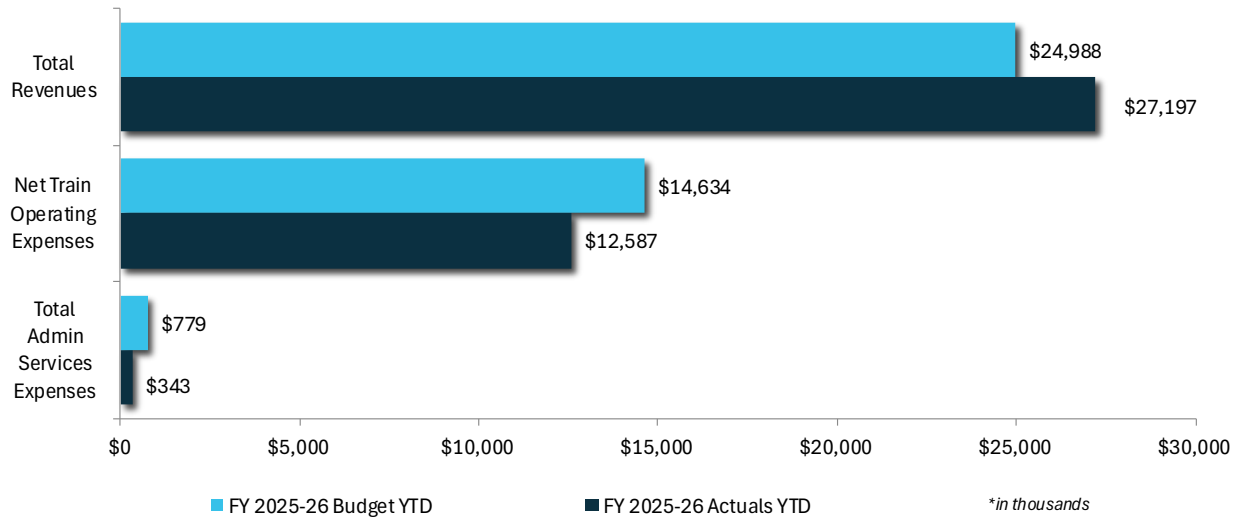




Quarterly Budget Status Report

First 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 totals \$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 first quarter (July 2025 through September 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 ²	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	\$ 13,419,740	\$ 20,017,999	\$ 6,598,259	49.2%	37.2%
Federal Grant Funding	\$ 4,859,000	\$ 4,859,000	\$ -	\$ -	\$ -	N/A	0.0%
Reimbursements from other Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Other State Funding ¹	\$ 83,878,000	\$ 83,878,000	\$ 5,705,160	\$ 920,135	\$ (4,785,025)	-83.9%	1.1%
State Capital Funding ³	\$ 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	\$ 24,987,550	\$ 26,800,784	\$ 1,813,234	-34.7%	188.3%
Interest Revenue	\$ -	\$ -	\$ -	\$ 345,687	\$ 345,687	N/A	0.0%
Other Revenue	\$ -	\$ -	\$ -	\$ 50,323	\$ 50,323	N/A	N/A
Total Revenues	\$ 153,237,090	\$ 153,237,090	\$ 24,987,550	\$ 27,196,794	\$ 2,209,244	8.8%	17.7%

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

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 first quarter of FY 2025-26 total \$25.0 million, as presented in the table above under “FY 2025-26 Working Budget Year-To-Date”. Actual Year-To-Date revenues through the first quarter totaled \$27.2 million. This is an overrun of \$2.2 million.

This overrun is primarily driven by by state operating funds of \$6.6 million. The overrun is associated with the receipt of advanced payments from Caltrans for October and November 2025 Amtrak Advancement Invoices. This overrun is offset by a \$4.8 million underrun in other state funding (grant revenue), driven mainly by timing differences between work completed and payment processing for associated programs and capital projects. Many of these invoices require multiple reviews and reconciliations and will continue to be processed in subsequent quarters. Key contributors include the Union Pacific (UPRR) Franchise Access Fee, Capital Access and Incentive (\$1.7 million), North County Transit District (NCTD) Capital and On-time Performance Incentive (\$1.2 million), Ortega Siding (\$0.8 million), Leesdale Siding (\$0.4 million), Camarillo Station Improvements (\$0.4 million), Central Coast Layover Facility (\$0.2 million), and Goleta Layover Facility (\$0.1 million).

