

Revision 05/21/26

SOUTH DAKOTA DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION IMPROVEMENT PROGRAM

FISCAL YEARS 2027-2030

October 1, 2026

PUBLIC TRANSPORTATION

GENERAL

The South Dakota Department of Transportation (SDDOT) acts as a facilitator of public transportation services. SDDOT does not directly provide the services, but contracts for services within South Dakota.

The SDDOT disseminates information on US Department of Transportation programs and provides technical services to applicants in preparing funding proposals. Local governments and nonprofit entities are responsible for the development and operation of local transportation systems.

Private enterprises are encouraged to participate to the maximum feasible extent in providing public transportation. Eligible subgrantees may contract for services from, or lease vehicles to, private operators.

The Infrastructure Investment and Jobs Act (IIJA), which became effective 11/5/21, expires on 09/30/26. On May 17, 2026, leadership from the House Transportation and Infrastructure Committee introduced the **BUILD America 250 Act**. This is a **\$580 billion, five-year surface transportation reauthorization bill** designed to replace the IIJA, but it has yet to be passed into law. Until it becomes law, the IIJA will remain in effect on a month-to-month basis, and states will continue to receive apportionments for four programs to distribute to subrecipients throughout the state: Section 5305, Section 5310, Section 5311 and Section 5339. Small urban areas in the state (Sioux Falls, Sioux City, and Rapid City) receive Section 5307 funds directly.

FEDERAL TRANSIT ADMINISTRATION

A list of typical rural subrecipients is located at the end of the Public Transportation section.

SECTION 5305 PROGRAM (Metropolitan & Statewide And Nonmetropolitan Transportation Planning)

Provides funding and procedural requirements for transportation planning in metropolitan areas and states. Planning programs are jointly administered by FTA and the Federal Highway Administration (FHWA), which provides additional funding. These federal Planning Programs provide 80% federal share with a required 20% non-federal match. Metro planning funds are transferred over to FHWA to administer for SDDOT. SDDOT does manage the grants for the Rural planning funds.

Section 5307 Program (Urbanized Area Formula Grants)

This program provides grants to Urbanized Areas (UZA) for public transportation, capital, planning, preventive maintenance, as well as operating expenses. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion. This funding is obligated directly to South Dakota's small, urbanized areas (Sioux Falls, Sioux City, and Rapid City) for public transportation services and does not pass through SDDOT. All projects must benefit residents in urbanized areas (over 50,000 population) of South Dakota. Section 5307 provides 80% federal matching ratio for capital and preventive maintenance and 50% matching ratio for operating needs of transit providers.

SECTION 5310 PROGRAM (Enhanced Mobility of Seniors and Individuals with Disabilities)

Authorizes grants for both capital and operating activities to private nonprofit organizations and governmental authorities when no non-profit organizations are available to provide services to elderly and/or persons with disabilities. A minimum amount of 55% of the total year's apportionment must fund traditional services as defined by Circular 9070.1G.

FTA provides 80% of eligible capital costs, including equipment, facilities, and rolling stock, with 20% match coming from sources other than federal funds. Operating costs are eligible at 50% with 50% match required. Requires inclusion of project within a locally developed, coordinated public transit-human services transportation plan. Contact the SDDOT Office of Air, Rail and Transit to receive a detailed listing of providers that have received 5310 funds.

SECTION 5311 PROGRAM (Rural Transit Formula Grant)

Authorizes capital, administrative and operating assistance grants to State agencies, local governments, Indian tribes, and non-profit organizations providing public transportation services. All said, projects must benefit residents in non-urbanized areas of South Dakota. Section 5311 provides 82.82% of the costs for project administrative expenses, and 51.76% of the net operating deficit. Capital purchases for preventive maintenance and intercity bus rolling stock are funded at an 80% federal and 20% match rate. These rates are determined by the SDDOT from a sliding scale provided by FTA Circular 9040.1G. State Administrative costs may not exceed 10% of the amount of the annual apportionment, funded at 100% federal share.

SECTION 5339 PROGRAM (Bus and Bus Facilities Formula Grant)

Authorizes capital grants to public providers. Section 5339 provides 80% of all eligible costs for equipment, with 20% match coming from sources other than federal funds. Vehicles that comply with ADA compliance have a local match rate of 15%. Contact the SDDOT Office of Air, Rail, and Transit to receive a detailed listing of providers that have received 5339 funds. Urban 5339 funding is obligated directly to South Dakota's small, urbanized areas (Sioux Falls, Sioux City, and Rapid City). Additionally, FTA 5339 discretionary funds may become available to SDDOT should any SDDOT's future discretionary applications be successful in being selected.

INNOVATIVE COORDINATED ACCESS & MOBILITY PROJECT (ICAM)

The Bipartisan Infrastructure Law, enacted as the Infrastructure Investment and Jobs Act, continues to provide funding for the Innovative Coordinated Access and Mobility (ICAM) pilot program, which funds capital projects to improve coordination and enhance access and mobility to vital community services for older adults, people with disabilities, and people of low income

STATE MANAGEMENT PLAN

The transit office has a Section 5311, 5310, and 5339 State Management Plan (SMP). This is our office's guiding plan and addresses how Transit will fund projects. The plan can be found on our website at <https://dot.sd.gov/transportation/public-transit/forms-publications> in PDF format.

