of those grantees (or contractors) but may need to adjust interpretation of some items to reflect the fact that these services are typically multi-state. FTA has recognized this in [Dear Colleague letter](#) stating that intercity bus

¹ FTA Circular 9040.1G (11/24/2014), Chapter VIII, Page 9, 13. Obligation of Funds, a. Program of Projects.

providers that use a nationwide allocation model to allocate costs are eligible to be reimbursed for net operating costs under Section 5311(f), including funding provided by supplemental COVID programs such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), and the American Rescue Plan Act of 2021. South Dakota’s intercity bus grantee, Jefferson Lines, uses such a model to allocate costs and revenues to its South Dakota services. Jefferson Lines receives Section 5311(f) funding in a number of states and should be fully prepared to meet oversight requirements.

One other aspect of program monitoring that could be useful to SDDOT is in terms of reporting and documentation is to collect information on intercity bus ridership numbers in the state. For on-going monitoring, it would be useful to identify trends or issues—for example, a complete loss of riders due to a problem with ticketing, or needs for a larger vehicle. This study collected and documented ridership for these services, but this should be an ongoing process. For Jefferson Lines, because the carrier allocates costs and revenues, reporting South Dakota boardings may be problematic, but if possible it would allow for inclusion in rural NTD reporting. Also, the state’s [Transit Statistical Report](#) could include the intercity routes and Jefferson Lines as part of the annual overview.

Strategy Summarized

This overall strategy basically consists of maintaining and enhancing the existing services through a grant program that offers funding to support intercity services in the state but includes state priorities for intercity services including potential expansions as part of the solicitation. If there are no providers willing to apply for that funding and implement service, SDDOT would be justified in certifying that there are no unmet rural intercity needs, allowing it to utilize the funding for other rural transit needs. The alternative model would require SDDOT to become the grantee and contract for services it deems necessary, which would be a completely different model. Because there are no connecting unsubsidized services that could provide in-kind match, SDDOT would need to issue RFPs for particular services, find contract operators, monitor their operations, and provide the local match (the non-federal share of 48.24%). Currently there is no state program that would provide that funding, so the logical strategy is to continue the intercity bus program as a grant program but including more direction about state priorities in the grant solicitation.

Appendix A

Regional Meetings



CONTACTS



SEARCH

Transportation Doing Business Projects & Studies Programs & Services Travelers Inside SDDOT

SDDOT TO HOST INFORMATIONAL MEETINGS FOR STATEWIDE INTERCITY BUS STUDY

For Immediate Release: Thursday, Oct. 19, 2023

Contact: Julie Stevenson, Strategic Communications Specialist, 605-773-2898

PIERRE, S.D. - The South Dakota Department of Transportation (SDDOT) will hold a series of public informational meetings across the state. The purpose of each informational meeting is to inform residents about the Statewide Intercity Bus Study. Each informational meeting will be informal, allowing for one-on-one discussion with transit staff.

Each scheduled informational meeting location, date, and time is listed below.

- Vermillion – Edith B Siegrist Public Library, 18 Church St., Friday, Oct. 27, 2023 – 9:30 a.m. - 10:30 a.m. CT
- Sioux Falls – City of Sioux Falls Planning, 231 N. Dakota Ave., Fri., Oct. 27, 2023 – 12:30 p.m. - 1:30 p.m. CT
- Mitchell – James Valley Comm Center, 300 W. 1st Ave., Fri., Oct. 27, 2023 – 4 p.m. - 5 p.m. CT
- Huron – Peoples Transit, 120 Wyoming Ave. SW, Tues., Oct. 31, 2023, 9:30 a.m. - 10:30 a.m. CT
- Watertown – Watertown Reg. Library, 160 6th St. NE, Tues., Oct. 31, 2023, 1 p.m. - 2 p.m. CT
- Aberdeen – KO Lee Aberdeen Library, 215 SE 4th Ave. Wed, Nov 1, 2023, 9:30 a.m. - 10:30 a.m. CT

Order	SDDOT Area	Location	Address	Time	Time
1	Vermillion	Edith B Siegrist Public Library	18 Church St.	Friday, Oct. 27th, 2023	9:30 a.m. - 10:30 a.m. CT
2	Sioux Falls	City of Sioux Falls Planning	231 N. Dakota Ave.	Friday, Oct. 27th, 2023	12:30 p.m. - 1:30 p.m. CT
3	Mitchell	James Valley Comm Center	300 W. 1st Ave.	Friday, Oct. 27th, 2023	4 p.m. - 5 p.m. CT
4	Huron	Peoples Transit	120 Wyoming Ave. SW	Tuesday, Oct. 31st, 2023	9:30 a.m. - 10:30 a.m. CT
5	Watertown	Watertown Reg. Library	160 6th St. NE	Tuesday, Oct. 31st, 2023	1 p.m. - 2 p.m. CT
6	Aberdeen	KO Lee Aberdeen Library	215 SE 4th Ave.	Wednesday, Nov. 1st, 2023	9:30 a.m. - 10:30 a.m. CT
7	Winner	Tripp County Library	442 S. Monroe St.	Wednesday, Nov. 1st, 2023	3 p.m. - 4 p.m. CT
8	Pierre	River Cities Transit	1600 E. Dakota Ave.	Wednesday, Nov. 1st, 2023	6:30 p.m. - 7:30 p.m. CT
9	Mobridge	AH Brown Public Library	521 N. Main St.	Thursday, Nov. 2nd, 2023	1:30 p.m. - 2:30 p.m. CT
10	Belle Fourche	Chamber	509 Grant St.	Friday, Nov. 3rd, 2023	10:30 a.m. - 11:30 p.m. MT
11	Rapid City	Transportation Center	333 6th St.	Friday, Nov. 3rd, 2023	1 p.m. - 2 p.m. MT
12	Custer	Custer County Public Library	447 Crook St.	Friday, Nov. 3rd, 2023	4 p.m. - 5 p.m. MT

