

**REVISED**  
**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

**Agenda**

**Thursday, June 18, 2026**  
**Regular Meeting: 2:00 P.M.**

**Location: NCTD Administrative Offices,**  
**810 Mission Avenue, Oceanside, CA 92054**

**View Live Stream at:**  
**<https://www.youtube.com/GoNCTD>**

**MISSION**

The mission of North County Transit District, which operates as North County Transit – San Diego Railroad and referred to herein as NCTD, is to operate an environmentally sustainable and fiscally responsible transit network that provides seamless mobility for all while achieving organizational and operational excellence.

**VISION**

NCTD envisions a comprehensive transit and mobility system that connects all North County San Diego residents and visitors to a healthy, economically vibrant, and thriving region.

**ASSISTIVE SERVICES**

For individuals with disabilities, NCTD will provide assistive services. To obtain such services or copies of documents in an alternate format, please call or write, a minimum of 72 hours prior to the event, to request these needed reasonable modifications. NCTD will make every attempt to accommodate requests that do not give 72-hour notice. Please contact the Clerk of the Board at (760) 966-6696 or [clerk@nctd.org](mailto:clerk@nctd.org).

For individuals with sensory disabilities, this document is available in alternate formats. For information, please contact the Clerk of the Board at 760/966-6696 or [clerk@nctd.org](mailto:clerk@nctd.org). Persons with hearing impairment, please use the California Relay Service (CRS): 800/735-2929 TTY; 800/735-2922 voice; 800/855-3000 Spanish. CRS Customer Service: 877/632-9095 English or 877/419-8440 Spanish.

Agenda materials can be made available in alternative languages upon request. To make a request, please call (760) 966-6696 or email [clerk@nctd.org](mailto:clerk@nctd.org) at least 72 hours in advance of the meeting.

Los materiales de la agenda de NCTD están disponibles en otros idiomas. Para hacer una solicitud, llame al (760) 966-6696 o por correo electrónico a [clerk@nctd.org](mailto:clerk@nctd.org) al menos 72 horas antes de la reunión.

Any writings or documents provided to a majority of the members of the NCTD Board of Directors regarding any item on this agenda will be made available for public inspection at the office of the

Clerk of the Board located at 810 Mission Avenue, Oceanside, CA 92054, during normal business hours and on the website at GoNCTD.com.

## **PUBLIC COMMENT**

**IN-PERSON PARTICIPATION AT THE BOARD MEETINGS:** All persons wishing to address the Board of Directors during the meeting can do so in-person. Speakers must complete a “Request to Speak” form provided at the meeting. The completed form must be submitted to the Clerk of the Board prior to the call of the specific agenda item on which the individual wishes to speak.

**WRITTEN COMMENT PRIOR TO BOARD MEETINGS:** Members of the public may also submit their comments via email at [publiccomment@nctd.org](mailto:publiccomment@nctd.org). All comments received prior to the start of the Board or Committee meeting will be provided to the Board/Committee and made available for public inspection on the NCTD website at: <https://gonctd.com/about-nctd/board-information/> prior to the meeting and included in the record of the Board/Committee Meeting.

**VIRTUAL PARTICIPATION AT THE BOARD MEETINGS:** Pursuant to Government Code section 54953, NCTD is providing alternatives to in-person attendance for viewing and participating in NCTD Board and/or Committee meetings.

### **Zoom Participation:**

Members of the public may view or participate in the meeting through Zoom from a PC, MAC, iPad, iPhone, or Android device, at the following URL: <https://nctd.zoom.us/j/85126534550?pwd=jMafaxqtq6d11kUjqQoBCeGlkL561j.1>  
Passcode: 084154

### **Phone Participation:**

To join the meeting by phone, dial 669-900-6833  
Webinar ID: 851 2653 4550  
Passcode: 084154

If you would like to speak on an agenda item via Zoom during the meeting, you must email the Clerk of the Board at [clerk@nctd.org](mailto:clerk@nctd.org). Please provide the Clerk your name and item number you wish to comment on. *If you plan on calling into the Zoom meeting rather than videoconferencing, you must also provide the telephone number you will be using.* You must be logged on to the Zoom meeting by phone or online to speak. When it is your turn to comment, the Clerk of the Board will call you by name or phone number. Members of the public may register with the Clerk of the Board to speak on an agenda item until the public comment period for that item is closed.

The public may also provide oral comments on agenda items by calling (760) 966-6560. When prompted, the caller should identify the agenda item they wish to speak about and leave a message not to exceed three minutes. All telephonic comments received prior to the start of the Board or Committee meeting will be provided to the Board/Committee prior to the meeting and made available for public inspection on the NCTD website at: <https://GoNCTD.com/about-nctd/board-information/>.

All written and/or telephonic comments received by 5:00 p.m. the day before the meeting will be shared with the Board of Directors and made available for public inspection prior to the meeting. Written and/or telephonic comments may not be read aloud or played for the Board of Directors during the meeting. All telephonic and written comments will be made part of the record.

## REGULAR MEETING BEGINNING AT 2:00 PM

- CALL TO ORDER
- ROLL CALL OF BOARD MEMBERS
- PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG
- SAFETY BRIEF & EVACUATION PROCEDURES – Suheil Rodriguez, Director of Administration/Clerk of the Board
- CHANGES TO THE AGENDA
- PUBLIC COMMUNICATIONS

There is a time limit of 15 minutes for this section of Public Communications and each speaker is limited to three minutes for their presentation.

