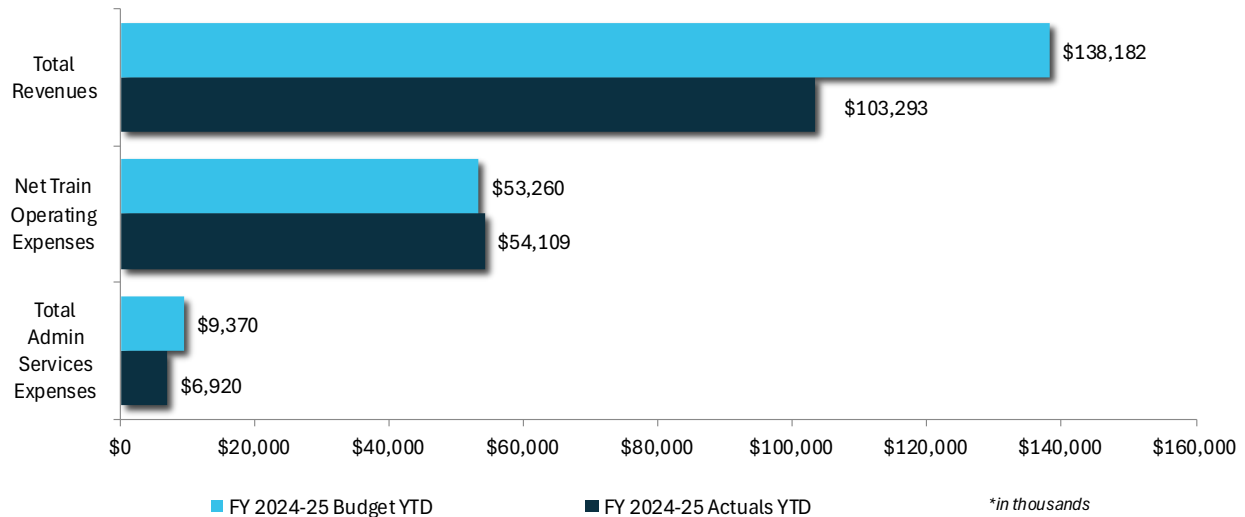




Quarterly Budget Status Report

Fourth 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 totals \$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.

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 fourth quarter (April 2025 through June 2025) of FY 2024-25. It's important to note that actuals may change based on year-end accruals and audit adjustments as LOSSAN staff continue to work on the FY 2024-25 annual audit. It is also worth noting 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 2024-25 Adopted Budget	FY 2024-25 Working Budget ²	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	\$ 7,370,100	\$ 5,755,686	\$ (1,614,414)	-21.9%	78.1%
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	\$ 53,317,160	\$ 53,074,869	\$ (242,291)	-0.5%	99.5%
Reimbursements from other Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Other State Funding ¹	\$ 74,995,000	\$ 74,995,000	\$ 74,995,000	\$ 40,402,542	\$ (34,592,458)	-46.1%	53.9%
State Capital Funding ²	\$ 500,000	\$ 500,000	\$ 500,000	\$ 380,954	\$ (119,046)	-23.8%	76.2%
Amtrak Penalty & Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Net State/Other Agency Funded	\$ 138,182,260	\$ 138,182,260	\$ 138,182,260	\$ 101,614,052	\$ (36,568,208)	-92.3%	407.7%
Interest Revenue	\$ -	\$ -	\$ -	\$ 1,659,608	\$ 1,659,608	N/A	0.0%
Other Revenue	\$ -	\$ -	\$ -	\$ 19,677	\$ 19,677	N/A	N/A
Total Revenues	\$ 138,182,260	\$ 138,182,260	\$ 138,182,260	\$ 103,293,337	\$ (34,888,923)	-25.2%	74.8%

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.

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

Budgeted revenues through the fourth quarter of FY 2024-25 total \$138.2 million, as presented in the table above under "FY 2024-25 Working Budget Year-To-Date". Actual Year-To-Date revenues through the fourth quarter totaled \$103.3 million. This is an underrun of \$34.9 million.

This underrun is primarily driven by other state funding (grant revenue). Design delays and land acquisition issues have caused delays in the start of construction of several projects, which were originally anticipated to begin during the fiscal year. Construction of these projects is now slated to begin in late fiscal year 2025-26. These revenues have been rebudgeted for the next fiscal year as they are received as reimbursements after expenses have been incurred. The underrun of \$13.3 million for the Central Coast Layover Facility is primarily due to delays related to land acquisition. In addition, there was an underrun of \$10.2 million for the Canada Honda Bridge Replacement project due to project timing. The project is currently in progress, and a large portion of the construction is expected to be billed after the bridge span is placed into service during the first quarter of Fiscal Year 2025-26. We expect to see the corresponding reimbursements for this work following its completion. In addition, there have been design delays for the Goleta Layover Facility (\$4.7 million), Ortega Siding (\$2.4 million), Leesdale Siding (\$1.9 million) and Camarillo Station Pedestrian Undercrossing (\$1.3 million) projects. Design review and permitting processes have taken longer than originally anticipated. Revenue underruns have been partially offset by higher-than-expected interest earnings.

