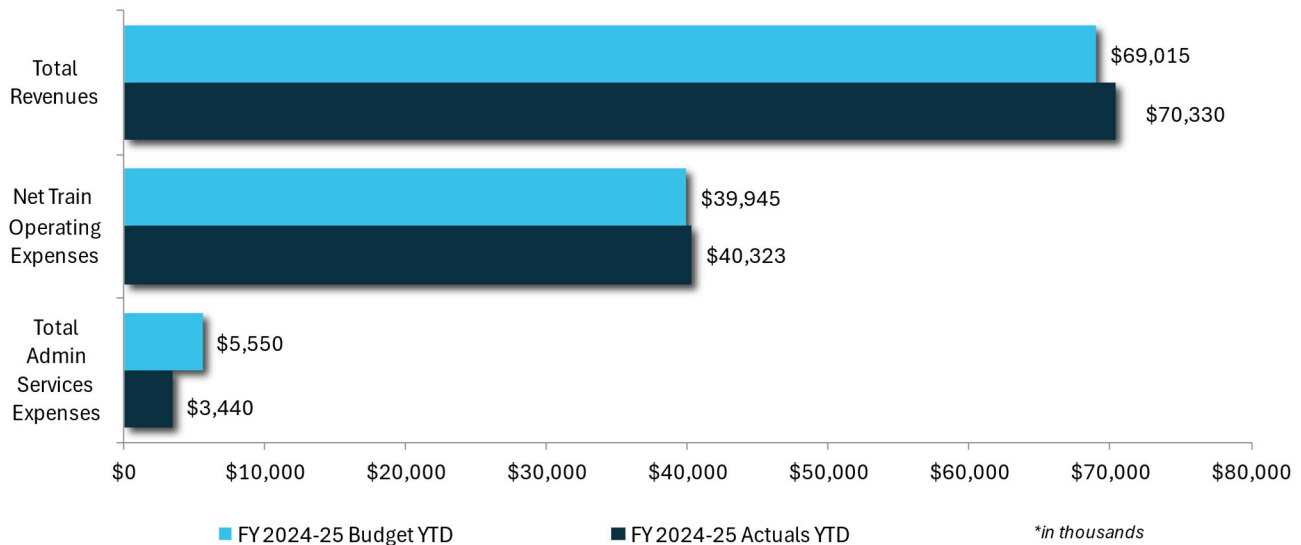




Quarterly Budget Status Report

Third Quarter of Fiscal Year 2024-25

FY 2024-25 Budget to Actuals Year-To-Date



OVERVIEW

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Business Plan for Fiscal Year (FY) 2024-25 and FY 2025-26 (Business Plan), and the FY 2024-25 budget were approved at the March 18, 2024 Board of Directors (Board) meeting. The business plan was submitted to the Secretary of the California State Transportation Agency on April 1, 2024, as required by the interagency transfer agreement and LOSSAN joint powers agreement.

The Board-approved FY 2024-25 Business Plan and budget is \$138.2 million. This includes funding for administrative and marketing services in the amount of \$9.4 million, and \$53.3 million for net train operations (which includes \$57,000 for the continuation of the transit transfer program), \$0.5 million for minor capital projects, and \$75.0 million for grant programs.

Amtrak operates on a Federal Fiscal Year (FFY) of October through September and the operating contract is executed on an FFY basis. The LOSSAN Agency operates on a FY between July and June.

The FY 2024-25 adopted budget assumes the California Department of Transportation (Caltrans) Division of Rail will directly fund equipment capital charges for the Amtrak-owned railcars and locomotives used on the three state-supported

corridors. As a result, equipment capital charges are not included in the operating agreement between Amtrak and the LOSSAN Agency.

This report highlights the major variances between the budget and actual revenues and expenses through the third quarter (January 2025 through March 2025) of FY 2024-25.

REVENUES

Budgeted revenues through the third quarter of FY 2024-25 total \$69.0 million, as presented in **Table 1: Revenues** under “FY 2024-25 Working Budget Year-To-Date”. Actual Year-To-Date revenues through the third quarter totaled \$70.3 million. This is a positive variance of \$1.3 million.