Statewide Intercity Bus Study - Multi Locations and Dates

Surveys:

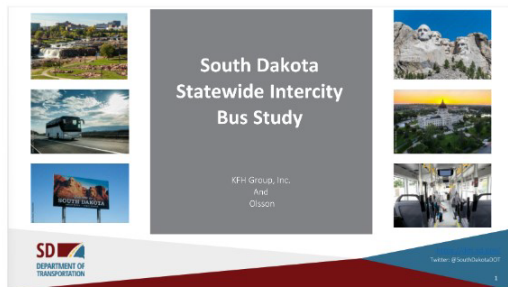
User-Rider Survey: https://www.surveymonkey.com/r/sddot_icb_rider


Community Survey: https://www.surveymonkey.com/r/sddot_icb_community

Regional Planning Survey: https://www.surveymonkey.com/r/sddot_icb_regional_planning

Transit Provider Survey: https://www.surveymonkey.com/r/sddot_icb_transit_provider

Meeting Presentation:





STATEWIDE INTERCITY BUS STUDY

INFORMATIONAL MEETINGS

MOBRIDGE Thursday, Nov. 2, 2023 Location: AH Brown Public Library <ul style="list-style-type: none">• 521 N. Main St.• 1:30 p.m. - 2:30 p.m. CT	BELLE FOURCHE Friday, Nov. 3, 2023 Location: Chamber of Commerce <ul style="list-style-type: none">• 509 Grant St.• 10:30 a.m. - 11:30 a.m. MT
RAPID CITY Friday, Nov. 3, 2023 Location: Transportation Center <ul style="list-style-type: none">• 333 6th St.• 1 p.m. - 2 p.m. MT	CUSTER Friday, Nov. 3, 2023 Location: Custer County Public Library <ul style="list-style-type: none">• 447 Crook St.• 4 p.m. - 5 p.m. MT

Those who cannot attend an informational meeting or desire additional information on the overall study can find study information on the SDDOT website at https://dot.sd.gov/projects-studies/projects/public-meetings#listItemLink_1938.



South Dakota Statewide Intercity Bus Study

KFH Group, Inc.
And
Olsson



Today's Agenda

- **Welcome**
- **Introductions – Sign In**
- **Objectives of the Study**
- **What is Section 5311(f)?**
- **Perceptions of Existing Service**
 - *What is Intercity Bus Service?*
 - *What is South Dakota's Intercity Bus Network?*
- **Discussion of Unmet Rural Intercity Needs**
- **Questions?**

