



Division of Finance & Management

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TO: Transportation Commission

FROM: Jack Dokken, Office of Air, Rail & Transit

DATE: August 3, 2026

SUBJECT: Federal Fiscal Year 2027 (FFY27) Public Transit State Matching Funds

This memo outlines the proposed allocation factors and seeks approval from the Transportation Commission for awarding state matching funds for rural public transit subrecipients for FFY27.

In accordance with ARSD 70:06:02:02, the Department of Transportation (SDDOT) will allocate these funds based on a set of factors which include passenger trips, vehicle miles, administrative and operating expenses, grant administration performance, and the level of local funding. Additionally, the Transportation Commission must annually approve the objective scoring procedures used to determine these grant awards.

On July 14, the Transit Office held a Teams meeting to gain feedback on the current performance-based allocation methodology. The consensus from the transit agencies was to not propose any changes to the current program.

For awards made in year FFY27, SDDOT recommends the Transportation Commission approve the current allocation factors to be used to distribute state funds:

Number of Rides provided:	25%
Number of Miles driven:	25%
Local Funds Expended for the Overall program:	20%
Administrative Cost Expended per Ride:	5%
Operating Costs Expended per Ride:	5%
Local Funds Expended per Ride:	5%
Overall Grant Administration Performance:	15%