



**December 15, 2025**

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

**From:** Jason Jewell, Managing Director

A handwritten signature in black ink, appearing to be "J. Jewell", is placed over the name "Jason Jewell" in the "From:" line.

**Subject:** Fiscal Year 2025-26 First Quarter Budget Status Report

### **Overview**

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2025-26 Budget was approved by the Board of Directors on March 17, 2025. The California State Transportation Agency approved the Fiscal Year 2025-26 budget and funding on September 25, 2025. This report summarizes financial activities and performance through the first quarter of fiscal year 2025-26, covering the months of July 2025 through September 2025.

### **Recommendation**

Receive and file as an information item.

### **Background**

On March 17, 2025, 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) 2025-26 and FY 2026-27 (Business Plan), as well as the FY 2025-26 budget. Included in both the adopted budget and the Business Plan is funding for FY 2025-26 administrative and marketing services, in the amount of \$9.7 million and \$58.6 million for net train operations (including \$74,350 for the continuation of the transit transfer program), \$1 million for minor capital projects, and \$83.9 million for grant programs bringing the total adopted budget to \$153.2 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 first quarter of FY 2025-26 totaled \$25 million, while actual revenues totaled \$27.2 million. This results in year-to-date (YTD) revenues to overrun the budget by \$2.2 million.

The variance reflects two offsetting factors. State operating funds exceeded the budget by \$6.6 million due to the receipt of advanced payments from Caltrans for the October and November 2025 Amtrak Advancement Invoices. This overrun is largely offset by

TABLE 1: REVENUES	FY 2025-26	FY 2025-26	
	Working Budget	Actuals	\$ Variance
	Year-To-Date	Year-To-Date	Year-To-Date
State Administrative Funding	\$ 3,862,650	\$ 3,862,650	\$ -
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ -
State Operating Funding	\$ 13,419,740	\$ 20,017,999	\$ 6,598,259
Other State Funding	\$ 5,705,160	\$ 920,135	\$ (4,785,025)
State Capital Funding	\$ -	\$ -	\$ -
Interest Revenue	\$ -	\$ 345,687	\$ 345,687
Other Revenue	\$ -	\$ 50,323	\$ 50,323
<b>Total Revenues</b>	<b>\$ 24,987,550</b>	<b>\$ 27,196,794</b>	<b>\$ 2,209,244</b>

lower-than-budgeted grant revenue of \$4.8 million in Other State Funding, which includes all grant-funded capital projects. The net result of these offsetting variances is the \$2.2 million overrun noted above. The grant revenue underrun is primarily due to timing of invoices in various programs and project phases, including design, environmental, and construction activities within LOSSAN's capital program. Services for these programs and capital projects include Union Pacific (UPRR) Franchise Access Fee, Capital Access and Incentive, North County Transit District (NCTD) Capital and On-time Performance Incentive, Ortega Siding, Camarillo Station Improvements, Leesdale Siding, Central Coast Layover Facility, Integrated Wayfare Signage, and Goleta Layover Facility.

The budget variances are further detailed in Attachment A.

Expenses

As shown in Table 2, budgeted expenses through the first quarter of FY 2025-26 totaled \$21.6 million, whereas actual expenses totaled \$13.9 million, resulting in an underrun of \$7.8 million.

The majority of the expense variance is associated with grant-funded capital projects, largely driven by the timing of when work is completed and when payments are processed. Key contributors include the UPRR Franchise Access Fee,

Capital Access and Incentive (\$1.7 million), NCTD Capital and On-time Performance Incentive (\$1.2 million), Leesdale Siding (\$0.8 million), Ortega Siding (\$0.5 million), Camarillo Station Improvements (\$0.4 million), Central Coast Layover Facility (\$0.2 million), and Goleta Layover Facility (\$0.2 million). The underrun of \$2 million in Net Train Operations is associated with the timing of the \$1.9 million Amtrak annual trueup invoice for the October 2024 through September 2025 contract period, which was received following the first quarter and paid in November. Additionally, Marketing and Contracted Services costs underran due to lower-than-anticipated utilization of services, while Minor Capital costs underran due to delays in project execution by Amtrak.

For detailed information on specific project and expense 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.

**TABLE 2: EXPENSES**

	FY 2025-26 Working Budget	FY 2025-26 Actuals	\$ Variance
Administrative Budget Line Items	Year-To-Date	Year-To-Date	Year-To-Date
Administration - Staffing	\$ -	\$ -	\$ -
Legal Services	\$ 18,743	\$ 2,864	\$ 15,878
Travel	\$ 12,048	\$ 5,426	\$ 6,622
Marketing	\$ 499,764	\$ 245,231	\$ 254,533
Insurance	\$ -	\$ -	\$ -
Contracted services	\$ 247,401	\$ 13,576	\$ 233,825
Dues & Memberships	\$ -	\$ 3,556	\$ (3,556)
Non Budgeted Expenses	\$ -	\$ -	\$ -
Other Business Expenses	\$ 625	\$ 72,675	\$ (72,050)
<b>Total Administrative Services</b>	<b>\$ 778,580</b>	<b>\$ 343,328</b>	<b>\$ 435,253</b>
<b>Operating/Capital Budget Line Items</b>			
Net Train Operating Expenses	\$ 14,634,004	\$ 12,587,194	\$ 2,046,810
Transit Transfer Program	\$ 18,588	\$ -	\$ 18,588
Minor Capital Projects	\$ 250,000	\$ 62	\$ 249,938
Grant Programs	\$ 5,939,450	\$ 931,542	\$ 5,007,908
<b>Total Budget</b>	<b>\$ 21,620,622</b>	<b>\$ 13,862,125</b>	<b>\$ 7,758,496</b>

**Summary**

Through the first quarter of Fiscal Year 2025-26, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's actual revenues overran the budget, while expenses underran the expected costs. Most of the variance is driven by the timing of work completion and the processing of invoices for several programs and capital projects. State Operating Assistance contributed to the overrun in revenues due to monthly advanced payments, while Net Train Operations contributed to the expense underrun due to the annual invoice true-up.

**Attachments**

- A. Quarterly Budget Status Report, First Quarter of Fiscal Year 2025-26
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, First Quarter Financial Activity Report, Fiscal Year 2025-26
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Open Agreements Listing as of September 30, 2025

**Approved by:**

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