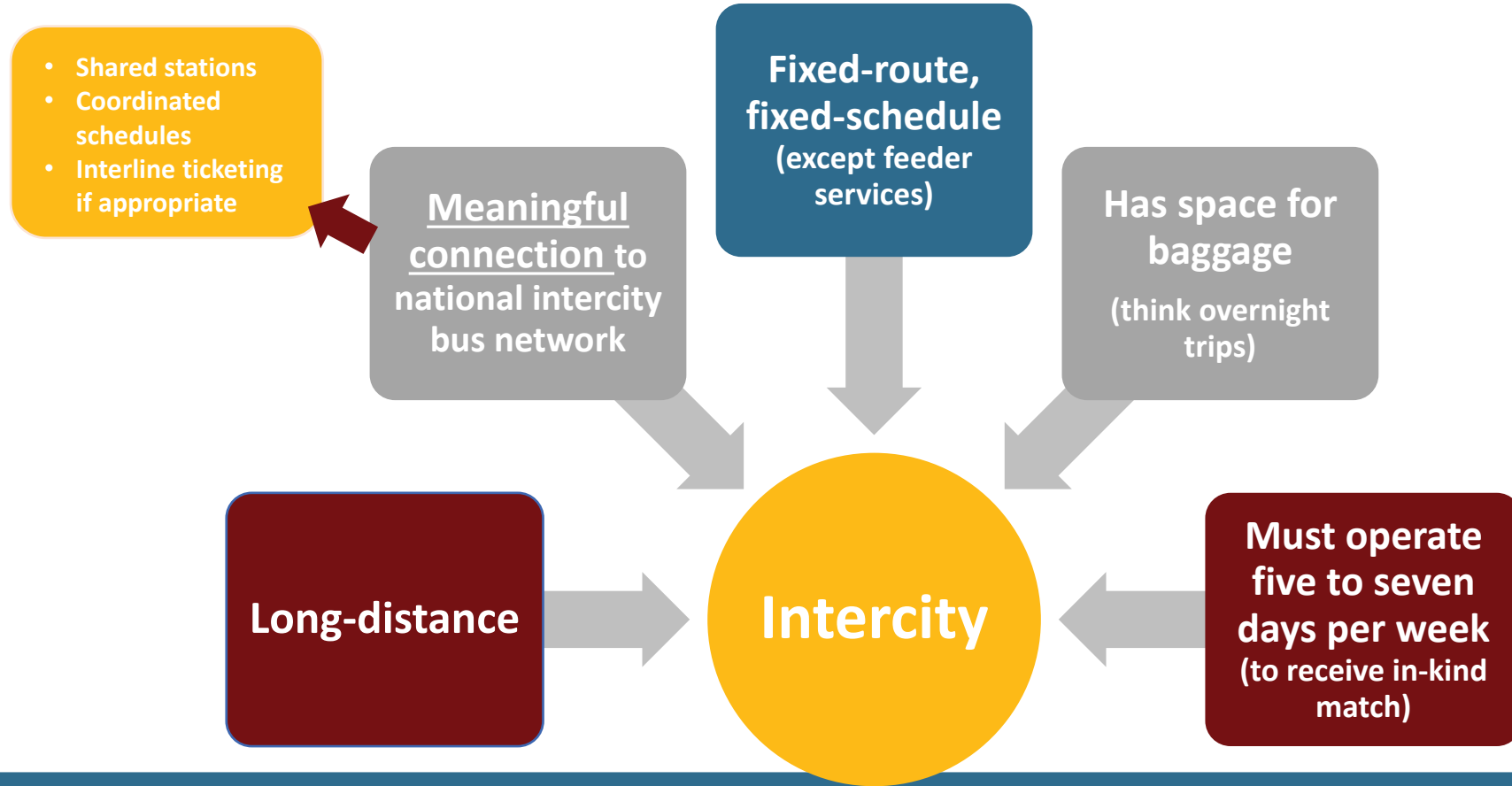
Objectives of the Study

- Objective 1: Describe Current State of Intercity Bus Services
- Objective 2: Assess Gaps and Needs
- Objective 3: Develop Implementation Strategy
- Objective 4: Develop Intercity Bus Plan

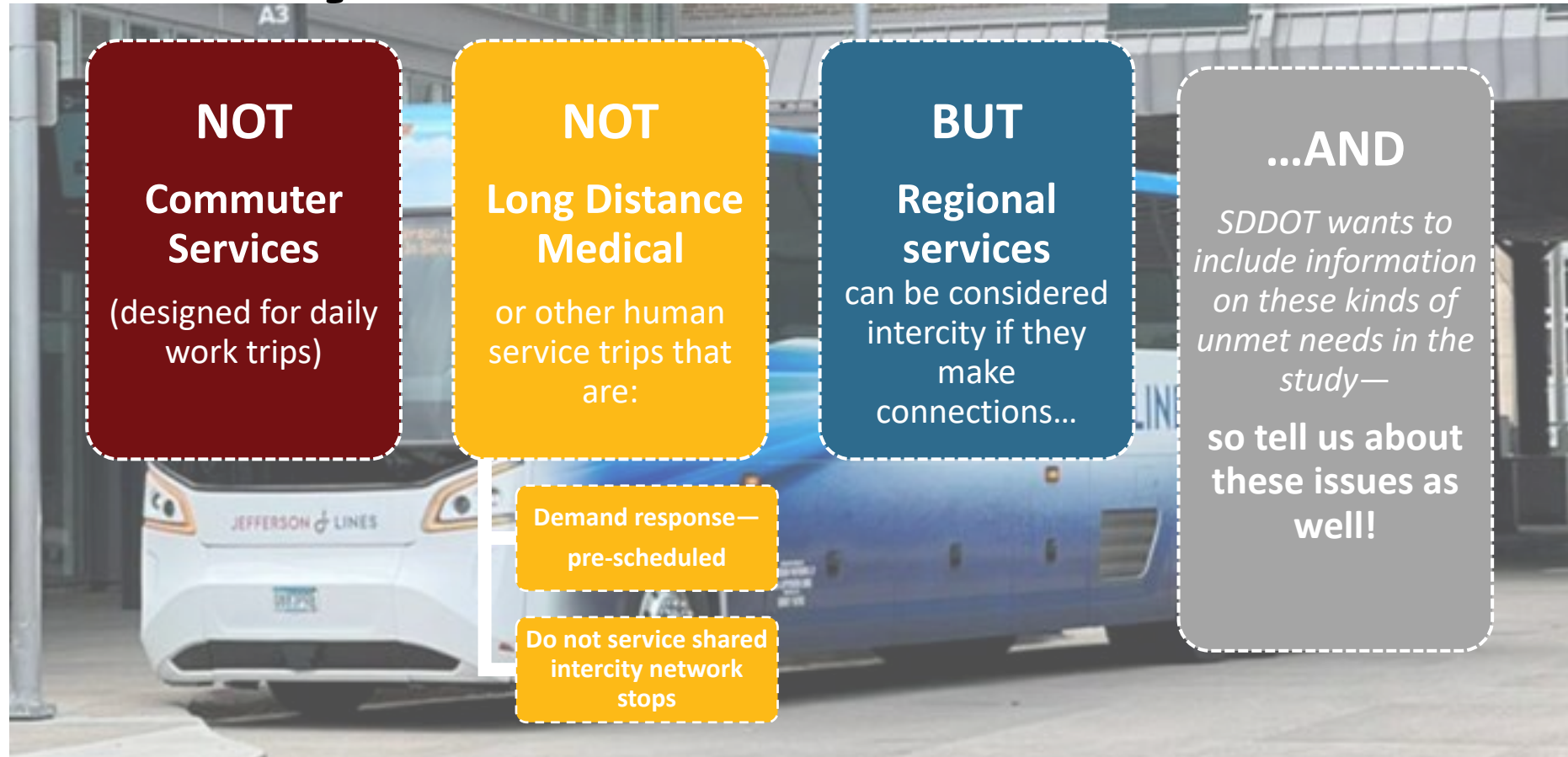
What is Section 5311(f)?

- Section 5311 is Federal formula funding for transit in rural (non-urbanized areas) – every state receives this annually.
- South Dakota DOT administers these funds.
- Section 5311(f) is dedicated funding for Intercity Bus Service in Rural Areas.
- 15% of the state’s annual 5311 apportionment is to be used for rural intercity projects, unless the state determines there are no unmet intercity needs based on a consultation process.
- This study includes the CONSULTATION process.

What is Intercity Bus Service?



Intercity bus service is not...?