### A. MINUTES

Approve Minutes for NCTD's Regular Board Meeting of May 21, 2026  
(*Suheil Rodriguez, Director of Administration/Clerk of the Board*)

### B. CONSENT ITEMS 1 – 13

Items reviewed and recommended for approval by the Executive Committee (EXEC), Marketing, Service Planning and Business Development Committee (MSPBD), Performance, Administration and Finance Committee (PAF), Staff (S), or Board (B)

*All matters listed under CONSENT are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Board votes on the motion, unless members of the Board, the Chief Executive Officer, or the public, request specific items to be discussed and/or removed from the Consent Calendar for separate action. A request from the public to discuss an item must be filed with the Clerk of the Board on the "Request to Speak" form before that agenda item is called.*

#### **ITEMS PULLED FROM CONSENT WILL BE MOVED TO THE END OF THE AGENDA**

1. Receive the Monthly Intergovernmental Affairs Report (S) (Attachments 1A – 1C)  
(*Mary Dover, Deputy Chief Operating Officer - Bus*)
2. Receive the Performance, Administration and Finance Committee Chair Report for the Meeting on May 21, 2026 (S) (Attachments 2A – 2B)  
(*Eun Park-Lynch, Chief Financial Officer*)
3. Receive the Quarterly Safety and Risk Management Report for the Third Quarter of FY2026 (S) (Attachment 3A)  
(*Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel*)
4. Receive the Quarterly Security Report for the Third Quarter of FY2026 (S) (Attachment 4A)  
(*Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel*)
5. Receive the Unaudited Quarterly Investment Report for the Third Quarter of FY2026 (S)  
(*Eun Park-Lynch, Chief Financial Officer*)
6. Receive the Unaudited Quarterly Financial Report for the Third Quarter of FY2026 (S) (Attachment 6A)  
(*Eun Park-Lynch, Chief Financial Officer*)

7. Receive the Quarterly Customer Experience Report for the Third Quarter of FY2026 (S) (Attachment 7A)  
*(Alicia Peat-Watson, Director of Customer Experience)*
8. Receive the Quarterly Report of Contract Actions Issued Under the Chief Executive Officer's Authority for the Third Quarter of FY2026 (S) (Attachment 8A)  
*(Alex Denis, Chief Operating Officer – General Services)*
9. Approve Task Order Agreement No. 05 to Agreement No. 23026 with Parsons Transportation Group for the Design of Safety Improvements at the Carlsbad Village Drive Grade Crossings (S)  
*(Tracey Foster, Chief Development Officer)*
10. Approve Task Order Agreement No. 03 to Agreement No. 23009 with Parsons Transportation Group for New Parking Facility Improvements at BREEZE Operations West Facility (S)  
*(Tracey Foster, Chief Development Officer)*
11. Adopt a Proclamation Recognizing September 2026 as Rail Safety Month (S) (Attachment 11A)  
*(Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel)*
12. Authorize the Award of Specified Agreements During the Period of June 19, 2026 through September 16, 2026 (S) (Attachment 12A)  
*(Alex Denis, Chief Operating Officer – General Services)*
13. Adopt Resolution No. 26-09 Authorizing Staff to Submit an Application to the San Diego Association of Governments Flexible Fleets Pilot Grant Program (S) (Attachment 13A)  
*(Mary Dover, Deputy Chief Operating Officer - Bus)*

#### **C. OTHER BUSINESS ITEMS 14 AND 15**

14. Public Hearing to Receive a Presentation on the Status of Job Vacancies and Recruitment and Retention Efforts Pursuant to California Government Code Section §3502.3 (Attachment 14A)  
*(Adrienne Johnson, Deputy Chief People Officer)*
15. Conduct Public Hearing and Adopt the FY2027 Operating Budget and FY2027-2031 Capital Improvement Program and Related Documents, and Approve the FY2027-FY2031 Service Implementation Plan (Attachments 15A – 15H)  
*(Eun Park-Lynch, Chief Financial Officer)*

#### **D. INFORMATION ITEM 16**

16. Receive Senate Bill 1098 Report Regarding the LOSSAN Rail Corridor (S) (Attachment 16A)  
*(Mary Dover, Deputy Chief Operating Officer - Bus)*

- **CHIEF EXECUTIVE OFFICER'S REPORT**

- **BOARD MEMBER REPORTS, COMMENTS, AND CORRESPONDENCE**

- **REMAINING PUBLIC COMMUNICATIONS**

- For any remaining speakers who have completed a "Request to Speak" form.

- **ADJOURNMENT**

- **CERTIFICATIONS AND RULES (FOR BOARD AND PUBLIC INFORMATION)**

- Posting of Board Agenda (Page 7)
- Rules for Public Speakers at meetings of North County Transit – San Diego Railroad (Page 8)
- Quorum and Voting Information (Page 9)

