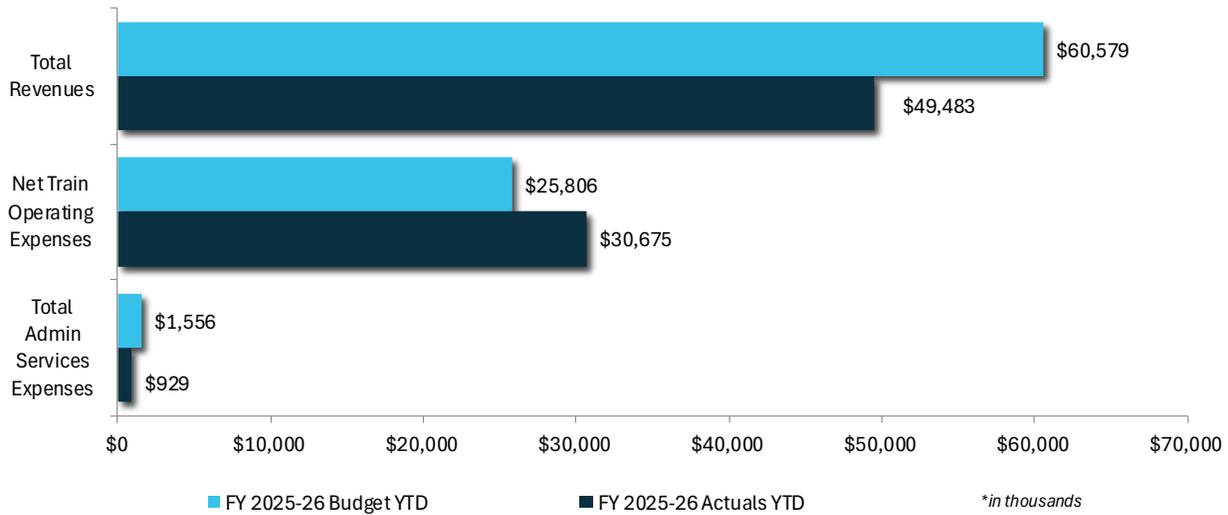




Quarterly Budget Status Report

Second Quarter of Fiscal Year 2025-26

FY 2025-26 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) 2025-26 and FY 2026-27 (Business Plan), and the FY 2025-26 budget were approved at the March 17, 2025 Board of Directors (Board) meeting. The business plan was submitted to the Secretary of the California State Transportation Agency prior to the deadline of April 1, 2025, as required by the interagency transfer agreement and LOSSAN joint powers agreement.

The Board-approved FY 2025-26 Business Plan and budget total \$153.2 million. This includes funding for administrative and marketing services in the amount of \$9.7 million, and \$58.6 million for net train operations (which includes \$74,350 for the continuation of the transit transfer program), \$1 million for minor capital projects, and \$83.9 million for grant programs.

The FY 2025-26 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 second quarter (October 2025 through December 2025) of FY 2025-26. It is important to note that Amtrak operates on a Federal Fiscal Year (FFY) of October through September, while the LOSSAN Agency operates on a Fiscal Year (FY) running from July through June.

REVENUES

TABLE 1: REVENUES							
	FY 2025-26 Adopted Budget	FY 2025-26 Working Budget ¹	FY 2025-26 Working Budget Year-To-Date	FY 2025-26 Actuals Year-To-Date	\$ Variance Year-To-Date	% Variance Year-To-Date	FY 2025-26 Percent of Budget Used-to-Date
State Administrative Funding	\$ 7,725,300	\$ 7,725,300	\$ 3,862,650	\$ 3,862,650	\$ -	0.0%	50.0%
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.0%	100.0%
State Operating Funding	\$ 53,774,790	\$ 53,774,790	\$ 26,839,480	\$ 40,284,637	\$ 13,445,157	50.1%	74.9%
Federal Grant Funding	\$ 4,859,000	\$ 4,859,000	\$ 1,166,160	\$ -	\$ (1,166,160)	-100.0%	0.0%
Reimbursements from other Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Other State Funding ¹	\$ 83,878,000	\$ 83,878,000	\$ 26,710,320	\$ 2,545,893	\$ (24,164,427)	-90.5%	3.0%
State Capital Funding ²	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	N/A	0.0%
Amtrak Penalty & Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Net State/Other Agency Funded	\$ 153,237,090	\$ 153,237,090	\$ 60,578,610	\$ 48,693,180	\$ (11,885,430)	-140.4%	227.9%
Interest Revenue	\$ -	\$ -	\$ -	\$ 739,055	\$ 739,055	N/A	0.0%
Other Revenue	\$ -	\$ -	\$ -	\$ 50,323	\$ 50,323	N/A	N/A
Total Revenues	\$ 153,237,090	\$ 153,237,090	\$ 60,578,610	\$ 49,482,557	\$ (11,096,053)	-18.3%	32.3%