NOT
Commuter Services
(designed for daily work trips)

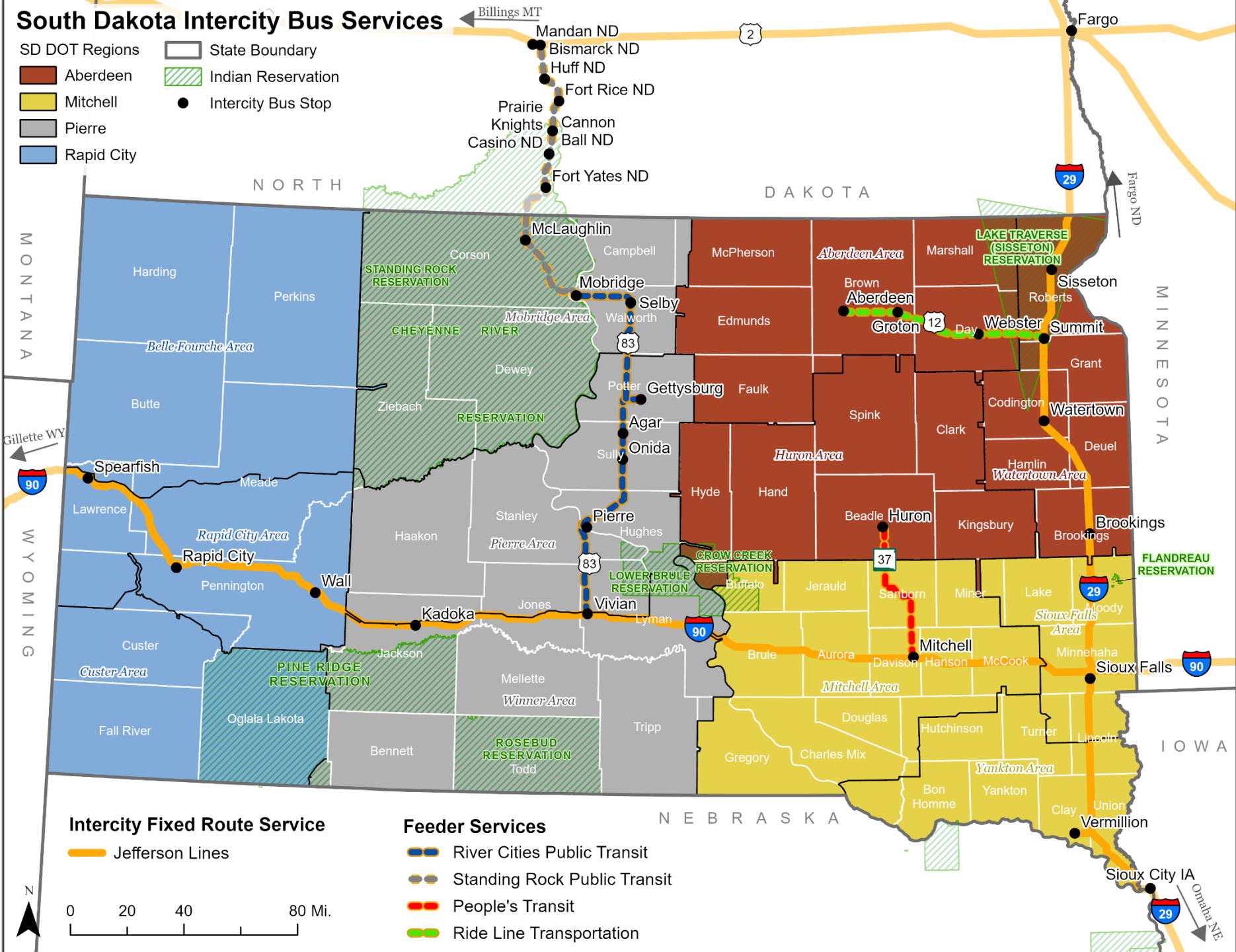
NOT
Long Distance Medical
or other human service trips that are:

- Demand response—pre-scheduled
- Do not service shared intercity network stops

BUT
Regional services
can be considered intercity if they make connections...

...AND
SDDOT wants to include information on these kinds of unmet needs in the study—
so tell us about these issues as well!

South Dakota's Intercity Bus Network:



Current Intercity Bus Services

- **Jefferson Lines**
 - *Sioux Falls – Spearfish, stops in Mitchell, Vivian, Kadoka, Wall, Rapid City*
 - *Sioux City IA – Fargo ND, stops in Sioux Falls, Brookings, Watertown, Summit, Sisseton*
- **River Cities Public Transit**
 - *Vivian – Pierre*
 - *Pierre – Mobridge, stops in Onida, Agar, Gettysburg, Selby*
- **Ride Line (Aberdeen)**
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- **Standing Rock Public Transit**
 - *Mobridge – Bismarck ND, stops in McLaughlin*
- Are there other services in South Dakota that should be considered as “intercity”?

Now we need to hear from you...what are your perceptions of these intercity services?



Let your voice be heard!

- *Were you aware of these services?*
- *Have you ever used them?*

What is your perception of the existing intercity services?

- *How easy is it to get information about them?*
- *To get tickets?*
- *Are buses on-time? Is the service reliable?*
- *Is the staff professional and friendly?*
- *How are the bus stops? Transfer/connections?*
- *Do you feel safe?*
- *Do you feel confident that you will get there?*

Do we need to focus on maintaining existing services?

- *Are there existing intercity services requiring assistance to remain available?*

Are there additional unmet needs for intercity service?

- *New routes? Where?*
- *Additional schedules?*
- *More/better connections with other services?*
- *Better facilities?*
- *Better information?*

Help us by completing a survey:

You can do it online –or – on paper right now!