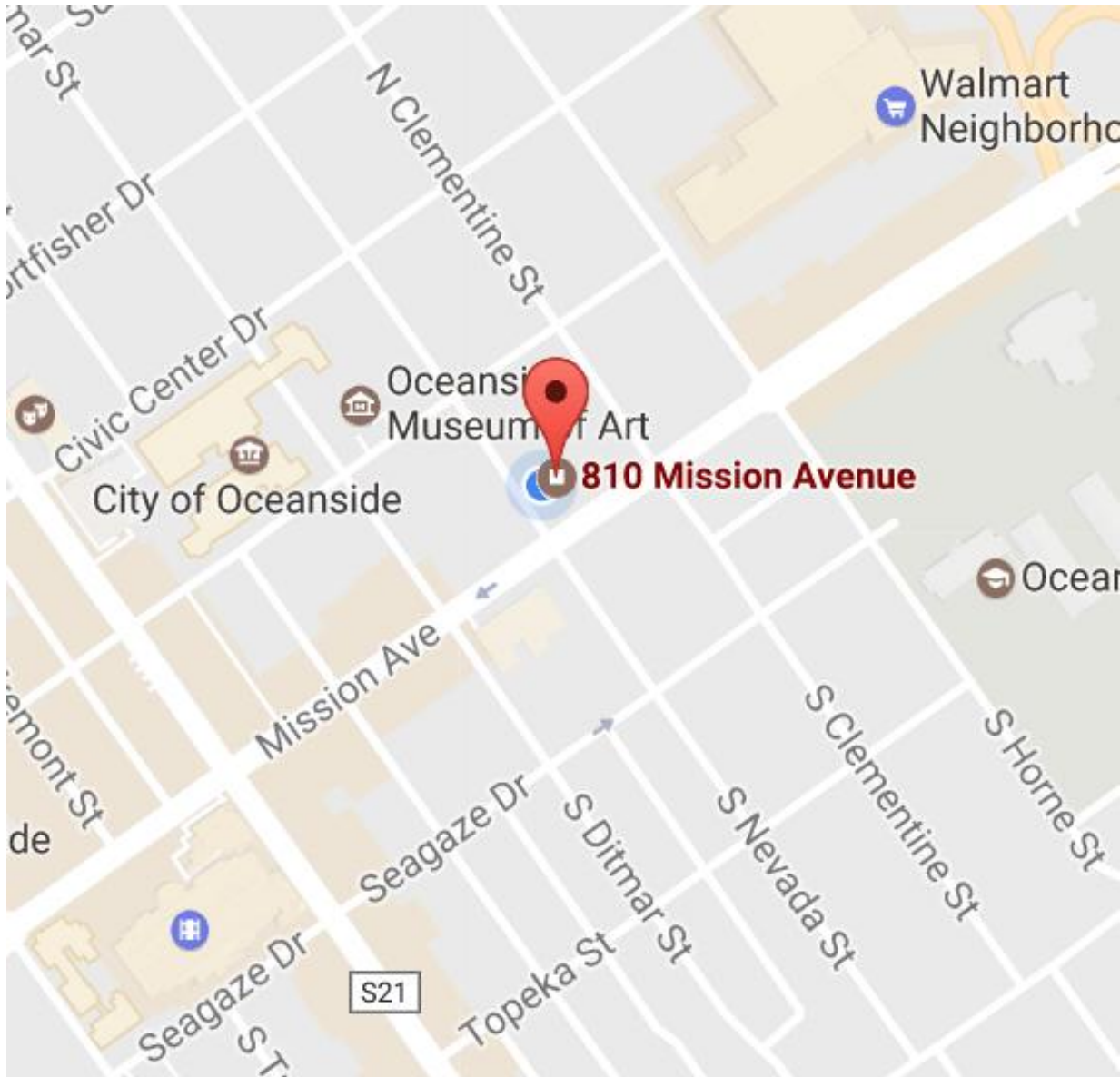
**Upcoming Meetings:**

- ***Board Workshop: Thursday, July 16, 2026 at 2:00 p.m.***

***All Regular Board and Committee Meetings will be held at NCTD Administrative Offices, 810 Mission Ave., Oceanside CA, unless otherwise provided on public notice.***

# **NORTH COUNTY TRANSIT** **SAN DIEGO RAILROAD**

## **MAP OF NCTD OFFICES**



The NCTD Board Chambers is located at NCTD Administrative Offices, 810 Mission Avenue, Oceanside, CA 92054 and is accessible by the COASTER (NCTD Commuter Rail), SPRINTER (NCTD Hybrid Rail), and the BREEZE (NCTD Bus).

Please log onto [www.goNCTD.com](http://www.goNCTD.com) to check our current routes and schedules, or call 1-800-COMMUTE.

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

June 11, 2026

**To:** North County Transit – San Diego Railroad Board Members  
**From:** Suheil Rodriguez, Clerk of the Board  
**Subject:** POSTING OF REGULAR BOARD AGENDA

In Compliance with the Ralph M. Brown Act, as Amended, the following information is provided.

The Agenda for this Regular meeting of the Board was posted as follows:

**Regular Meeting:** June 18, 2026 at 2:00 p.m.

**Posted At:** 810 Mission Avenue, Oceanside, CA

**Posted Online At:** [www.goNCTD.com](http://www.goNCTD.com)

**Date & Time of Posting:** June 11, 2025 by 5:00 p.m.

**Posted By:** Suheil Rodriguez, Clerk of the Board

# **NORTH COUNTY TRANSIT**

## **SAN DIEGO RAILROAD**

### **Rules for Public Speakers at Meetings of the North County Transit – San Diego Railroad**

Per Board policy, all public communications at meetings of the North County Transit – San Diego Railroad shall be made and received in accordance with the following procedures:

#### **1. COMMENTS FOR MATTERS NOT ON AGENDA**

- A. Total time limit for telephonic comments:
  - Beginning of meeting: 15 minutes
  - End of meeting: No time limit.
- B. Time limit per speaker per meeting: Three minutes, with no donation of time allowed.
- C. Priority: First come, first served. Speakers who registered to speak with the Clerk will be called to address the Board of Directors in the order they are received.
- D. Order on agenda: Comments for matters not on the agenda will be heard at the beginning of the meeting and if the time limit stated in Paragraph A is exhausted, comments that were unable to be heard due to time limit stated above, will be heard at the end of the meeting under “*Remaining Public Communications.*”

#### **2. TIME LIMITS FOR ADDRESSING MATTERS ON THE AGENDA**

- A. Total time limit: None.
- B. Time limit per speaker: Three minutes, with one donation of three minutes, for a maximum of six minutes.
- C. These rules apply to both public hearing and non-public hearing items listed on the agenda.
- D. Comments made not germane to the subject matter of the agenda item being considered will be considered out of order.

#### **3. CUTOFF FOR TURNING IN SPEAKER SLIPS**

- A. Members of the public may register with the Clerk to speak on an agenda item up until the public comment period is closed on a particular item.

#### **4. MODIFICATION OF RULES BY CHAIR**

- A. The Board Chair may, in their absolute discretion, modify these rules. However, a decision of the Chair to do so in one instance shall not be deemed a waiver of the rules as to any other instance or matter.

# **NORTH COUNTY TRANSIT**

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## **SAN DIEGO RAILROAD**

### **Quorum and Voting**

Pursuant to Public Utilities Code § 125102, a majority of the Board members eligible to vote shall constitute a quorum for the transaction of business and all official acts of the Board shall require the affirmative vote of a majority of the members of the Board eligible to vote; however, after a vote of the members is taken, a weighted vote may be called by any two members eligible to vote.

In the case of a weighted vote, the County of San Diego and each city (with exception of the City of San Diego), shall, in total, exercise 100 votes to be apportioned annually based on population. Approval under the weighted vote procedure requires the vote of the representatives of not less than three jurisdictions representing not less than 51 percent of the total weighted vote to supersede the original action of the Board. When a weighted vote is taken on any item that requires more than a majority vote of the Board members eligible to vote, it shall also require the supermajority percentage of the weighted vote. County population: The population of the County of San Diego shall be the population in the unincorporated area of the county within the area of jurisdiction of the Board pursuant to Public Utilities Code § 125052.

<b>Jurisdiction</b>	<b>2023 Estimate</b>	<b>Percentage</b>	<b>Vote</b>
Carlsbad	115,045	12.1%	12
Del Mar	3,918	0.4%	1
Encinitas	61,254	6.4%	6
Escondido	150,571	15.8%	16
Oceanside	172,186	18.1%	18
San Marcos	94,823	10.0%	10
San Diego County	240,653	25.3%	25
Solana Beach	12,831	1.3%	1
Vista	100,113	10.5%	11
<b>Total</b>	<b>951,394</b>	<b>100.0%</b>	<b>100</b>
<i>Source: 2023 Estimate via SANDAG Open Data Portal – Updated November 2024</i>			

# **NORTH COUNTY TRANSIT**

## **SAN DIEGO RAILROAD**

### **MINUTES OF THE REGULAR MEETING OF THE NORTH COUNTY TRANSIT – SAN DIEGO RAILROAD BOARD OF DIRECTORS HELD ON MAY 21, 2026**

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#### **CALL TO ORDER**

Board Chair Bhat-Patel called the Regular Meeting to order at 2:01 p.m.