Other state funding (grant revenue) has an underrun of \$6,078,065 primarily due to project delays and the timing of reimbursements from Caltrans for on-time performance invoices. Since project expenses must be incurred before invoicing the State for reimbursement, there is typically a 45 day period paying contractors and receiving funds. For example, reimbursement for invoices related to Union Pacific Railroad (UPRR) on-time performance incentives (\$4.7 million), and

TABLE 1: REVENUES

	FY 2024-25 Adopted Budget	FY 2024-25 Working Budget ³	FY 2024-25 Working Budget Year-To-Date	FY 2024-25 Actuals Year-To-Date	\$ Variance Year-To-Date	% Variance Year-To-Date	FY 2024-25 Percent of Budget Used-to-Date
State Administrative Funding	\$ 7,370,100	\$ 7,370,100	\$ 5,527,575	\$ 6,654,477	\$ 1,126,902	20.4%	90.3%
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.0%	100.0%
State Operating Funding	\$ 53,317,160	\$ 53,317,160	\$ 39,987,870	\$ 45,451,202	\$ 5,463,332	13.7%	85.2%
Reimbursements from other Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Other State Funding ¹	\$ 74,995,000	\$ 74,995,000	\$ 21,000,000	\$ 14,921,935	\$ (6,078,065)	-28.9%	19.9%
State Capital Funding ²	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)	-100.0%	0.0%
Amtrak Penalty & Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Net State/Other Agency Funded	\$ 138,182,260	\$ 138,182,260	\$ 69,015,445	\$ 69,027,613	\$ 12,168	-94.9%	295.4%
Interest Revenue	\$ -	\$ -	\$ -	\$ 1,290,834	\$ 1,290,834	N/A	0.0%
Other Revenue	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	N/A	N/A
Total Revenues	\$ 138,182,260	\$ 138,182,260	\$ 69,015,445	\$ 70,330,447	\$ 1,315,002	1.9%	50.9%

¹ Includes Transit & Intercity Rail Capital Program, California Transit Security Grant Program, State Rail Assistance, State Transportation Improvement Program Funds and Proposition 1B grant programs

² Includes State Minor projects funding

³ Working budget is the adopted budget plus any amendments approved during the year. Adjusted for prior year accruals.

North County Transit District (NCTD) on-time performance incentives (\$2.1 million) have invoices processed in the fourth quarter. In addition, there have been multiple design delays throughout the review and approval process for projects such as Central Coast Layover Facility (\$5.4 million), Goleta Layover Facility (\$2.4 million) and Camarillo Station Improvements (\$1.1 million). This underrun is offset by the receipt of four quarterly SRA deposits from the State, totaling \$11,572,430. The timing of these deposits is unpredictable, as the State does not provide advance notice.

State administrative funding is overrunning the budget by \$1.1 million due to the receipt of the second half payment for fiscal year 2024 in the current FY. The State disburses administrative funding in two separate payments, typically issuing one half at the beginning of the fiscal year and the other half toward the end.

State operating funding is overrunning the budget by \$5.5 million primarily due to the April 2025 advance payment receipt in March 2025. LOSSAN can invoice the State up to 30 days before paying the monthly invoice to Amtrak, ensuring sufficient funding is available to cover these payments.

Total passenger revenue for the third quarter reached \$55.0 million, reflecting a 14.8% increase compared to the same period last year (\$47.9 million). This growth is primarily driven by increased demand and the absence of emergency-related service disruptions in San Clemente that occurred in the prior year. However, revenue remains 8.9% below pre-pandemic levels from July–December 2019.

Although passenger revenue is not directly recorded as revenue since it is netted against monthly Amtrak expenses, staff believes it is important to provide this information as it offers valuable insight into the performance of our Pacific Surfliner service.

OPERATING EXPENSES

Budgeted expenses through the third quarter of FY 2024-25 total \$59.8 million, as presented in **Table 2: Expenses** under “FY 2024-25 Working Budget Year-To-Date”. Actual Year-To-Date expenses through the third quarter totaled \$53.0 million. This is a variance of \$6.8 million.

This variance is primarily due to grant-funded capital projects, including \$1.4 million for NCTD on-time performance incentives and \$1.1 million in UPRR on-time performance incentives. This is primarily due to the timing of the receipt of invoices and data preparation. In addition, project delays have contributed to the variance, including design delays for the Camarillo Station improvements at \$1 million, Central Coast Layover Facility at \$0.5 million, Goleta Layover Facility at \$0.2 million, and Leesdale Siding \$0.2 million.