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

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.

⁴ Actuals are subject to change based on year-end accruals and audit adjustments

Budgeted revenues through the second quarter of FY 2025-26 totaled \$60.6 million, as presented in the table above under “FY 2025-26 Working Budget Year-To-Date”. Actual Year-To-Date revenues through the second quarter totaled \$49.5 million, resulting in an underrun of \$11.1 million.

This underrun is primarily driven by a \$24.2 million underrun in Other State Funding (grant revenue). This is primarily due to delays within the capital projects program and the receipt of invoices. In addition to delays in receiving invoices, many require detailed reviews and reconciliations before payment. Key contributors include the Canada Honda Bridge Replacement (\$15.5 million), Union Pacific (UPRR) Franchise Access Fee, Capital Access and Incentive (\$4.3 million), North County Transit District (NCTD) Capital and On-time Performance Incentive (\$2.3 million), Ortega Siding (\$1.0 million), Leesdale Siding (\$0.8 million), Camarillo Station Improvements (\$0.8 million), Central Coast Layover Facility (\$0.2 million), and Goleta Layover Facility (\$0.2 million). This underrun is partially offset by State Operating Funds of \$13.4 million.

The Canada Honda Bridge Replacement project opened to train traffic at the beginning of FY 2025–26. However, invoices for the work were received late in the second quarter. These invoices will be reviewed and paid in the third quarter of the fiscal year. In addition, Federal Grant Funding finished the second quarter \$1.2 million below budget due to delays in the execution of the Federal Railroad Administration (FRA) Restoration and Enhancement Grant. Reimbursements for the restoration of service will be processed once the award is executed, which is expected in the third quarter. The offsetting overrun in State Operating Funds is associated with the receipt of advanced payments from Caltrans for the January and February 2026 Amtrak Advancement Invoices.

Total passenger revenue for the second quarter reached \$21.2 million, reflecting a 9.5% increase compared to the same period last year (\$19.3 million). This growth is driven by increased demand of service and the addition of the 11th and 12th roundtrips late in fiscal year 2025.

Although passenger revenue is not directly recorded as a revenue source, it is netted as a reduction to monthly Amtrak expenses. This information is included to offer valuable insight into the performance of Pacific Surfliner service.

Operating Expenses

TABLE 2: EXPENSES							
Administrative Budget Line Items	FY 2025-26 Adopted Budget	FY 2025-26 Working Budget	FY 2025-26 Working Budget Year-To-Date	FY 2025-26 Actuals Year-To-Date	\$ Variance Year-To-Date	% Variance Year-To-Date	FY 2025-26 Percent of Budget Used-to-Date
Administration - Staffing	\$ 6,364,900	\$ 6,364,900	\$ -	\$ -	\$ -	N/A	0.0%
Legal Services	\$ 75,000	\$ 75,000	\$ 37,485	\$ 14,099	\$ 23,386	62.4%	18.8%
Travel	\$ 58,200	\$ 58,200	\$ 24,096	\$ 15,490	\$ 8,606	35.7%	26.6%
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 972,928	\$ 496,973	\$ 475,955	48.9%	24.8%
Insurance	\$ 76,300	\$ 76,300	\$ 1,000	\$ 72,652	\$ (71,652)	-7165.2%	95.2%
Contracted Services (Audit, Planning, On-Call)	\$ 1,141,400	\$ 1,141,400	\$ 518,802	\$ 252,136	\$ 266,666	51.4%	22.1%
Dues & Memberships	\$ 7,000	\$ 7,000	\$ -	\$ 3,556	\$ (3,556)	N/A	50.8%
Other Business Expenses	\$ 2,500	\$ 2,500	\$ 1,250	\$ 74,306	\$ (73,056)	-5846.3%	2972.2%
Total Admin Services	\$ 9,725,300	\$ 9,725,300	\$ 1,555,561	\$ 929,211	\$ 626,350	40.3%	9.6%
Banking Services	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Admin Services	\$ 9,725,300	\$ 9,725,300	\$ 1,555,561	\$ 929,211	\$ 626,350	40.3%	9.6%
Non Budgeted Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Non Budgeted Admin Services	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Administrative Services	\$ 9,725,300	\$ 9,725,300	\$ 1,555,561	\$ 929,211	\$ 626,350	40.3%	9.6%

