



February 17, 2026

To: Members of the Board of Directors

From: Jason Jewell, Managing Director 

Subject: Draft Business Plan for Fiscal Years 2026-27 and 2027-28

Overview

By April 1st of each year, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is required to submit an annual business plan to the California State Transportation Agency that provides the basis for its annual budget request, outlines operations and service goals, and discusses any proposed changes to the Pacific Surfliner intercity passenger rail service. Staff has prepared a draft of the Annual Business Plan for fiscal years 2026-27 and 2027-28 for the Board of Directors' review.

Recommendation

Direct staff to incorporate comments received from the Board of Directors into the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Annual Business Plan for fiscal years 2026-27 and 2027-28 and return to the Board of Directors on March 16, 2026, for approval.

Background

The interagency transfer agreement (ITA) between the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) and the California Department of Transportation, as well as the LOSSAN Joint Powers Agreement, require the LOSSAN Agency to annually prepare a business plan to be approved by the LOSSAN Agency Board of Directors (Board) and submitted to the Secretary of the California State Transportation agency (CalSTA) by April 1st of each year. The Annual Business Plan (ABP) is a two-year planning, operations, and budget document that serves as the LOSSAN Agency's formal operations, maintenance, and management plan, as well as its funding request to CalSTA. CalSTA is required to review and approve the ABP by September 1st of each year and it must be consistent with the most recently adopted State Rail Plan and California High-Speed Rail Authority business plan.

The elements of the ABP are prescribed by the ITA and include a report on the performance of the Pacific Surfliner intercity passenger rail service, an overall operating plan that includes proposed service enhancements to increase ridership and accommodate travel demand, a marketing plan, both short term and long term capital improvement programs, funding requirements for the upcoming fiscal year (FY), and an action plan that establishes specific performance goals and objectives. The ABP must also document any planned service changes, including operating plans to accommodate peak period trips and the consideration of other service expansions and enhancements.

In addition, the ABP must clearly delineate how funding and accounting for state sponsored intercity passenger rail service are maintained separately from locally sponsored services within the rail corridor. Proposals to expand or modify passenger service must identify associated cost estimates, as well as projected revenue and ridership impacts. The ABP also establishes fares, operating strategies, and other initiatives designed to meet the performance standards established in the ITA. In addition, the ABP incorporates content addressing the impacts of climate change and identifying efforts to support coastal resiliency and environmental sustainability, consistent with Senate Bill 677 (Blakespear).

A draft budget is included in Chapter 11 of the ABP and may be revised and resubmitted for reapproval by June 30, 2026, if necessary, to reflect updated revenue and expense projections from Amtrak for federal FY 2026–27. Operating revenue and expense estimates are typically received from Amtrak after the April 1st deadline for submission of the ABP. CalSTA allows for this budget adjustment to provide the LOSSAN Agency with sufficient time to update the budget following receipt and review of Amtrak’s annual operating revenue and expense estimates.

Discussion

On October 20, 2025, the LOSSAN Agency Board reviewed a set of key assumptions for the LOSSAN Agency ABP for FYs 2026–27 and 2027–28 and directed staff to incorporate those assumptions into the draft ABP. Staff subsequently prepared a draft using the Board approved assumptions. During December 2025 and January 2026, draft chapters, excluding Chapter 11, were forwarded to the Technical Advisory Committee (TAC) for review and comment. Written comments and suggested edits were received from the TAC and incorporated into the draft ABP. The TAC will review an updated draft of Chapter 11 in February 2026, with written comments and suggested edits to be incorporated into the final draft of the ABP.

Next Steps

Staff will incorporate feedback received from the Board, as well as any additional comments received from member agencies, into the ABP. Staff will then bring a final draft of the ABP to the Board for approval on March 16, 2026. Following Board approval, staff will submit the document to CalSTA in advance of the April 1, 2026, deadline.

Summary

Consistent with the requirements of the interagency transfer agreement and joint powers agreement, staff prepared a draft of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for Fiscal Years 2026-27 and 2027-28.

Attachment

- A. LOSSAN Rail Corridor Agency Business Plan