The Marketing budget variance of \$0.8 million is primarily due to an underrun of \$0.4 million in Digital Advertising, resulting from a temporary pause and the use of lower-tier services. Expenses in this category are expected to increase in the fourth quarter. Additional underruns occurred in Creative Services (\$123 thousand), Website Management (\$105 thousand), and Videography Services (\$74 thousand).

The underrun in Contracted Services is primarily due to lower utilization of on-call project management services for capital projects. The use of these services typically aligns with project timelines and evolving requirements.

The underrun in Minor Capital Projects is due to the timing of payments to Amtrak for planned improvements at various station facilities. Based on current project schedules, these expenditures are expected to remain below budget through the end of the fiscal year.

Quarterly Budget Status Report - LOSSAN

Third Quarter of FY 2024-25

TABLE 2: EXPENSES

Administrative Budget Line Items	FY 2024-25 Adopted Budget	FY 2024-25 Working Budget	FY 2024-25 Working Budget Year-To-Date	FY 2024-25 Actuals Year-To-Date	\$ Variance Year-To-Date	% Variance Year-To-Date	FY 2024-25 Percent of Budget Used-to-Date
Administration - Staffing	\$ 6,019,200	\$ 6,019,200	\$ 3,009,600	\$ 2,334,368	\$ 675,232	22.4%	38.8%
Legal Services	\$ 75,000	\$ 75,000	\$ 56,250	\$ 28,023	\$ 28,227	50.2%	37.4%
Travel	\$ 60,000	\$ 60,000	\$ 40,950	\$ 40,450	\$ 500	1.2%	67.4%
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 1,526,850	\$ 717,397	\$ 809,453	53.0%	35.9%
Insurance	\$ 77,200	\$ 77,200	\$ 77,200	\$ 70,118	\$ 7,082	9.2%	90.8%
Contracted Services (Audit, Planning, On-Call)	\$ 1,127,200	\$ 1,127,200	\$ 828,700	\$ 218,455	\$ 610,245	73.6%	19.4%
Dues & Memberships	\$ 9,000	\$ 9,000	\$ 9,000	\$ 10,519	\$ (1,519)	-16.9%	116.9%
Other Business Expenses	\$ 2,500	\$ 2,500	\$ 1,875	\$ 20,398	\$ (18,523)	-987.9%	815.9%
Total Administrative Services	\$ 9,370,100	\$ 9,370,100	\$ 5,550,425	\$ 3,439,729	\$ 2,110,697	38.0%	36.7%

Operating/Capital Budget Line Items	FY 2024-25 Adopted Budget	FY 2024-25 Working Budget	FY 2024-25 Working Budget Year-To-Date	FY 2024-25 Actuals Year-To-Date	\$ Variance Year-To-Date	% Variance Year-To-Date	FY 2024-25 Percent of Budget Used-to-Date
Net Train Operating Expenses	\$ 53,260,160	\$ 53,260,160	\$ 39,945,120	\$ 40,323,312	\$ (378,192)	-0.9%	75.7%
Transit Transfer Program	\$ 57,000	\$ 57,000	\$ 42,750	\$ 31,205	\$ 11,545	27.0%	54.7%
Minor Capital Projects	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,074	\$ 497,926	99.6%	0.4%
Grant Programs	\$ 74,995,000	\$ 74,995,000	\$ 13,760,000	\$ 9,199,327	\$ 4,560,673	33.1%	12.3%
Total Operating/Capital Budget	\$ 128,812,160	\$ 128,812,160	\$ 54,247,870	\$ 49,555,918	\$ 4,691,952	8.6%	38.5%

Total Budget	\$ 138,182,260	\$ 138,182,260	\$ 59,798,295	\$ 52,995,647	\$ 6,802,649	11.4%	38.4%
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¹ Includes Transit & Intercity Rail Capital Program, California Transit Security Grant Program, State Rail Assistance, State Transportation Improvement Program Funds and Proposition 1B grant programs
Working budget is the adopted budget plus any amendments approved during the year. Actuals year to date include encumbrances. Adjusted for prior year accruals.