Total passenger revenue for the first quarter reached \$21.3 million, reflecting a 2.6% increase compared to the same period last year (\$20.8 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

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	\$ 18,743	\$ 2,864	\$ 15,878	84.7%	3.8%
Travel	\$ 58,200	\$ 58,200	\$ 12,048	\$ 5,426	\$ 6,622	55.0%	9.3%
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 499,764	\$ 245,231	\$ 254,533	50.9%	12.3%
Insurance	\$ 76,300	\$ 76,300	\$ -	\$ -	\$ -	N/A	0.0%
Contracted Services (Audit, Planning, On-Call)	\$ 1,141,400	\$ 1,141,400	\$ 247,401	\$ 13,576	\$ 233,825	94.5%	1.2%
Dues & Memberships	\$ 7,000	\$ 7,000	\$ -	\$ 3,556	\$ (3,556)	N/A	50.8%
Other Business Expenses	\$ 2,500	\$ 2,500	\$ 625	\$ 72,675	\$ (72,050)	-11531.7%	2907.0%
Total Admin Services	\$ 9,725,300	\$ 9,725,300	\$ 778,580	\$ 343,328	\$ 435,253	55.9%	3.5%
Banking Services	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Admin Services	\$ 9,725,300	\$ 9,725,300	\$ 778,580	\$ 343,328	\$ 435,253	55.9%	3.5%
Non Budgeted Expenses	\$ -	\$ -	\$ -	\$ -	\$ 0	N/A	N/A
Non Budgeted Admin Services	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Administrative Services	\$ 9,725,300	\$ 9,725,300	\$ 778,580	\$ 343,328	\$ 435,253	55.9%	3.5%

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	\$ 14,634,004	\$ 12,587,194	\$ 2,046,810	14.0%	21.5%
Transit Transfer Program	\$ 74,350	\$ 74,350	\$ 18,588	\$ -	\$ 18,588	100.0%	0.0%
Minor Capital Projects	\$ 1,000,000	\$ 1,000,000	\$ 250,000	\$ 62	\$ 249,938	100.0%	0.0%
Grant Programs	\$ 83,878,000	\$ 83,878,000	\$ 5,939,450	\$ 931,542	\$ 5,007,908	84.3%	1.1%
Total Operating/Capital Budget	\$ 143,511,790	\$ 143,511,790	\$ 20,842,042	\$ 13,518,798	\$ 7,323,244	35.1%	9.4%
Total Budget	\$ 153,237,090	\$ 153,237,090	\$ 21,620,622	\$ 13,862,125	\$ 7,758,496	35.9%	9.0%

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 first quarter of FY 2025-26 total \$21.6 million, as presented in the table above under “FY 2025-26 Working Budget Year-To-Date”. Actual Year-To-Date expenses through the first quarter totaled \$13.9 million. This is a variance of \$7.8 million.

This variance can be primarily attributed to grant-funded capital projects. This total includes project underruns of \$1.7 million in UPRR Franchise Access Fee, Capital Access and Incentive; \$1.2 million in NCTD Capital and On-Time Performance Incentive; \$0.8 million in Leesdale Siding; \$0.5 million in Ortega Siding; \$0.4 million in Camarillo Station Improvements; \$0.2 million in Central Coast Layover Facility; and \$0.2 million in Goleta Layover Facility. As mentioned above in the revenue section, many of these underruns are associated with several layers of review and reconciliation and will continue to be processed in future quarters.

Net Train Operations had an underrun of approximately \$2.0 million due to the timing of the \$1.9 million Amtrak annual true-up invoice for the October 2024 through September 2025 contract period, which was received after the first quarter and paid in November.

The Marketing budget variance reflects a \$254.5 thousand underrun, primarily comprised of \$146.0 thousand in Digital Advertising, \$37.5 thousand in Videography Services, \$33.3 thousand in Social Media Management, and \$30.6 thousand in Strategic Marketing. This underrun is largely attributable to planned campaigns and vendor-supported projects being shifted or delayed due to staffing and resource gaps during the period.

Contracted Services had an underrun of \$233.8 thousand 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 invoices from contractors for improvements at various station facilities. Many of these invoices are continued to be reviewed and processed.