




**June 16, 2025**

**To:** Members of the Board of Directors

**From:** Jason Jewell, Managing Director 

**Subject:** Fiscal Year 2024-25 Third Quarter Budget Status Report

### **Overview**

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2024-25 budget was approved by the Board of Directors on March 18, 2024. The California State Transportation Agency approved the Fiscal Year 2024-25 budget and funding on September 26, 2024. This report summarizes financial activities and performance through the third quarter of Fiscal Year 2024-25, covering the months of January 2025 through March 2025.

### **Recommendation**

Receive and file as an information item.

### **Background**

On March 18, 2024, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) approved the LOSSAN Agency Annual Business Plan for Fiscal Year (FY) 2024-25 and FY 2025-26 (Business Plan), as well as the FY 2024-25 budget. Included in both the adopted budget and the Business Plan is funding for FY 2024-25 administrative and marketing services, in the amount of \$9.4 million and \$53.3 million, for net train operations (including \$57,000 for the continuation of the transit transfer program), \$0.5 million for minor capital projects, and \$75.0 million for grant programs bringing the total adopted budget to \$138.2 million.

### **Discussion**

The quarterly budget status report provides an overview of all financial activity, including a comparison of budget to actuals, and explanations for variances throughout the report period. While the details can be found in Attachment A, a summary is below.

## Revenues

As shown in Table 1, budgeted revenues through the third quarter of FY 2024-25 totaled \$69.0 million, while actual revenues totaled \$70.3 million. This results in year-to-date (YTD) revenues overrunning the budget by \$1.3 million.

The variance in the quarterly budget is primarily driven by fluctuations in Other State Funding, which includes all capital project funds. Total grant revenue is \$6.1 million below budget due to project delays and the timing of invoice

receipts and data preparation for on-time performance invoices. This shortfall is partially offset by the receipt of four quarterly SRA deposits totaling \$11.6 million. The timing of these deposits is unpredictable, as the State does not provide advance notice. Additionally, State Operating Funding is \$5.4 million above budget, primarily due to the early receipt of the April 2025 advance payment.

The budget variances are further detailed in Attachment A.

## Expenses

As shown in Table 2, budgeted expenses through the third quarter of FY 2024-25 totaled \$59.8 million, whereas actual expenses totaled \$53.0 million, resulting in an underrun of \$6.8 million.

The majority of the expense variance is associated with grant-funded capital projects. This is primarily due to delays in invoicing and project completion. Key contributors include \$1.4 million in North County Transit District and \$1.1 million in Union Pacific

Railroad on-time performance incentives, along with delays in several design projects totaling roughly \$2 million. Specifically, these delays include design work for the Camarillo Station improvements, Central Coast Layover Facility, Goleta

TABLE 1: REVENUES	FY 2024-25	FY 2024-25	
	Working Budget	Actuals	\$ Variance
	Year-To-Date	Year-To-Date	Year-To-Date
State Administrative Funding	\$ 5,527,575	\$ 6,654,477	\$ 1,126,902
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ -
State Operating Funding	\$ 39,987,870	\$ 45,451,202	\$ 5,463,332
Other State Funding	\$ 21,000,000	\$ 14,921,935	\$ (6,078,065)
State Capital Funding	\$ 500,000	\$ -	\$ (500,000)
Interest Revenue	\$ -	\$ 1,290,834	\$ 1,290,834
Other Revenue	\$ -	\$ 12,000	\$ 12,000
<b>Total Revenues</b>	<b>\$ 69,015,445</b>	<b>\$ 70,330,447</b>	<b>\$ 1,315,002</b>

TABLE 2: EXPENSES	FY 2024-25	FY 2024-25	
	Working Budget	Actuals	\$ Variance
Administrative Budget Line Items	Year-To-Date	Year-To-Date	Year-To-Date
Administration - Staffing	\$ 3,009,600	\$ 2,334,368	\$ 675,232
Legal Services	\$ 56,250	\$ 28,023	\$ 28,227
Travel	\$ 40,950	\$ 40,450	\$ 500
Marketing	\$ 1,526,850	\$ 717,397	\$ 809,453
Insurance	\$ 77,200	\$ 70,118	\$ 7,082
Contracted services	\$ 828,700	\$ 218,455	\$ 610,245
Dues & Memberships	\$ 9,000	\$ 10,519	\$ (1,519)
Non Budgeted Expenses	\$ -	\$ -	\$ -
Other Business Expenses	\$ 1,875	\$ 20,398	\$ (18,523)
<b>Total Administrative Services</b>	<b>\$ 5,550,425</b>	<b>\$ 3,439,729</b>	<b>\$ 2,110,697</b>
<b>Operating/Capital Budget Line Items</b>			
Net Train Operating Expenses	\$ 39,945,120	\$ 40,323,312	\$ (378,192)
Transit Transfer Program	\$ 42,750	\$ 31,205	\$ 11,545
Minor Capital Projects	\$ 500,000	\$ 2,074	\$ 497,926
Grant Programs	\$ 13,760,000	\$ 9,199,327	\$ 4,560,673
<b>Total Budget</b>	<b>\$ 59,798,295</b>	<b>\$ 52,995,647</b>	<b>\$ 6,802,649</b>

Layover Facility, and Leesdale Siding. Additionally, Marketing, Contracted Services, and Minor Capital projects primarily underran due to lower than anticipated expenditures throughout the fiscal year. Also contributing to the underrun is the timing of invoices processed. Although expenses are expected to underrun through the end of the fiscal year, there is expected to be an increase in spending in the fourth quarter.

For detailed information on other areas experiencing budget variances, please refer to Attachment A.

The LOSSAN Agency bylaws also require a quarterly report to be filed with the Board reporting the amount of money held, the amount and source of receipts since the last report, the amount and recipient of the amounts paid out since the last report, and a report of all expenditures under \$100,000. This report is included as Attachment B.

The LOSSAN Board has directed staff to provide a listing of all open agreements, including vendor, description of purchase, contract number, contract amount, amount spent, remaining balance, and expiration date on a quarterly basis. The report is provided as Attachment C.

### **Summary**

Through the third quarter of Fiscal Year 2024-25, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's actual revenues and expenses remain below budget. Most of the variance is due to the timing of invoicing, as reimbursements from the State are contingent on the receipt and payment of UPRR invoices, along with project delays related to design review.

### **Attachments**

- A. Quarterly Budget Status Report, Third Quarter of Fiscal Year 2024-25
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Third Quarter Financial Activity Report, Fiscal Year 2024-25
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Open Agreements Listing as of March 31, 2025

### **Approved by:**



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