Community Survey



https://www.surveymonkey.com/r/sddot_icb_community

Transit Provider Survey



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Regional Planning and
Development Survey



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For further information or questions, contact:

Terri Geigle
Office of Air, Rail & Transit
South Dakota Department of Transportation
Terri.Geigle@state.sd.us
605-773-3014

Or

Fred Fravel
KFH Group, Inc.
ffravel@kfhgroup.com
240-461-4477



South Dakota Statewide Intercity Bus Study

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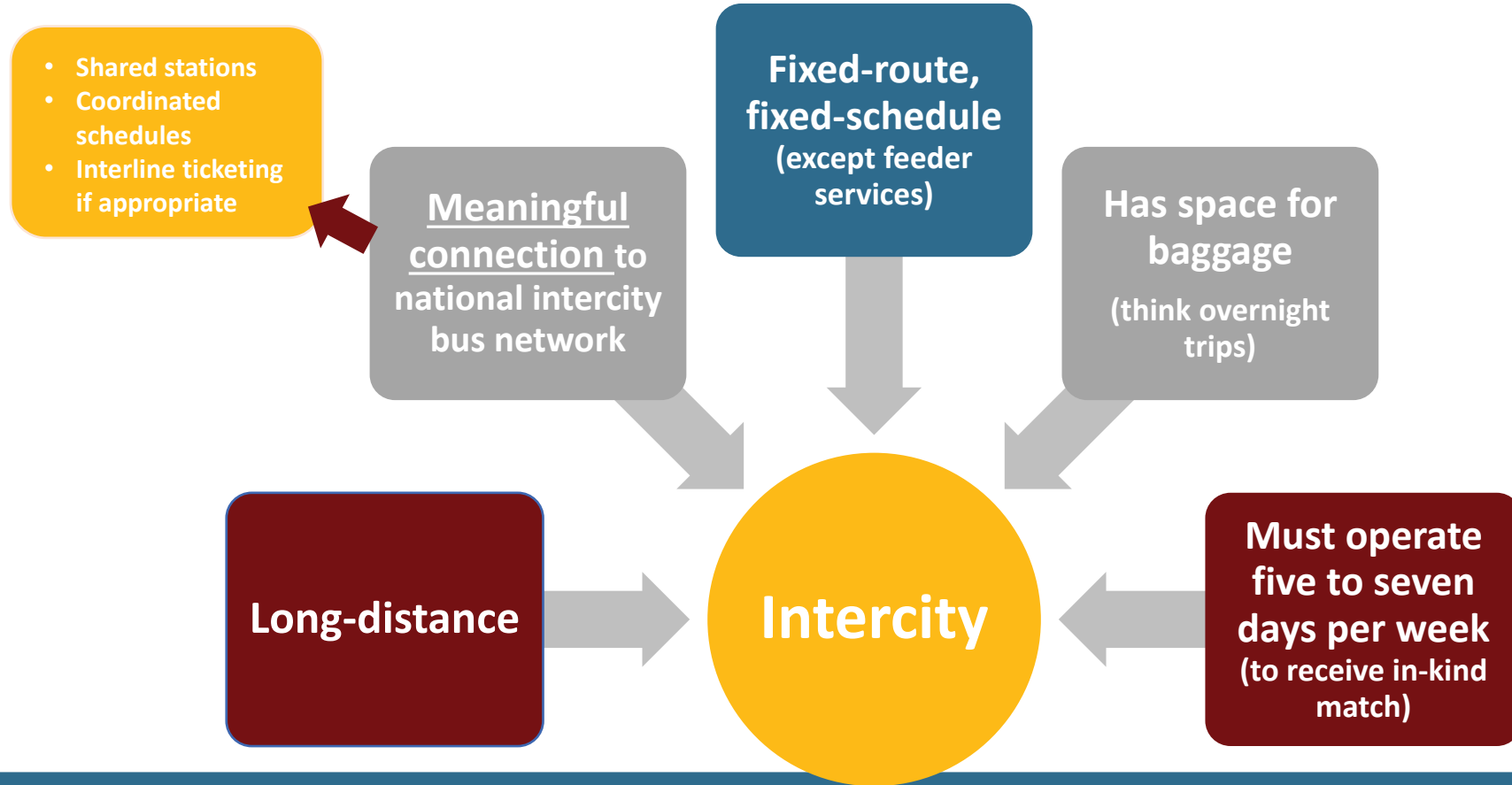
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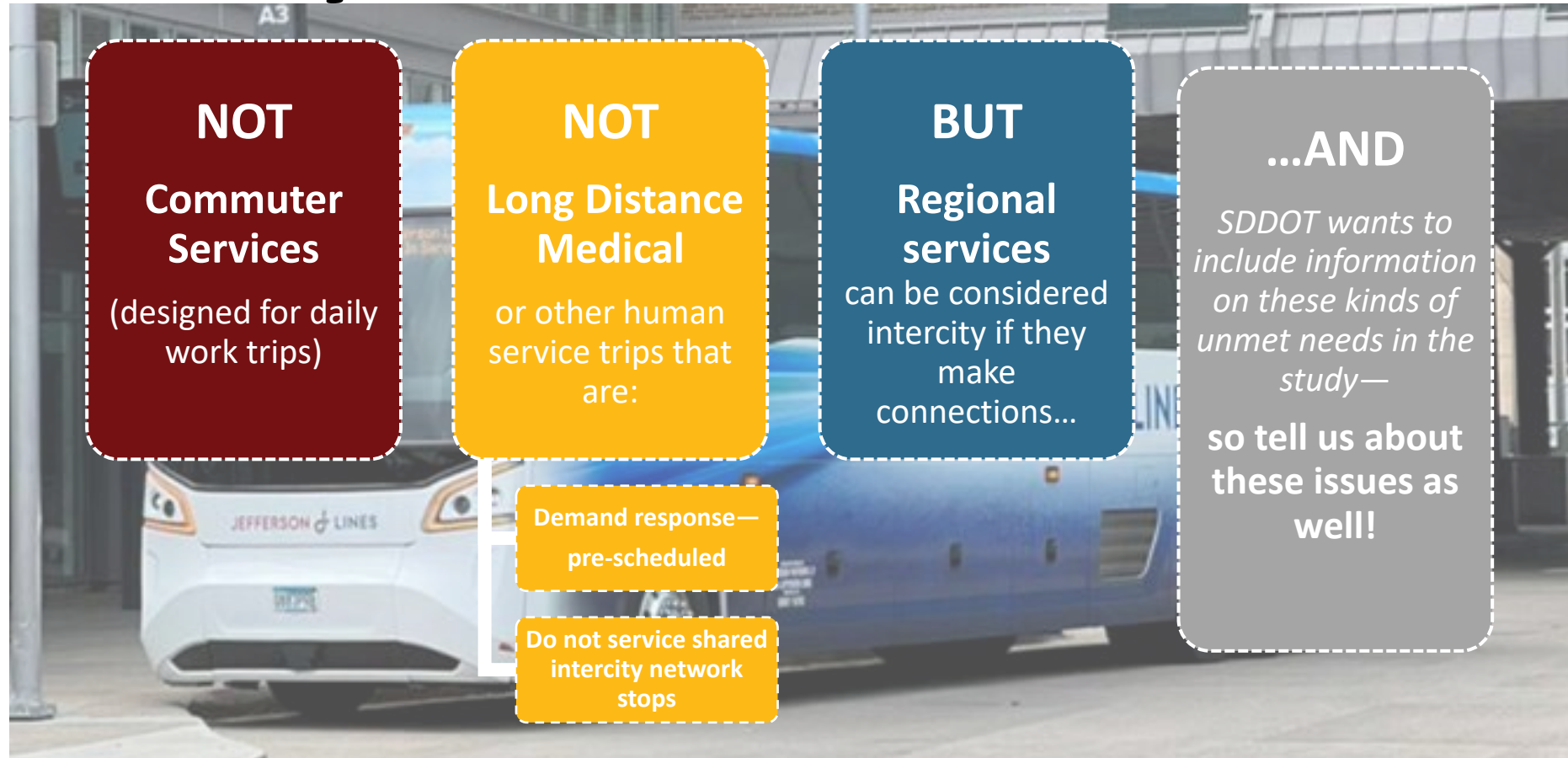
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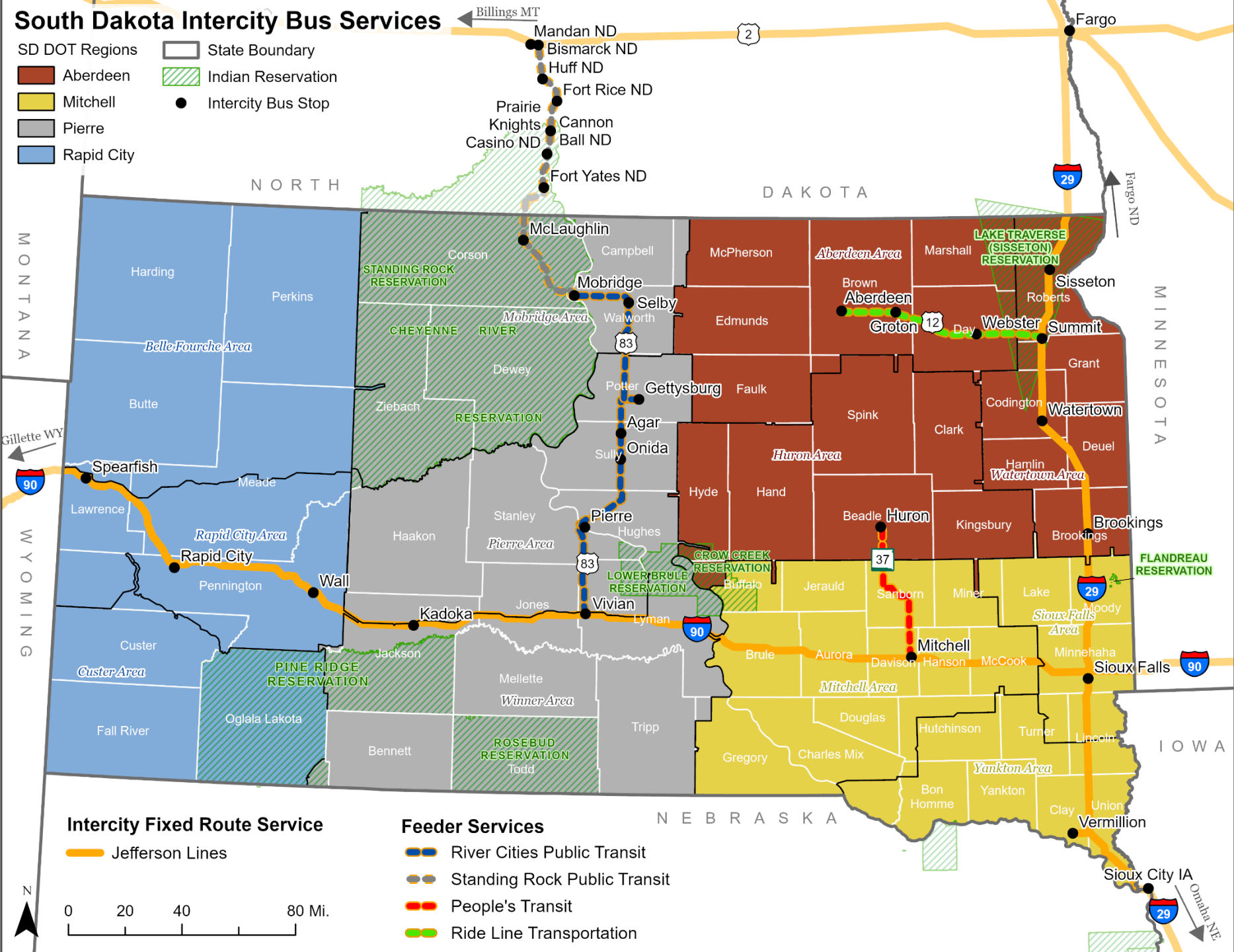
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Do we need to focus on maintaining existing services?