#### **ROLL CALL OF BOARD MEMBERS**

1. Priya Bhat-Patel (City of Carlsbad)
2. Mike Sannella (City of San Marcos) – departed at 3:00 p.m.
3. Tracy Martinez (City of Del Mar)
4. Jim O’Hara (City of Encinitas)
5. Joe Garcia (City of Escondido)
6. Eric Joyce (City of Oceanside) – departed at 4:36 p.m.
7. Jim Desmond (County of San Diego) – departed 4:35 p.m.
8. Jewel Edson (City of Solana Beach) – departed at 4:39 p.m.
9. Corinna Contreras (City of Vista)
10. Kent Lee (City of San Diego) – absent

#### **PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**

Board Alternate Spelich led the Pledge of Allegiance to the American Flag.

#### **SAFETY BRIEF AND EVACUATION PROCEDURES**

Suheil Rodriguez, Clerk of the Board, reviewed emergency evacuation procedures.

#### **CHANGES TO THE AGENDA**

Information Agenda Item No. 12 related to Senate Bill 1098 was removed from the agenda and deferred to a future meeting. An updated agenda was sent to the Board and posted on the agency’s website for public inspection.

#### **PUBLIC COMMUNICATIONS**

None

**APPROVAL OF THE MINUTES OF THE APRIL 16, 2026 REGULAR BOARD MEETING**

ON THE MOTION OF BOARD MEMBER EDSON TO APPROVE THE MINUTES OF THE APRIL 16, 2026 REGULAR BOARD MEETING, SECONDED BY BOARD MEMBER O'HARA.

AYES: BHAT-PATEL, SANNELLA, SPELICH, O'HARA, GARCIA, JOYCE, DESMOND, EDSON, CONTRERAS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

MOTION PASSES.

**APPROVAL OF CONSENT ITEMS 1 – 10**

1. Receive the Monthly Intergovernmental Affairs Report
2. Receive the Monthly Transit Operations Performance Report for March 2026
3. Approve Amendment No. 1 to Agreement No. 24083 with Eide Bailly for Financial Audit Services
4. Authorize the Award of Supplemental Agreement No. 01 to Agreement No. 23056 with Spare Labs Inc. for the Purchase of On-Demand Micro-transit Software Services for Paratransit
5. Authorize the Purchase of Non-Revenue Support Vehicles
6. Authorize the Award of Agreement Nos. 26028 and 26029 for Thermo King HVAC Bus Parts
7. Authorize the Award of Agreement Nos. 26034 – 26036 for Allison Transmission Parts
8. Authorize the Award of Agreement Nos. 26031 – 26033 for Cummins Bus Engine Parts
9. Set Public Hearing for June 18, 2026 to Consider Adoption of the FY2027 Operating Budget and the FY2027 – FY2031 Capital Improvement Program and Authorize Certain Related Actions
10. Set Public Hearing for June 18, 2026 for the Board to Receive a Presentation on the Status of Job Vacancies and Recruitment and Retention Efforts as Required by California Government Code Section §3502.3

ON THE MOTION OF BOARD MEMBER DESMOND TO APPROVE CONSENT ITEMS 1-10, SECONDED BY BOARD VICE-CHAIR SANNELLA.

AYES: BHAT-PATEL, SANNELLA, SPELICH, O'HARA, GARCIA, JOYCE, DESMOND, EDSON, CONTRERAS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

MOTION PASSES.

## **INFORMATION ITEM 11**

### 11. Receive Transit Operations Performance Report (TOPR) Dashboard Overview

Mary Dover, Chief Operating Officer – Bus, Courtney Nichols, Manager of Business Intelligence, and Ioni Tcholakova, Director of Service Planning, presented an overview of the new Transit Operations Performance Report (TOPR) Dashboard. The Business Intelligence (BI) Department was established in March 2025 to improve decision-making, transparency, and access to key operational data. A primary initiative has been replacing manual monthly reports with an interactive dashboard accessible to both the Board and the public. This tool provides real-time insight into key metrics such as ridership and on-time performance, with greater detail and flexibility than previous reports. Ms. Nichols showed the Board a demonstration of the dashboard on the NCTD website that can be found here: The demonstration covered navigation, current performance data, historical trends through a five-year rolling view, and expanded mode-specific details.

All the Board Members were in consensus that the dashboard is exceptional and a great tool for real-time updates for NCTD-wide services.

Board Member O'Hara asked staff what the dashboard will be used for. Mary Dover responded that it would replace the monthly TOPR provided to the Board. It can also be viewed on a mobile phone.

Board Chair Bhat-Patel asked how data is collected and if there are plans for a rail dashboard. Ms. Nichols responded that it collects data from four different systems that gather information across the agency and then staff conduct validation checks. Staff is currently working on creating a rail dashboard.

## **INFORMATION ITEM 12**

### 12. Receive an Update Regarding the Development of the Proposed FY2027 Operating Budget and FY2027-2031 Capital Improvement Program

Two public comments related to this agenda item were received via email prior to the Board meeting. They were sent to the Board prior to the meeting and posted on the NCTD website for public inspection.

Eun Park-Lynch, Chief Financial Officer, provided an overview of the proposed FY2027 Operating Budget and Capital Improvement Program. She shared that NCTD's revenue growth is not sufficient to cover the escalating costs that the agency is facing, including a 3.5% inflation rate. The cost of diesel and gasoline is 74% higher in April of this year versus April of 2025. Limitations on purchasing vehicles and vehicles parts, in addition to higher tariffs, have created challenges for NCTD. Federal mandatory excess liability insurance is anticipated to be in excess of \$400 million this year from the previous \$323 million requirement. Continuous unfunded federal and state mandates continue placing strain on NCTD's operating budget. In order to balance the budget and given the six collective bargaining agreements that were negotiated in 2026, NCTD has implemented a hiring freeze of 22 positions. No service expansions are planned for the next

five years given the lack of funding for new service; this includes any new NCTD+ zones that were planned for FY28, until funding becomes available.