Operating/Capital Budget Line Items	FY 2025-26 Adopted Budget	FY 2025-26 Working Budget	FY 2025-26 Working Budget Year-To-Date	FY 2025-26 Actuals Year-To-Date	\$ Variance Year-To-Date	% Variance Year-To-Date	FY 2025-26 Percent of Budget Used-to-Date
Net Train Operating Expenses	\$ 58,559,440	\$ 58,559,440	\$ 25,806,438	\$ 30,675,068	\$ (4,868,630)	-18.9%	52.4%
Transit Transfer Program	\$ 74,350	\$ 74,350	\$ 37,175	\$ 6,061	\$ 31,114	83.7%	8.2%
Minor Capital Projects	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 65,098	\$ 434,902	87.0%	6.5%
Grant Programs	\$ 83,878,000	\$ 83,878,000	\$ 27,418,900	\$ 4,331,113	\$ 23,087,787	84.2%	5.2%
Total Operating/Capital Budget	\$ 143,511,790	\$ 143,511,790	\$ 53,762,513	\$ 35,077,340	\$ 18,685,173	34.8%	24.4%
Total Budget	\$ 153,237,090	\$ 153,237,090	\$ 55,318,073	\$ 36,006,551	\$ 19,311,523	34.9%	23.5%

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.
² Actuals are subject to change based on year-end accruals and audit adjustments.

Budgeted expenses through the second quarter of FY 2025-26 totaled \$55.3 million, as presented in the table above under “FY 2025-26 Working Budget Year-To-Date”. Actual Year-To-Date expenses through the second quarter totaled \$36.0 million, resulting in a variance of \$19.3 million.

This variance can be primarily attributed to grant-funded capital projects. This total includes project underruns of \$15.5 million in Canada Honda Bridge Replacement; \$2.8 million in UPRR Franchise Access Fee, Capital Access and Incentive; \$2.0 million in NCTD Capital and On-Time Performance Incentive; \$0.8 million in Camarillo Station Improvements; \$0.7 million in Leesdale Siding; \$0.5 million in Ortega Siding; and \$0.5 million in Goleta Layover Facility. As mentioned in the revenue section, many of these underruns are due to delays in the capital program and in the receipt of invoices. Several major invoices were received late in the second quarter, with payment expected in early Q3.

Net Train Operations had an overrun of approximately \$4.9 million due to the timing of an advance payment to Amtrak for January 2026 service that was processed late in the second quarter.

The Marketing budget variance reflects a \$476.0 thousand underrun, primarily comprised of \$268.8 thousand in Digital Advertising, \$67.2 thousand in Videography Services, \$35.3 thousand in Strategic Marketing, and \$28.8 thousand in Social Media Management. This underrun is largely attributable to a planned reduction in digital advertising expenses as well as delays in contract execution for videography services.

Contracted Services had an underrun of \$266.7 thousand primarily due to reduced use of on-call project management support for capital projects. This was due to increased in-house expertise. Utilization of these services is expected to increase as the projects progress into the construction phase, which will require the need for construction management services.

The underrun in Minor Capital Projects is due to the longer than expected lead time for the procurement of contractors. This caused a slight delay in the implementation of several projects. This underrun will diminish as the year continues.