- *Are there existing intercity services requiring assistance to remain available?*

Are there additional unmet needs for intercity service?

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Appendix B

Transit Provider Survey



**South Dakota Statewide
Intercity Bus Study
Survey of Local
Transportation Providers**

The South Dakota Department of Transportation (SDDOT)'s Air, Rail and Transit Program is developing the state's first statewide intercity bus plan and would like to collect your input about the state's intercity bus services and needs. This survey is intended to collect information about the opportunities that South Dakota's residents have in making long-distance connections using public transportation, how well those services work, and needs for additional services or improvements. This includes identification of existing services for intercity trips – trips residents make from their home areas to larger towns and cities, to other states and major cities – for any reason.

How do they make these trips now? How does that work? Are services needed to connect to other areas? Are there particular populations who may need more (or different) services? As the state's administrator of the Federal Transit Administration's Section 53111(f) program of assistance for rural intercity bus service there is a need to plan for effective use of these funds to maintain and improve intercity mobility in South Dakota!

Please assist us in developing a plan to address these intercity needs by completing this survey. In addition, there are 12 regional meetings (also available for virtual participation) – please join one of these meetings and let us know what your experience has been and what you think!

1. Are residents in your organization's service area able to make long-distance trips without a personal vehicle:

To larger towns outside the immediate area?

- Yes
- No

To larger cities in South Dakota?

- Yes
- No

To cities in other states?

- Yes
- No

If so, what services would they need to use? _____

2. If there is existing long-distance bus service in your area, can you describe it in terms of who operates the service, pickup points, destinations, how passengers make reservations, eligibility restrictions (if any), schedules, fares, etc. (attach timetables or other information if available)

3. How would persons needing to make a long-distance trip learn of the availability of these services?

4. Is this information readily available, easy to navigate?

5. How would they obtain tickets or make reservations? Is the system for arranging the trip easy to find and use? Can it all be arranged on one site, or would a passenger need to navigate several different scheduling and payment systems?

6. If there are services that can be used to make intercity trips, what is your perception of the quality of these services for each of the following service attributes? Please rate them from one to 10, with one being the lowest score, and 10 the highest. Please provide any comments or additional information in the space provided.

___ Availability of Information	_____
___ Ease of getting a ticket/arranging the trip	_____
___ Frequency of service	_____
___ Reliability of the service (always shows up)	_____
___ Schedule adherence (shows up on time)	_____
___ Cleanliness of vehicles	_____
___ Condition of vehicles	_____
___ Cleanliness and condition of stations or stops	_____
___ Amenities at the stops or station (For example, shelter, seating, restrooms, staff)	_____
___ Personal safety at the station or stops (Is the stop in a safe location and do you feel comfortable waiting there.)	_____
___ Personal safety on the bus (Do you feel safe and comfortable riding the vehicle.)	_____
___ Professionalism of the service providers	_____
___ Driver friendliness	_____
___ Assistance with mobility devices/boarding	_____
___ Availability of Wi-Fi on vehicles	_____
___ Availability of power outlets on vehicles	_____
___ Space and comfort of the seating	_____
___ Scheduling flexibility	_____
___ Availability of luggage space	_____
___ Assistance with luggage (if needed)	_____
___ Heating and air conditioning on vehicles	_____
___ Not having to drive	_____
___ Other (Please specify)	_____

7. What would you change to solve any of the issues you identified regarding service quality?

8. If there are local or regional transit services, do you see any potential need or opportunity to expand or modify them to connect with existing intercity bus services or meet needs for intercity bus connections?

9. Are there **areas or corridors** in your service area that you consider as having a need for more intercity bus service (particularly in rural areas)? This could be areas with no service, or places with existing service that could benefit from additional service (more schedules, local service, etc.). Remember that this is not commuter bus or local service, but service that allows residents to make long-distance trips, potentially connecting to national intercity bus carriers (such as Jefferson Lines, Express Arrow, Greyhound Lines, Flixbus, etc.), Amtrak rail passenger service, or airports?

10. Are there particular **market segments or groups** that you see needing more service?
Where do you think people wish to go - are there destinations needing additional service?
Are there particular connection locations that need to be served?

11. Do you want to receive future notifications about this study, including any additional surveys, grant applications, conference calls, meeting notices, or study reports?

Yes **No**

If "Yes", please provide contact information at the bottom of this survey, and make sure it is complete.

Your Name: _____

Organization: _____

Mailing Address: _____

Phone: _____

Email: _____

If you would like to take this survey online, please use the following link or QR Code:

https://www.surveymonkey.com/r/sddot_icb_transit_provider



If you have any questions about the survey itself or this program, please contact Fred Fravel at the KFH Group at ffravel@kfhgroup.com.