Vice-Chair Sannella expressed his concern regarding the budget challenges that NCTD is facing and encouraged the Board to provide guidance to staff on finding an alternative revenue source.

Board Chair Bhat-Patel agreed that the Board will face really tough decisions over the next fiscal years and urges to help staff find viable solutions to its budget challenges.

Board Member Joyce asked about vacancies that need to be filled. CEO Donaghy responded that on the bus operations side, there are always between 5-10 vacancies at any given time. Executive Staff positions have also been scaled down and some Executive staff have taken more responsibilities. Board Member Joyce asked if NCTD has a plan if oil prices increase more. Eun Park-Lynch responded that NCTD does a review each month of the fuel budget and can adjust accordingly. Lastly, Board Member Joyce commented that seeing the \$2.7 million that is projected in the FY27 budget for microtransit cost, NCTD should consider limiting the additions of any more NCTD+ zones.

Board Member Edson asked if the American Public Transportation Association (APTA) is advocating for the relief of tariffs increases for transit agencies. CEO Donaghy responded that they have been involved in the advocacy but another challenge that NCTD is facing is the limited number of manufacturers available to purchase vehicles and vehicle parts. Board Member Edson further asked if any revenue can be produced by selling bus or train wraps. CEO Donaghy mentioned that this type of advertising was scaled back a couple of years ago to protect NCTD's brand and only a very limited number of vendors advertise with NCTD.

Board Member Contreras expressed concern over the rising costs of fuel. She urged NCTD to alert the Board when fuel nears \$120/barrel so the Board can make decisions on imminent budget impacts. She further asked if NCTD can receive funding from the Strategic Rail Corridor Network (STRACNET) for their use of NCTD's railroad for military purposes. She also recommends that NCTD begin now to review priority routes and possible service reductions and/or eliminations, if needed to reduce the budget deficit. She expressed concern regarding a 25% increase in the San Diego Sheriff's contract with the City of Vista and would like NCTD and other agencies to write a letter addressing the unfair increase that is impacting North County. Lastly, she shared disappointment regarding the lack of local liability insurance pools for transit agencies.

### **CLOSED SESSION ITEMS 13 AND 14**

13. Closed Session Pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel – Existing Litigation – *Rollins v. North County Transit District*, San Diego County Superior Court Case No. 26CU004648N
14. Closed Session Pursuant to Government Code Section 54956.9(d)(2) – Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation – Number of Potential Cases: One (1) – Existing facts and circumstances: Receipt of a Government Claims Act claim pursuant to Government Code section 54956.9(e)(3)

The Board went into Closed Session at 4:06 p.m. and returned at 4:37 p.m. Lori Winfree, Deputy Chief Executive Officer/Chief General Counsel, stated that there was no reportable action.

### **CHIEF EXECUTIVE OFFICER'S REPORT**

The Chief Executive Officer reported the following:

- NCTD received a Bus Safety Award from the American Public Transportation Association (APTA). This is the first award of its kind in NCTD history.

### **BOARD MEMBER REPORTS, COMMENTS, AND CORRESPONDENCE**

Board Member Contreras shared that it is “Bike Anywhere Day” today. She encouraged all to use their bikes on public transit.

Board Member Garcia shared that he accompanied a group of 35 passengers that rode the COASTER from Oceanside to Old Town. For some, this was the first time riding transit. He thanked NCTD for their services that allow disadvantaged communities the opportunity to ride transit without fear and feel excited while doing it.

### **REMAINING PUBLIC COMMUNICATIONS**

None

### **ADJOURNMENT**

Board Chair Bhat-Patel adjourned the meeting at 4:49 p.m. Submitted by Suheil Rodriguez, Clerk of the Board, for the North County Transit – San Diego Railroad (NCTD).

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BOARD CHAIR  
North County Transit – San Diego Railroad

### **CERTIFICATION**

I, Suheil Rodriguez, duly appointed and qualified, Clerk of the Board of NCTD, do hereby certify that the above is a true and correct copy of the Minutes of the Regular Board Meeting held on May 21, 2026, approved by the Board of Directors of NCTD adopted at a legally convened meeting of the Board of Directors of NCTD held on June 18, 2026.

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CLERK OF THE BOARD  
North County Transit – San Diego Railroad

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**STAFF REPORT**

**RECEIVE THE MONTHLY INTERGOVERNMENTAL AFFAIRS REPORT**

Time Sensitive:  Consent:

**STAFF  
RECOMMENDATION:**

Receive the Monthly Intergovernmental Affairs Report for May 2026.

**BACKGROUND  
INFORMATION:**

Attached are the Monthly Intergovernmental Affairs Reports, as well as the Status of Tracked Legislation Report for May 2026 (Attachments A, B, and C) submitted by Manatt and Townsend Public Affairs. The monthly reports provide updates on federal and state legislative activity impacting North County Transit – San Diego Railroad (NCTD). Highlights of the May reports include:

**Legislative Activity and Updates – Federal:**

**Surface Transportation Reauthorization** – In May, the House Transportation and Infrastructure Committee introduced the next multi-year surface transportation reauthorization bill, the *BUILD America 250 Act* (H.R. 8870). The bill provides \$580 billion for highway and infrastructure funding, a decrease from the \$1.2 trillion authorized by the *Infrastructure and Investment and Jobs Act of 2021* (IIJA). Additionally, the bill does not provide advanced appropriations for public transit or passenger rail programs. The bill also proposes annual fees on electric vehicles and plug-in hybrids to support the Highway Trust Fund, which provides significant federal funding for highways and public transit programs. Other notable provisions of the *BUILD America 250 Act* include:

- **Passenger Rail Excess Liability Insurance:** The bill codifies the currently adjusted passenger rail liability insurance cap at \$323 million, replaces the existing Consumer Price Index (CPI) based five-year adjustment process with a new five-year review process involving a multi-stakeholder working group, and makes future cap adjustments effective one year after notice rather than 30 days after notice.
- **Urbanized Area Formula Grants:** Allows transit agencies operating a maximum of 125 buses to use a portion of Federal Transit Administration (FTA) Urbanized Area Formula Grants for operating expenses.
- **Crime Prevention and Security:** Broadens transit funding eligibility to allow a transit agency to contract with local law enforcement and to hire transit support specialists, and allows transit agencies to spend up to 1.5% of FTA Urbanized Area Formula Grants funds on operating costs for projects that reduce crime and improve security.