For capital requests, an application is made available on the SDDOT website <https://dot.sd.gov/transportation/public-transit/general-information>, emailed to 5311 subrecipients and past applicants, and it is also typically advertised in 3 newspapers in SD. Transit staff reviews applications and evaluates requests using a ranking system based on the criteria listed in the SMP. Depending on the availability of funding and the applicant, a capital request may be granted with Section 5339 or Section 5310 funds. Typically, grant capital requests are not funded with Section 5311 funds, although the process for funding capital requests is addressed in the SMP.

For operating funding requests, sub-recipients are made aware of the application availability by email and is posted on our website at https://dot.sd.gov/transportation/public-transit/general-information#listItemLink_1541 and it is also advertised typically in 2 newspapers in SD. The selection criteria are also listed in the Section 5311 state management plan.

TRANSIT PERFORMANCE MEASURES

Transit Asset Management Plan

SDDOT developed its Transit Asset Management (TAM) Plan in accordance with the [2016 TAM Final Rule 49 CFR Parts 625 and 630](#). Section 625.27 required States to develop a group TAM Plan for subrecipients under the Rural Area Formula Program, authorized under 49 U.S.C 5311. South Dakota subrecipients all fall under Tier II criteria, and SDDOT has developed a Group Tier II TAM Plan in October 2018. The elements of a Group Tier II plan consist of an asset inventory, condition assessment, a list of decision support tools, and investment prioritization.

SDDOT has agreements in place with the local MPOs that they will support the State targets, develop MPO targets, report data and notify the SDDOT of the option they have selected on an annual basis. These annual goals are stated in the TAM Plan, with additional information on how these goals are being met.

A copy of the Plan is available under separate cover upon request by contacting the SDDOT Office of Air, Rail and Transit.

Public Transportation Safety Plan

As per 49 CFR 5307 Part 673, FTA required a Public Transportation Agency Safety Plan (PTASP) be completed by direct recipients and small urban agencies by December 2020. Sioux Falls and Rapid City are Tier II providers. Sioux Falls is covered by SDDOT's PTASP plan, and Rapid City has prepared their own Plan. For copies of these plans, please contact the agencies directly.

South Dakota Program of Projects

**Office of Air, Rail, and Transit
FY 2027-2030**

5305 Planning	Prior Unobligated	2027	2028	2029	2030
Metro Section *	\$0	\$666,489	\$666,489	\$666,489	\$666,489
Non-Metro Section	\$511,964	\$174,642	\$174,642	\$174,642	\$174,642
5310 Preventative	Prior Unobligated	2027	2028	2029	2030
Urban Total	\$798,013	\$775,337	\$775,337	\$775,337	\$775,337
- Operating	\$167,583	\$193,834	\$193,834	\$193,834	\$193,834
- Capital	\$630,430	\$581,503	\$581,503	\$581,503	\$581,503
Rural Total	\$996,162	\$520,851	\$520,851	\$520,851	\$520,851
- Other	\$189,271				
- Capital	\$806,891				
5311 Program	Prior Unobligated	2027	2028	2029	2030
Estimated Total	\$10,129,319	\$10,129,319	\$10,129,319	\$10,129,319	\$10,129,319
Operating	\$7,893,967	\$8,609,921	\$8,609,921	\$8,609,921	\$8,609,921
ICB**	\$1,519,398	\$1,519,398	\$1,519,398	\$1,519,398	\$1,519,398
Capital***	\$715,957	\$715,957	\$715,957	\$715,957	\$715,957
RTAP	\$148,251	\$148,251	\$148,251	\$148,251	\$148,251
5339 Program	Prior Unobligated	2027	2028	2029	2030
Rural Total	\$4,555,079	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
- Rolling Stock****	\$2,500,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
- Equipment****	\$750,000	\$500,000	\$500,000	\$500,000	\$500,000
- Facilities****	\$1,305,079	\$500,000	\$500,000	\$500,000	\$500,000
Small Urban*****	\$611,659	\$611,659	\$611,659	\$611,659	
-Rolling Stock	\$550,439				
-Equipment	\$61,220				
-Facilities	\$0				
Discretionary	\$0				
ICAM Program##	Prior Unobligated	2027	2028	2029	2030
	\$281,760				

* 5305 FTA Metro Planning funds are transferred over to FHWA for administering to SDDOT
** ICB amount calculated at 15%. Actual may be less if the State certifies ICB needs are being met.
*** 5311 Capital costs are for preventive maintenance costs for facilities, rolling stock, and ICB vehicles. The ICB vehicle award counts towards the 15% required obligation.
**** Estimates calculated based on averages from prior grant years
***** SDDOT suballocates 5339 Urban funds.
##ICAM Program – Direct award to Community Coordinated Transit Systems dba River Cities Public Transit

South Dakota Rural Public Transportation Providers (Section 5310, 5339, and 5311 Subrecipients)

FY 2027-2030

Agencies to be funded in 2027-2030

Aberdeen Ride Line	Brandon City Transit
Brookings Area Transit Authority	Community Transit of Watertown and Sisseton Inc.
East Dakota Transit	Jefferson Lines (ICB Provider)
Palace Transit	People's Transit
Prairie Hills Transit	River Cities Public Transit
Standing Rock Public Transit	ROCS Transit
Southeast Public Transit	Dells Xpress
SDDOT Administrative Costs	RTAP Training Activities

South Dakota Communitis Served By Rural and Tribal Transit Providers

