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July 25, 2024

To: Transportation Commission Meeting
From: South Dakota Association of Towns and Townships
Purpose: Request for Perpetual Funding
Rural Access Infrastructure Fund (RAIF)

Dear Members of the Transportation Commission,

We would like to present for your consideration a request for funding for the Rural Access Infrastructure Fund. This fund provides grants to South Dakota townships to replace deteriorating infrastructure consisting of large culverts over 16 square foot and small bridge type structures under 20 in length, all of which are the responsibility of townships to maintain.

The Association of Towns and Townships is a non-profit organization whose primary revenue is annual membership dues from South Dakota townships. We help support South Dakota townships through education, legal clarification, lobbying efforts and guidance in their local government duties.

Thank you for your consideration on this important issue.

Sincerely,

Terry Sletten
SDATAT Executive Director

7/25/2024 Transportation Commission Meeting- RAIF Funding
9:00 AM
South Dakota Association of Towns & Townships

Outline of Presentation

Purpose: Request continued funding for township's Rural Access Infrastructure Fund

- I. Rural Access Infrastructure Fund History
 - Creation of RAIF through the legislative process 2021-2024
 - Important annual dates and deadlines
- II. RAIF Program Resources
 - Handbooks and guides for RAIF development and implementation
- III. Definitions- Small Structure and Bridge
 - SDCL 31-14-27- Cost share between county and townships
- IV. Chapter 31-34 Rural Access Infrastructure Law
- V. Inventory Report by County
- VI. Structural Condition Data
 - Culverts
 - Number of eligible structures
 - Number of structures in critical, poor and fair
 - Small Bridges
 - Number of eligible structures
 - Number of structures in critical, poor and fair
- VII. Projects Awarded Statistics from \$3 million plus addl. \$25 million over 3 years
 - 1st award of three- January 2023 of \$11.33 million
 - 2nd award of three- January 2024 of \$8.33 million
- VIII. Before and After Pictures
- IX. Structure Cost Data
- X. Why is this important to South Dakota
- XI. Why Should the Transportation Commission Contribute to the Preservation of RAIF?

I. HISTORY OF THE RURAL ACCESS INFRASTRUCTURE FUND (RAIF) ¹

The South Dakota Legislature created the Rural Access Infrastructure Fund to help townships and counties repair and replace culverts and bridges on township and county secondary roads. Six legislative bills passed in 2021 – 2024 with a total of \$31 million grant funding allocated.

Year	Bill	Effect
2021	HB1259	Created RAIF; allocated \$3M in FY22 to local agencies to inventory their culverts and small bridges; allocated \$3M in FY23 for improvements to culverts and small bridges; defined eligibility requirements for agencies, roads, culverts and small bridges, and improvements; defined requirements for improvement plans and grant applications
2022	HB1070	Clarified provisions of HB1259 and adjusted dates for improvement plans and grant applications
	HB1306	Allocated \$25M (\$8.33M in FY23, FY24, and FY25) to local agencies for improvements to culverts and small bridges
2023	SB145	Reduced the mill levy required for townships to be eligible for RAIF
2024	SB124	Allowed culverts and structures on minimum maintenance roads eligible for RAIF
	SB188	Requires funding currently authorized by RAIF to be spent or obligated no later than June 30, 2029

IMPORTANT ANNUAL DATES AND DEADLINES

May 31	The South Dakota Department of Transportation determines the number of eligible culverts and small bridges in each county, based on the content of the South Dakota Small Structure Inventory. Counties and townships should ensure that their inventories are accurate and up to date.
August 1	The South Dakota Department of Revenue distributes RAIF funding to counties, in proportion to the number of eligible culverts and small bridges in the county
August 31	Local agencies must submit 5-Year Small Improvement Plans to their county
October 31	Local agencies must submit funding applications to their county
January 15	County boards of commissioners must decide which funding applications to approve

¹ <https://dot.sd.gov/doing-business/local-governments/rural-access-infrastructure-fund-program>

II. RESOURCES

The South Dakota Department of Transportation research department provided several resources to help counties and townships comply with the legislative requirements and take advantage of RAIF funding.

