



March 16, 2026

To: Members of the Board of Directors
From: Jason Jewell, Managing Director 
Subject: Fiscal Year 2025-26 Second 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 second quarter of fiscal year 2025-26, covering the months of October 2025 through December 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 second quarter of FY 2025-26 totaled \$60.6 million, while actual revenues totaled \$49.5 million. This results in year-to-date (YTD) revenues to underrun the budget by \$11.1 million.

The variance is driven by two primary, offsetting factors. The largest component is a \$24.2 million shortfall in Other State Funding, which includes grant-funded capital projects. The net result of these offsetting variances is the \$11.1 million underrun noted in the table above. The grant revenue underrun is primarily attributable to project delays and the timing of invoice submittals across various programs and project phases, including design, environmental, and construction activities within LOSSAN’s capital program. Capital projects contributing to this timing variance include: Canada Honda Bridge Replacement, Union Pacific (UPRR) Franchise Access Fee, Capital Access & Incentive, North County Transit District (NCTD) Capital & On-time Performance Incentive, Ortega Siding, Camarillo Station Improvements, Leesdale Siding, Central Coast Layover Facility, Integrated Wayfinding Signage, and Goleta Layover Facility.

TABLE 1: REVENUES	FY 2025-26		\$ Variance
	Working Budget	FY 2025-26	
	Year-To-Date	Actuals	
State Administrative Funding	\$ 3,862,650	\$ 3,862,650	\$ -
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ -
State Operating Funding	\$ 26,839,480	\$ 40,284,637	\$ 13,445,157
Federal Grant Funding	\$ 1,166,160	\$ -	\$ (1,166,160)
Other State Funding	\$ 26,710,320	\$ 2,545,893	\$(24,164,427)
State Capital Funding	\$ -	\$ -	\$ -
Interest Revenue	\$ -	\$ 739,055	\$ 739,055
Other Revenue	\$ -	\$ 50,323	\$ 50,323
Total Revenues	\$ 60,578,610	\$ 49,482,557	\$(11,096,053)

In addition, there was an underrun of \$1.2 million in Federal Grant Funding due to the timing of the Federal Railroad Administration (FRA) Restoration and Enhancement (R&E) award execution. Execution of the R&E grant is expected to occur in the third quarter. Reimbursements for the restoration service will be processed once the grant is fully executed.

These revenue shortfalls are partially offset by State operating funds that exceeded the budget by \$13.4 million, primarily due to the receipt of advanced payments from Caltrans for the January and February 2026 Amtrak Advancement Invoices.

The budget variances are further detailed in Attachment A.

Expenses

As shown in Table 2, budgeted expenses through the second quarter of FY 2025-26 totaled \$55.3 million, whereas actual expenses totaled \$36 million, resulting in a year-to-date (YTD) expense underrun of \$19.3 million.

The majority of the expense variance is associated with grant funded capital projects and is largely driven by project delays and the timing of when work is completed and when payments are processed. Key contributors include the Canada Honda Bridge Replacement (\$15.5 million), UPRR Franchise Access Fee, Capital Access and Incentive (\$2.8 million), NCTD Capital and On-time Performance Incentive (\$2 million), Camarillo Station Improvements (\$0.8 million), Leesdale Siding (\$0.7 million), Ortega Siding (\$0.5 million), and Goleta Layover Facility (\$0.4 million). The \$4.9 million overrun in Net Train Operations is associated with the timing of the advance payment to Amtrak for the month of January 2026, which was processed in the second quarter of FY 2025-26. Additionally, Marketing and Contracted Services costs underran due to lower-than-anticipated utilization of services, and Minor Capital costs underran due to delays in project execution by Amtrak.

TABLE 2: EXPENSES			
Administrative Budget Line Items	FY 2025-26	FY 2025-26	\$ Variance
	Working Budget	Actuals	
	Year-To-Date	Year-To-Date	Year-To-Date
Administration - Staffing	\$ -	\$ -	\$ -
Legal Services	\$ 37,485	\$ 14,099	\$ 23,386
Travel	\$ 24,096	\$ 15,490	\$ 8,606
Marketing	\$ 972,928	\$ 496,973	\$ 475,955
Insurance	\$ 1,000	\$ 72,652	\$ (71,652)
Contracted services	\$ 518,802	\$ 252,136	\$ 266,666
Dues & Memberships	\$ -	\$ 3,556	\$ (3,556)
Non Budgeted Expenses	\$ -	\$ -	\$ -
Other Business Expenses	\$ 1,250	\$ 74,306	\$ (73,056)
Total Administrative Services	\$ 1,555,561	\$ 929,211	\$ 626,350
Operating/Capital Budget Line			
Items			
Net Train Operating Expenses	\$ 25,806,438	\$ 30,675,068	\$ (4,868,630)
Transit Transfer Program	\$ 37,175	\$ 6,061	\$ 31,114
Minor Capital Projects	\$ 500,000	\$ 65,098	\$ 434,902
Grant Programs	\$ 27,418,900	\$ 4,331,113	\$ 23,087,787
Total Budget	\$ 55,318,073	\$ 36,006,551	\$ 19,311,523

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.

Summary

Through the second quarter of Fiscal Year 2025-26, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency’s actual revenues and expenses were below budget. Most of the variance is driven by project delays and the timing of work completion and the processing of invoices for several programs and capital projects. Due to monthly advance payments, a portion of these timing-related underruns was offset by higher-than-budgeted State Operating Assistance on the revenue side and higher Net Train Operations on the expense side.

Attachments

- A. Quarterly Budget Status Report, Second Quarter of Fiscal Year 2025-26
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Second Quarter Financial Activity Report, Fiscal Year 2025-26
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Open Agreements Listing as of December 31, 2025

Approved by:



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