Fred Fravel
KFH Group, Inc.,
4920 Elm St., Ste 350
Bethesda, MD 20814
(301) 951-8660

Thank you for your input!

Title VI: Statement of Nondiscrimination: The South Dakota Department of Transportation provides services without regard to race, color, sex, sexual orientation, gender identity, religion, national origin, age or disability, according to the provisions contained in SDCL 20-13, Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act of 1990 and Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, 1994.

Any person who has questions concerning this policy or wishes to file a discrimination complaint should contact the Department's Civil Rights Office at 605-773-3540.



Section 5311(f) funding from the Federal Transit Administration (FTA) is intended to support intercity bus services that connect rural areas (population under 50,000, outside of designated Urbanized Areas) to the national intercity bus network.

Intercity Bus Service means regularly scheduled bus service for the general public that operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, that has the capacity for transporting baggage carried by passengers, and that makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.

Appendix C

Bus Rider Survey

South Dakota Department of Transportation Statewide Intercity Bus Customer/Rider Survey



Take this survey online!
(scan the QR code with your smart device)

The South Dakota Department of Transportation (SDDOT) is conducting a statewide intercity bus study. The information collected in this survey will help the SDDOT to identify underserved corridors and service improvements for intercity bus services across the state. This survey aims to understand your intercity travel needs.



Intercity Bus Service means regularly scheduled bus service for the general public that operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, that has the capacity for transporting baggage carried by passengers, and that makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.

- 1) Where did you board this bus?
City _____
- 2) What is your final destination?
City _____
- 3) How many people are traveling with you today?
 I am traveling on my own 1 other person
 2 other people 3 or more
- 4) How did you get to the bus today?
 Drove and parked Bicycle Local transit
 Driven and dropped off Taxi Walked
 Another intercity bus Uber/Lyft
- 5) How many miles did you travel to board the bus?

<u>Miles</u>	<u>Miles</u>	<u>Miles</u>	<u>Miles</u>
<input type="checkbox"/> 0-10	<input type="checkbox"/> 10-25	<input type="checkbox"/> 25-50	<input type="checkbox"/> Over 50
- 6) When you get off this bus, will you:
 Use another intercity bus Get on a plane
 Take local transit (bus or rail) Get on a train
 Get picked up by someone Take a taxi
 Take an Uber or Lyft Drive myself
- 7) What is the purpose of your trip?
 Visit family or friends Employment Medical
 School/University Personal business Shopping
 Other _____
- 8) How did you get information about making this trip?
 Jefferson web site Other bus or travel website
 Telephone information Bus company staff (phone or in person)
 Other _____
- 9) How often do travel on intercity buses?
 Once a month or more Once a year
 Once every 2-3 months Less than once a year
 Few times a year First trip

10) Please rate the following on a **Scale of 0 to 10**, with 0 being the worst and 10 the best. Use N/A if needed.

Trip Planning

- _____ Schedule Information
- _____ Ease of purchasing a ticket
- _____ Scheduling flexibility
- _____ Ease of travel to station/stop

Service Quality

- _____ Boarding Process
- _____ On-time departure
- _____ Driver friendliness/professionalism
- _____ Assistance with mobility devices/boarding
- _____ Frequency of service
- _____ Ease of transferring/changing vehicles
- _____ Accessibility for people with special needs

Vehicles

- _____ Cleanliness of bus
- _____ Safety on the bus
- _____ Heating/Air-conditioning
- _____ Availability of on-board Wi-Fi
- _____ Availability of electrical outlets
- _____ Availability of luggage space

Facilities

- _____ Stop Location
- _____ Cleanliness of stop locations
- _____ Quality of amenities at stops/terminals
- _____ Availability of long-term parking

- 11) When you decided to take an intercity bus trip, what was the reason for using this mode?
 Short travel time No other option available
 Convenience Ability to relax/focus on other things
 Affordable cost I prefer not to drive/cannot drive
 Other _____
- 12) If this bus was not available, how would you make the trip?
 Ride with someone else Drive myself
 Another bus line Amtrak
 Would not have made the trip Airplane
 Hitch-hike
 Other _____

13) Would you recommend this bus service to others?

- Yes No

14) Please rate the affordability of this bus trip:

- Very affordable Very Expensive
 Somewhat affordable Somewhat Expensive
 Affordable Expensive

15) What would you change to improve this service?

(Select all that apply)

- Additional stops
 Different schedules (more frequency, different times)
 Better information sources
 Better Ticketing
 Amenities or services at stops
 On-board amenities (Wi-Fi, seating baggage)
 Accessibility
 Racks on the bus for bicycles
 Other _____

16) Please check your age group:

- 16 or younger 25 - 34 55 - 64
 17 - 21 35 - 44 65 and older
 22 - 24 45 - 54

17) What is your employment status?

- Employed Full-Time Student Retired
 Employed Part-Time Not Employed Other

18) What is your estimated annual household income?

- Under \$20,000 \$41,000 - \$60,000 Over \$80,000
 \$20,000 - \$40,000 \$61,000 - \$80,000

19) Did you have access to a vehicle for this trip?

- No vehicle My vehicle can't make the trip
 I chose not to drive A Vehicle wasn't available

20) Do you have a valid driver's license?

- Yes No

21) Are you of Hispanic Origin?

- Yes No

22) What best describes your race?

- White Asian or Pacific Islander
 Black or African American Or some other race: _____
 American Indian or Alaskan Native

23) What language do you speak at home?

- English Sioux Spanish
 German Other: _____

24) If a language other than English, how well do you speak English?

- Very Well Not Well
 Well Not at all

25) Please leave any comments you have on intercity bus service:

For a chance to win a \$100 gift card, please provide your name and phone or email in the section above.

Thank you for your input!



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