- The *Small Structure Inventory Handbook* defines how counties and townships are to inventory their culverts and small bridges. It is also available upon request as a spiral-bound booklet for field use.
- The *Small Structure Inventory* is a geographic database that stores all the culvert and small bridge inventory data reported by counties and townships.
- The *Rural Access Infrastructure Funding Guide* describes the RAIF program in detail, including the procedures counties and townships must follow to develop 5-Year Small Structure Improvement Plans and to prepare and approve RAIF Funding Applications.

III. DEFINITIONS- Small Structure and Bridge

- a. **Small Structure-** defined in SD Codified Law 31-34-1 as “any small bridge or culvert with an opening of sixteen square feet or more located on a township road or county secondary road, excluding bridges as defined in SD Codified Law 31-14-1”.
- b. **Bridge_** is “a structure, including supports, erected over a depression or an obstruction, as water, highway, or railway, the structure having a length measured along the center of the roadway of more than twenty feet between undercopings of abutments or extreme ends of openings or multiple boxes and pipes where the clear distance between openings is less than half of the smaller contiguous opening”.
- c. **SDCL 31-14-27. County construction or replacement of bridges and culverts on township secondary roads--Reimbursement of county.**

If a township board of supervisors or county highway superintendent requests the board of county commissioners to construct or replace in its entirety any bridge or the placing or replacing of any culvert with an opening of sixteen square feet or more including material upon the secondary roads within the township, the board of county commissioners may cause the work to be done and the township shall reimburse the county up to and including five hundred dollars. If the cost is in excess of five hundred dollars, the county and township may enter into an agreement as to how the cost in excess of five hundred dollars will be split between the county and the township. After the placing or replacing of any culvert as provided in this section, the culvert shall be maintained and kept clean at the expense of the township. The construction or replacing of any bridge or the placing or replacing of any culvert with an opening of less than sixteen square feet upon a secondary road within a township shall be at the total expense of the township. The bridge or culvert shall be maintained and kept clean at the expense of the township.

IV. CHAPTER 31-34 RURAL ACCESS INFRASTRUCTURE LAW

31-34-1. Definition.

For the purposes of this chapter, the term, small structure, means any small bridge or culvert with an opening of sixteen square feet or more located on a township road or county secondary road, excluding bridges as defined in § 31-14-1.

31-34-2. Money distribution by state--Inventory--Grants.²

Before August 1, 2021 the Department of Revenue distributed three million dollars on a pro rata basis to each county to generate an inventory of small structures. Each county's allocated percentage was a ratio of their number of structures divided by the total number reported by the entire state on township roads and county secondary roads.

31-34-3. Distribution of moneys by county--Permissible uses--Use of unobligated moneys.

Each county shall establish a rural access infrastructure fund for the deposit of moneys received pursuant to this chapter. The board of county commissioners may only distribute fund moneys for the following expenses:

- (1) Engineering, hydrological studies, planning, materials, and other costs as necessary to plan for and complete the projects;
- (2) Construction, rehabilitation, or replacement of small structures located in townships complying with the requirements of this chapter;
- (3) Construction, rehabilitation, or replacement of small structures described in a county highway and bridge improvement plan that are located on county secondary highways.

The moneys may not be used on a no maintenance road.

Moneys received under this chapter must be obligated or spent by the county before the end of the 2029 fiscal year. All other unobligated or unspent moneys may be used for expenses until reverted pursuant to § 4-8-21. Moneys may only be used for the expenses of those small structures inventoried with the department, as referenced in § 31-34-2.

31-34-4. Application process.

- *Individual townships submit applications to the board of county commissioners*
- *Must be received on or before October thirty-first.*
- *The board of county commissioners review applications and determine awards*
- *Grants are awarded no later than the following January fifteenth.*

Township Applications Requirement

- *Include a resolution authorizing the application and any township funding commitments*
- *Townships commit to a minimum cost share of twenty percent of the project cost.*
- *Applications for county secondary roads are submitted by the county highway superintendent.*
- *If a county declares a disaster, the deadline by which an application must be submitted is waived, provided that the application meets the other requirements of this section.*

² Blue italics indicates a paraphrase of the statute

31-34-5. Criteria for award--Application resubmission.