On May 22, the *BUILD America 250 Act* passed out of the House Transportation and Infrastructure Committee. Notably, during the committee markup, the *Railroad Safety Enhancement Act of 2026* (H.R. 7762) was added to the bill. H.R. 7762 would create regulations for the deployment of wayside detectors, mandate two crew members in the cab of a freight train, and create requirements for trains carrying hazardous materials, among other provisions. Next, the House Ways and Means Committee must move to extend expiring taxes that support the Highway Trust Fund. Then, House leadership will decide when to bring the *Build America 250 Act* to the floor for a final vote.

**Appropriations Update** – On May 21, the House of Representatives advanced the Fiscal Year (FY) 2027 Transportation, Housing, Urban Development, and Related Agencies (THUD) bill. The bill significantly cuts public transit and passenger rail funding compared to FY 2026 enacted levels. For public transit programs, the bill provides \$16.5 billion, a cut of \$4.6 billion and a 22% decrease. For passenger and freight rail, the bill appropriates \$3.1 billion while transferring \$5.1 billion from unobligated prior funding in the Federal-State Partnership for Intercity Passenger Rail program to other initiatives. The bill results in a net loss for passenger and freight rail funding of \$1.9 billion, a \$17.8 billion cut from the FY 2026 enacted level. Lastly, the bill also includes \$850,000 earmarked for NCTD to upgrade railroad signal infrastructure on the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor. However, NCTD will not receive these earmarked funds unless and until both the House and the Senate each complete action on their respective FY 2027 THUD Appropriations bills, reconcile any differences, and the President signs the final legislation into law.

**Legislative Activity and Updates – State:**

**CARB Approves Amendments to Cap-and-Invest Regulation** – On May 29, the California Air Resources Board (CARB) approved amendments to California’s Cap-and-Invest program that are expected to significantly reduce Greenhouse Gas Reduction Fund (GGRF) revenues through 2030. The GGRF provides annual appropriations to a variety of programs that support public transit, including the Low Carbon Transit Operations Program (LCTOP), the Transit and Intercity Rail Capital Program (TIRCP), and the Affordable Housing and Sustainable Communities (AHSC) program. The amendments approved by CARB increase funding for automatic rebates to residential utility bills, create a Manufacturing Decarbonization Incentive (MDI) program to help eligible entities make large investment upgrades that reduce emissions, and increase funding for compliance support to industries affected by the Cap-and-Invest program. CARB staff claimed that the proposed changes would realize an annual revenue reduction of \$500 million for the GGRF. However, the Legislative Analyst’s Office estimated the new amendments could reduce GGRF revenues by as much as \$2 billion annually. This reduction could eliminate all future GGRF appropriations for LCTOP, TIRCP, and AHSC through 2030, creating uncertainty for public transit projects and programs that rely on annual GGRF revenues. The amendments will take effect September 1, 2026.

**State Budget Update** – On May 14, Governor Gavin Newsom released the May Revision for the proposed Fiscal Year 2026-27 State Budget, which included \$246.6 billion in General Fund expenditures. The revision improves the state’s fiscal outlook relative to the January budget proposal, which projected a \$2.9 billion deficit for FY 2026-27 and considerable deficits in future years. Now, the state anticipates \$16 billion more in revenue, largely attributable to strong income tax collections and higher capital gains activity. However, the Governor is proposing to use this revenue increase to balance future year budget deficits, rather than proposing any new significant spending. Additionally, the May Revision does not include an anticipated appropriation of \$230 million from the Greenhouse Gas Reduction Fund (GGRF) for the formula-based Zero-Emission Transit Capital program (ZETCP). The Governor did not provide a plan to support GGRF programs anticipated to receive reduced funding because of CARB’s recent amendments to the Cap-and-Invest regulation.

**Grant Activity**

Below is an overview of successful grant awards in Calendar Year (CY) 2025, as well as successful and pending awards year-to-date in CY 2026. NCTD was the lead applicant for these grant applications, except where otherwise noted.

CY 2025	CY 2026	
Successful Awards	Pending Awards	Successful Awards
Bus Replacement Project (Low or No Emission Grant Program) <b>\$16,774,170</b>	SPRINTER Infrastructure Investment Program (BUILD) <b>\$2,328,000</b>	SPRINTER Improvements (Congressionally Directed Spending) <b>\$1,200,000</b>
	Eastbrook to Shell Double Track Project (SANDAG – Federal-State Partnership) <b>\$124,429,778</b>	San Diego Subdivision PTC (Community Project Funding) <b>\$600,000</b>
	LOSSAN Signal Modernization (Community Project Funding) <b>\$850,000</b>	Bus Stop Improvements (Community Project Funding) <b>\$250,000</b>
	Zero Emission SPRINTER Transition (ZEST) Program (TIRCP) <b>\$165,000,000</b>	Buena Creek Grade Separation (Caltrans Planning Grant) <b>\$309,856</b>
<b>Total Successful: \$19,134,026</b>	<b>Total Pending: \$292,607,778</b>	

**ATTACHMENT:** 1A – Federal Monthly Legislative Report (Manatt) – MAY  
 1B – State Monthly Legislative Report (Townsend) – MAY  
 1C – Status of Tracked Legislation Report (Townsend) – MAY

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Mary Dover, Deputy Chief Operating Officer – Bus**  
 E-mail: [mdover@nctd.org](mailto:mdover@nctd.org) Phone: 760-967-2895



**To:** North County Transit District  
**From:** Manatt, Phelps & Phillips LLP  
**Re:** Federal Update – May 2026

The following memorandum summarizes recent federal developments of importance to the North County Transit District:

- House Advances FY27 THUD Funding Bill
- House Transportation & Infrastructure Committee Releases BUILD America 250 Act
- FTA Publishes TOD Planning NOFO
- DOT Publishes INFRA NOFO

#### House Advances FY27 THUD Funding Bill

- On June 3, the House Appropriations Committee advanced its [FY27 Transportation-Housing and Urban Development](#) funding bill. House appropriators reiterated many of the cuts they called for in the FY26 bills, where they targeted housing, transit, and community development programs with steep cuts.
- The Department of Transportation (DOT) would receive a \$4.7 billion cut (4%) in total budgetary resources. This overall amount would decrease from \$108.4 billion in FY26 to \$103.7 billion in FY27. With advanced funding from the Bipartisan Infrastructure Law (BIL) expiring, Republican appropriators did not seek to match the historic funding levels many transit, highway, rail, and multimodal programs received under the law. Programs that received hundreds of millions under BIL, such as the Safe Streets and Roads for All and SMART Grant Programs, would not receive any funding under the proposed funding bill.
- Included in the bill is \$850,000 for the LOSSAN Signal Modernization Project, sponsored by Rep. Scott Peters (D-CA)
- Republican appropriators adopted an amendment during the full-committee markup to prevent the bill's funds from flowing to sanctuary jurisdictions. The language, which seeks to crack down on sanctuary policies, was opposed by all Democrats. However, it is likely that this language and similar proposals will not be included by the Senate due to the 60-vote threshold required for passage.

