



March 16, 2026

To: Members of the Board of Directors

From: Jason Jewell, Managing Director 

Subject: Final Approval of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Annual 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

- A. Adopt the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2026-27 and 2027-28.
- B. Direct staff to submit the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2026-27 and 2027-28 to the Secretary of the California State Transportation Agency by April 1, 2026.
- C. Direct staff to return to the Board of Directors in June 2026, as needed, with an updated business plan that includes any revised budget assumptions consistent with revenue and expense estimates developed by Amtrak and the State-Amtrak Intercity Passenger Rail Committee.
- D. Authorize the Managing Director to approve total advertising expenditures to exceed \$100,000, in Fiscal Year 2026-27 with Facebook and Google for digital ad placements.

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(FFY) 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 draft was presented to the Board at its February 17, 2026, meeting for review and comment, and feedback received was incorporated into the final ABP. In addition, staff updated the operating funding request presented in Chapter 11 to reflect updated FFY 2027 preliminary operating rate information (FFY27v1) recently provided to the State-Amtrak Intercity Passenger Rail Committee (SAIPRC). The SAIPRC rate development process represents the first step in preparing the annual operating forecast for state-supported intercity passenger rail services, with Amtrak subsequently using these rates to develop the detailed operating forecast for each corridor. The SAIPRC rates are typically refined through a review process involving the state-supported routes and Amtrak, as well as any necessary manual adjustments. Amtrak’s operating forecast for FFY 2027 is still pending and is expected after the April 1 submission deadline. As described in this staff report, the ABP budget may be updated and resubmitted to the Board of Directors in June 2026, if necessary, to reflect the finalized operating forecast and any additional refinements to the SAIPRC rate assumptions.

The LOSSAN Agency bylaws authorize the Managing Director to approve disbursements of up to \$100,000 each, or as otherwise directed by Governing Board resolution. The LOSSAN Agency places digital advertisements with Google and Facebook on a monthly basis, and while individual monthly payments are under \$100,000, cumulative payments made in a given fiscal year will likely exceed \$100,000. Included with final approval of the ABP is authorization for the Managing Director to approve total annual advertising expenditures with Google and Facebook in excess of \$100,000.

Next Steps

LOSSAN Agency staff will transmit the business plan for FYs 2026-27 and 2027-28 to CalSTA by the April 1, 2026, deadline. CalSTA and Caltrans staff will then review the business plan and provide a business plan approval letter to the LOSSAN Agency.

Summary

Consistent with the requirements of the interagency transfer agreement and joint powers agreement, staff has prepared the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency business plan for fiscal years 2026-27 and 2027-28. The final business plan will be submitted to the Secretary of the California State Transportation Agency by April 1, 2026.

Attachment

- A. LOSSAN Rail Corridor Agency Business Plan, Fiscal Years 2026-27 & 2027-28