State administrative funding underran the budget by \$1.6 million. Of this amount, \$1 million is attributed to staffing vacancies during the year, which include Program Manager and Marketing positions. The Marketing roles have since been filled. In addition, there was an underrun of \$658 thousand in contracted services, primarily related to reduced use of on-call project management support, as much of this work was performed in-house. These services are expected to be utilized more heavily in FY 2025-26 as several projects advance from design into construction.

Total passenger revenue for the fourth quarter reached \$70.4 million, reflecting a 6.6% increase compared to the same period last year (\$66 million). This growth is primarily driven by increased demand and the addition of the 11th roundtrip in March 2025 and the 12th roundtrip in June 2025.

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

OPERATING EXPENSES

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	\$ 6,019,200	\$ 5,038,624	\$ 980,576	16.3%	83.7%
Legal Services	\$ 75,000	\$ 75,000	\$ 75,000	\$ 45,247	\$ 29,753	39.7%	60.3%
Travel	\$ 60,000	\$ 60,000	\$ 60,000	\$ 50,123	\$ 9,877	16.5%	83.5%
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 1,163,858	\$ 836,142	41.8%	58.2%
Insurance	\$ 77,200	\$ 77,200	\$ 77,200	\$ 69,921	\$ 7,279	9.4%	90.6%
Contracted Services (Audit, Planning, On-Call)	\$ 1,127,200	\$ 1,127,200	\$ 1,127,200	\$ 479,409	\$ 647,791	57.5%	42.5%
Dues & Memberships	\$ 9,000	\$ 9,000	\$ 9,000	\$ 10,519	\$ (1,519)	-16.9%	116.9%
Other Business Expenses	\$ 2,500	\$ 2,500	\$ 2,500	\$ 61,844	\$ (59,344)	-2373.7%	2473.7%
Total Admin Services	\$ 9,370,100	\$ 9,370,100	\$ 9,370,100	\$ 6,919,544	\$ 2,450,556	26.2%	73.8%
Banking Services	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Administrative Services	\$ 9,370,100	\$ 9,370,100	\$ 9,370,100	\$ 6,919,544	\$ 2,450,556	26.2%	73.8%

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	\$ 53,260,160	\$ 54,109,414	\$ (849,254)	-1.6%	101.6%
Transit Transfer Program	\$ 57,000	\$ 57,000	\$ 57,000	\$ 68,180	\$ (11,180)	-19.6%	119.6%
Minor Capital Projects	\$ 500,000	\$ 500,000	\$ 500,000	\$ 380,954	\$ 119,046	23.8%	76.2%
Grant Programs	\$ 74,995,000	\$ 74,995,000	\$ 74,995,000	\$ 40,377,938	\$ 34,617,061	46.2%	53.8%
Total Operating/Capital Budget	\$ 128,812,160	\$ 128,812,160	\$ 128,812,160	\$ 94,936,487	\$ 33,875,673	26.3%	73.7%
Total Budget	\$ 138,182,260	\$ 138,182,260	\$ 138,182,260	\$ 101,856,031	\$ 36,326,229	26.3%	73.7%

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 fourth quarter of FY 2024-25 total \$138.2 million, as presented in the table above under "FY 2024-25 Working Budget Year-To-Date". Actual Year-To-Date expenses through the fourth quarter totaled \$101.9 million. This is a variance of \$36.3 million.

This variance can be primarily attributed to grant-funded capital projects. This total includes \$13 million for the Central Coast Layover Facility, \$10.1 for the Canada Honda Bridge Replacement, \$4.7 million for the Goleta Layover Facility, \$2.4 million for the Ortega Siding, \$1.9 million for the Leesdale Siding, \$1.3 million for the Camarillo Station Improvements, and \$1.3 million for the Corridor Hardening Improvements. As mentioned above in the revenue section, many of these projects have been delayed and are rebudgeted in Fiscal Year 2025-26.

The Marketing budget variance of \$836.1 thousand is primarily due to an underrun of \$502.5 thousand in Digital Advertising, resulting from a temporary pause and reliance on lower-tier services. Additional underruns include Creative Services of \$137 thousand, and Videography Services of \$98.6 thousand.

As noted in the Revenue section, the underrun in Contracted Services of \$658 thousand is primarily due to reduced use of on-call project management support for capital projects, as much of this work was performed in-house. Utilization of these services is expected to increase as the projects progress into the construction phase, which will require the need for more specialized expertise.

The underrun in Minor Capital Projects is due to the timing of bid submissions from contractors for planned improvements at various station facilities. Amtrak is in the process of finalizing several bids for projects scheduled for completion in FY 2025-26.

While these underruns account for most of the variance, they are partially offset by an overrun in Net Train Operations. This overage is attributed to the settlement payment related to the dispute with Amtrak regarding outstanding marketing additive charges for federal fiscal years 2019 through 2023.