- Below are funding highlights from the House’s FY27 Transportation-HUD funding bill.

DOT Program	FY26 Enacted	FY27 House	FY27 Senate	FY27 Final
<b>BUILD (previously known as RAISE)</b>	<b>\$145 million</b>	<b>\$550 million</b>		
	<b>IIJA - \$X</b>			
<b>Federal Transit Administration (FTA)</b>	<b>\$16.5 B</b>	<b>\$16.509 B</b>		
FTA Transit Infrastructure Grants	\$211.4 M	\$973.177 M		
FTA Capital Investment Grants Program	\$1.7 B	\$0 IIJA - \$737.193 M		
FTA Transit Infrastructure Formula Funding	\$14.642 B	\$14.642 B		
Olympic and Paralympic Transit Assistance	\$0	\$875 M		
<b>Federal Railroad Administration (FRA)</b>	<b>\$2.934 B</b>	<b>\$3.02 B</b>		
Fed-State Partnership for Intercity Passenger Rail	\$65 M	\$0		
Consolidated Rail Infrastructure and Safety Improvements (CRISI)	\$137.42 M	\$522.775 M		
Railroad Crossing Elimination (RCE) Program	\$0	\$100 M		

#### House Transportation & Infrastructure Committee Releases BUILD America 250 Act

- On Sunday, May 17, the House T&I Committee introduced the bipartisan Building Unrivaled Infrastructure and Long-term Development (BUILD) for America’s 250th Act (BUILD America 250 Act), a legislative package to reauthorize and reform federal surface transportation programs and laws. The legislation authorizes nearly \$580 billion in total spending from FY 2027 – FY 2031. Local governments are estimated to have access to nearly 22 percent of funding included within the bill.
- Surface transportation reauthorization sets the funding levels, policy directives, and programmatic requirements for the Federal Highway Administration (FHWA), the Federal Motor Carrier Safety Administration (FMCSA), the Federal Railroad

Administration (FRA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), and the Pipeline and Hazardous Materials Safety Administration (PHMSA). Typically passed every five to six years, the most recent surface transportation reauthorization was enacted as part of the Infrastructure Investment and Jobs Act (IIJA) in 2021. IIJA provided \$1.2 trillion in advanced appropriations for transportation and infrastructure programs and is set to expire on September 30, 2026.

- The programs created and reauthorized by the surface transportation reauthorization bill are critical to local government funding streams. Under the IIJA, local governments competed for billions in competitive funding for transit, highway, port, airport, and bridge projects. New programs and increased funding levels allowed local governments across the United States to address critical infrastructure needs and modernize their transportation systems. The BUILD America 250 Act reauthorizes many of the programs local governments utilize and would update some federal surface transportation laws.
- On May 22, the House T&I Committee advanced the BUILD America 250 Act 62-2 after a marathon markup process where the committee accepted and rejected amendments to the legislation. Also included was a manager's amendment package, which made several technical changes to the bill and incorporated amendments originally filed by committee members.
- During the markup, Rep. Troy Nehls (R-TX) successfully included [rail safety legislation](#) into the authorization, despite Committee Chair Sam Graves (R-MO) voting against its addition. The legislation:
  - Mandates two crew members in the cab of a freight train.
  - Creates requirements for trains carrying particular hazardous materials and adds new inspection standards
  - Requires railroads to properly operate and maintain trackside sensors that identify wheel bearing and equipment failures

#### FTA Publishes TOD Planning NOFO

- The Federal Transit Administration (FTA) [published](#) a \$28.5 million funding opportunity for the Fiscal Year 2026 Pilot Program for Transit-Oriented Development (TOD) Planning. The program is designed to help communities integrate land use and transportation planning around new or expanded fixed-guideway transit infrastructure.

- The notice of funding opportunity (NOFO) focuses on three priority areas: safety along transit corridors and near stations; innovation through new technologies and public-private partnerships; and benefits for families and communities, including access to childcare and recreation near transit hubs.
- Applications are due by July 10, 2026.

#### DOT Publishes INFRA NOFO

- DOT released its Notice of Funding Opportunity (NOFO) for the FY26 INFRA grant program. The primary goal of the INFRA program is to fund surface transportation infrastructure projects of national or regional significance that improve the safety, efficiency, and reliability of the movement of people and goods. There is \$626.7 million available through this round, across two funding tracks:
  - Track 1: Supports surface transportation projects of national and regional significance (Application Deadline: July 1, 2026)
  - Track 2: Carve-out of funds specifically for commercial motor vehicle parking projects of national and regional significance. (Application Deadline: July 15, 2026)
- Entities may submit only one application. If an applicant submits more than one application, only the first will be considered.

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## MONTHLY LEGISLATIVE UPDATE

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**To:** North County Transit – San Diego Railroad  
**From:** Townsend Public Affairs  
**Date:** June 2, 2026  
**Subject:** May 2026 Monthly Legislative Report

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### STATE UPDATES

May was a turning point in the California legislative session, as the Capitol shifted from policy-heavy committee work into the more budget-focused stretch of the year. Early in the month, lawmakers moved through a large volume of bills ahead of the May 1 deadline for non-fiscal measures to be heard in their house of origin's policy committees. Along with the April 24 deadline for fiscal bills, those milestones significantly narrowed the field of legislation still moving forward.