The board of county commissioners shall, at a minimum, consider the following criteria in awarding rural access infrastructure grants:

- (1) Traffic use of the highway;
- (2) Public safety;
- (3) Residential, commercial, recreational, and other uses of the highway;
- (4) Cost of the project;
- (5) Length of detour if the project is not completed;
- (6) Number of residences, farms, and ranches served by the project;
- (7) Contribution from the township or others to the project and the ability of the township to fund the project without utilizing the rural access infrastructure fund;
- (8) Confirmation the project is not located on a no maintenance road;
- (9) Hydrological impact;
- (10) If the highway does not terminate into a field entrance, driveway, single residence, farm, or ranch;
- (11) The application, or group of applications, that best serves the citizens of this state; and
- (12) Any other matters deemed applicable by the board of county commissioners.

The decisions of the county commissioners must be final and nonappealable. However, a denied application may be submitted in a subsequent year.

31-34-6. Township eligibility--Plan and annual report--Tax requirement.

- * *Township provides a 5 year small structure improvement plan, (§ 31-34-7)*
- * *The township annual report (§ 8-10-30)*

In addition, shall meet at least one of the following requirements:

- (1) *Impose an annual property tax levy, pursuant to § 10-12-28.2; or*
- (2) *Impose a tax levy opt out pursuant to § 10-13-36.*

31-34-7. Township eligibility--Contents of plan--Updates.

To be eligible to receive funding from the rural access infrastructure fund established under this chapter, a township shall, each year by August thirty-first, submit to the county that township is located in, a township small structure improvement plan and any updates shall be made in accordance with this section. The township small structure improvement plan shall include:

- (1) One or more maps showing the location of all small structures within the township;
- (2) The location, width, and length of each small structure;
- (3) A report on the condition of each small structure;
- (4) Whether the small structure is posted for load capacity, and if so, what the posted limits are;
- (5) A list of all small structure improvement projects proposed to be undertaken by the township over the next five years including the location of the project, type of project, source of funding for the project, estimated cost of the project, and the year the project is proposed to be completed; and
- (6) Such additional items as may be prescribed by the Department of Transportation.

31-34-8. County use of funds conditioned.

The county commission may use rural access infrastructure funds for the construction, rehabilitation, or replacement of small structures on county secondary highways so long as such projects are considered in a similar manner as the small structures that are located within an organized township.

V. INVENTORY REPORTED BY COUNTY³

County	Rank	Culverts	Small Bridge	Total	County	Rank	Culverts	Small Bridge	Total
Brookings	1	579	1	580	Marshall	34	85	20	105
Minnehaha	2	392	54	446	Jerauld	35	90	12	102
Turner	3	413	12	425	Perkins	36	83	5	88
Hutchinson	4	369	22	391	McPherson	37	80	2	82
Lincoln	5	356	3	359	Day	38	71	5	76
Deuel	6	337	7	344	Potter	39	76	0	76
Moody	7	269	10	279	Faulk	40	67	3	70
Grant	8	229	23	252	Hanson	41	60	6	66
Charles Mix	9	233	6	239	Hughes	42	66	0	66
Spink	10	210	12	222	Hyde	43	63	2	65
Codington	11	217	3	220	Davison	44	51	4	55
Beadle	12	208	6	214	Edmunds	45	55	0	55
Hand	13	196	18	214	Custer	46	27	24	51
Kingsbury	14	206	3	209	Jackson	47	50	0	50
Yankton	15	183	21	204	Meade	48	50	0	50
McCook	16	176	6	182	Fall River	49	49	0	49
Miner	17	163	17	180	Campbell	50	46	0	46
Union	18	145	33	178	Sully	51	43	3	46
Brown	19	172	1	173	Walworth	52	46	0	46
Hamlin	20	155	11	166	Jones	53	36	0	36
Roberts	21	132	25	157	Mellette	54	34	1	35
Bon Homme	22	141	8	149	Lawrence	55	28	4	32
Tripp	23	138	4	142	Bennett	56	25	1	26
Lake	24	121	18	139	Buffalo	57	24	1	25
Aurora	25	130	6	136	Haakon	58	22	1	23
Clark	26	135	1	136	Ziebach	59	22	0	22
Butte	27	131	4	135	Harding	60	17	2	19
Douglas	28	128	6	134	Corson	61	17	0	17
Gregory	29	129	1	130	Brule	62	15	0	15
Sanborn	30	109	11	120	Stanley	63	12	0	12
Clay	31	108	11	119	Dewey	64	7	0	7
Lyman	32	117	0	117	Oglala				
Pennington	33	107	4	111	Lakota	65	1	0	1
					Todd	66	0	0	0
					TOTALS		8252	464	8716

³ DOT official count May 31, 2024.

VI. STRUCTURAL CONDITION DATA⁴

Large Culverts

9,353	Large culverts on township and county secondary roads
55	Large culverts ineligible- located on no maintenance roads
9,298	Large culverts meeting eligibility criteria
• 191	culverts critical condition
• 1090	culverts in poor condition
• 3726	culverts in fair condition

Small Bridges

524	Small bridges on township and county secondary roads
28	Small bridges ineligible- located on no maintenance roads
496	Eligible large culvert structures
• 17	small bridges in critical condition
• 146	small bridges in poor condition
• 249	small bridges in fair condition

VII. Historical Projects Awarded⁵

1st Awards January 2023

98 Awards given	\$2,765,900 to township
	\$ 78,233 to county secondary

2nd Awards January 2024

170 awards given	\$5,927,815 to townships
	\$1,345,318 to county secondary

⁴ Data retrieved from DOT website 6/24/2024

⁵ Obtained by SDATAT survey of county highway superintendents and auditors between February and June 2024

VIII. Before and After RAIF Grant Project Awarded



A. Spink County/ Union Township

\$31,835 project



B. Hand County/Logan & Miller Townships

\$ 71,773.52 project



C. Hamlin County/ Hayti Township

\$126,023 project

IX. COST DATA

- Source
 - Representative Fink 2022 HB 1306 Appropriation Bill⁶
- Assumptions
 - Full Replacement of Current Structure
 - Same Sized Replacement
- Average Cost of Replacement
 - Culvert- \$69,000
 - Small structures- \$200,000
 - Total \$53.7 million was requested from Appropriations Committee
 - \$25 million was appropriated

X. WHY IS RAIF IMPORTANT TO SOUTH DAKOTA?

- Economic Development, Tourism, Outdoor Sportsman
- Detours for state and county road construction
- Coexists with the County, State and Federal water management system

XI. DOT ALLOCATION TO LOCAL GOVERNMENT

Programs	Millions	Federal and/or State
STBG -Counties	\$17.3	*State
STBG-Cities	\$15.7	*State
Match on STBGP Funds	\$2.7	*State
Bridge Improvement Grants	41.4	State/Local
Bridge Inspections	\$1.8	Federal
Safety Projects	\$10.7	Federal
Statewide Striping Projects	\$.5	State
Railroad Crossing Improvement Projects	\$2.7	Federal
Transportation Alternative Program	\$8.0	Federal
Planning & Research Funds	\$2.3	Federal
Transit Planning Funds	\$.4	Federal
Community Access Grants	\$4.0	*State
Local Federal Bridge Replacement Prog.	\$36.7	Federal
Local Federal Bridge Removal Program	\$.05	Federal
TOTAL	\$144.7	

XII. Why should the Transportation Commission contribute to the preservation of RAIF?

⁶ <https://mylrc.sdlegislature.gov/api/Documents/233275.pdf> [233275.pdf](https://mylrc.sdlegislature.gov/api/Documents/233275.pdf) (sdlegislature.gov)