Throughout May, legislative and budget conversations were driven by several major statewide issues, including wildfire resilience, recovery coordination, climate policy, and infrastructure investment. Committees held a series of informational and oversight hearings on the State's home-hardening efforts, updates to the Cap-and-Invest Program, and the challenges tied to wildfire recovery and resilience. At the same time, the Assembly and Senate released their budget priorities, offering an early signal of the spending issues and policy themes likely to guide negotiations with the Senate and the Administration. Together, these discussions underscored the balancing act lawmakers face as they try to advance ambitious policy goals while managing the State's fiscal constraints.

Another major deadline came on May 14, when both the Assembly and Senate Appropriations Committees held their annual Suspense File hearings – one of the most important procedural milestones of the legislative year. During those hearings, lawmakers reviewed bills with significant fiscal impacts and decided which measures would advance to the floor and which would be held in committee. That same day, Governor Gavin Newsom released the Administration's May Revision of the 2026–27 State Budget, offering updated revenue estimates and revised spending proposals that are expected to play a major role in final budget talks shaping the fate of the state's finances. By month's end, attention had turned to floor sessions and the final house of origin deadlines, while preparations intensified for negotiations ahead of the constitutional June 15 deadline to pass the State Budget.

## STATE BUDGET UPDATE:

### State Budget Outlook and Revenue Environment

Early in the month, fiscal updates from the Legislative Analyst's Office (LAO) showed a substantially improved near-term revenue outlook compared to the Governor's January budget proposal. According to the LAO's [May 2026 revenue update](#), projected General Fund revenues from the state's three largest taxes (personal income tax, corporation tax, and sales tax) increased by approximately \$25 billion across the current and budget years relative to January estimates. The majority of this increase is attributable to exceptionally strong income tax collections associated with the continued stock market rally, significant AI-sector growth, and elevated capital gains realizations.

The LAO noted that December, January, and April income tax collections all significantly outperformed prior-year levels, with some non-wage income payments increasing by nearly 50 percent year-over-year. The report specifically characterizes the current market environment as potentially speculative and cautions that current revenue performance may represent a cyclical peak rather than a sustainable baseline for future budgeting.

Importantly, the LAO also emphasized that the improved revenue picture does not translate directly into equivalent discretionary budget flexibility. Under California's constitutional fiscal formulas, including Proposition 98 and Proposition 2, a significant share of additional revenues must automatically be allocated toward K-14 education funding and reserve deposits. As a result, the net improvement to the state's overall fiscal condition is likely substantially lower than the topline revenue increase would suggest.

The Legislature is increasingly treating the current environment as a temporary revenue surge rather than a durable structural improvement. Both the Assembly and Senate Democratic budget frameworks repeatedly caution against creating major new ongoing commitments tied to short-term revenues. Instead, legislative leadership prioritized reserve-building, one-time expenditures, and structural fiscal reforms intended to stabilize the state against future downturns.

The Senate Democratic "[Foundation for the Future](#)" budget framework projects that California still faces a structural budget deficit exceeding \$20 billion beginning in FY 2027-28 despite the current revenue surge. The Senate plan therefore proposes significant reserve expansion, including a constitutional amendment to expand the Rainy-Day Fund cap from 10 percent to 30 percent of the budget.

Similarly, the Assembly Democratic "[Road Map to a Responsible & Compassionate Budget](#)" repeatedly emphasizes that the state should avoid treating the current revenue environment as justification for major new long-term spending obligations. The Assembly framework also proposes strengthening the Rainy-Day Fund and fiscal reserves while limiting ongoing commitments and focusing resources on one-time priorities.

### Governor Releases May Revision of State Budget

Governor Gavin Newsom [released](#) the Administration's 2026–27 May Revision on May 14, updating the State's fiscal outlook ahead of final budget negotiations with the Legislature. The revised proposal includes approximately \$246.6 billion in General Fund expenditures, slightly below the January proposal, and reflects stronger-than-anticipated revenues driven largely by personal income tax collections and higher capital gains activity.

The May Revision maintains significant reserve levels while advancing the Administration's broader effort to stabilize the State's long-term fiscal outlook and reduce projected out-year deficits. At the same time, the proposal incorporates increased funding obligations tied to higher revenues, including additional Proposition 98 education spending, as well as updated Medi-Cal expenditures associated with rising health care costs and recent federal actions.

To address projected future budget shortfalls, the Administration proposes a combination of spending reductions, fund shifts, programmatic reforms, and targeted revenue proposals, including changes related to business tax credits and the taxation of certain digital software services. The May Revision will now serve as the foundation for budget negotiations between the Legislature and Administration ahead of the June 15 constitutional deadline for passage of the Budget Bill.

### **Budget Subcommittees Meet to Discuss Governor's May Revision Budget Proposal**

Starting on May 19, budget subcommittees began meeting in both houses to discuss various aspects of the Governor's May Revision.

**HHAP Round 7:** On May 20, Senate Budget Subcommittee 4 on State Administration and General Government spent time discussing the Administration's HHAP Round 7 proposal. In the May Revision, the Governor proposed \$500 million for HHAP Round 7, only half of what has been disbursed in the last four rounds. Senators pushed back on the reduced funding for the program, citing program successes and citing a lack of alignment with their recently released "[Foundation for the Future](#)" budget framework. There was additional discussion regarding new requirements for cities and counties that receive direct HHAP allocations, including having a prohousing designation and a local encampment ordinance aligned with the State's goals.

**Local Development Fees:** Later during the hearing, Senators discussed proposed trailer bill language that would affect local governments' ability to charge development impact fees on state-subsidized affordable housing projects. The trailer bill language would treat any waiver or reduction of local development fees as a local contribution when scoring affordable housing funding applications, which would make projects more competitive for state funding, and prohibit local governments that are applying for state affordable housing funding from imposing development impact fees on those projects. This creates a direct fiscal trade-off for local agencies as waiving fees improves a project's chances of receiving state funding but reduces revenues that fund local infrastructure services.

**SaaS Sales Tax:** The next day, on May 21, Senate Sub. 4 discussed a major new revenue proposal, which would extend California sales tax to electronically delivered prewritten software, beginning January 1, 2027. This encompasses almost any software-as-a-service (SaaS) product, such as Zoom, Slack, Microsoft 365, and Adobe Acrobat, etc. The Administration predicts that this measure would increase General Fund revenues by \$450 million in 2026-27 and \$900 million annually thereafter, and increase local revenues by \$560 million in 2026-27 and \$1.1 billion per year thereafter.

### **Legislative Analyst's Office Responds to Governor's May Revision**

Following the release of the May Revision and building on their May 2026 revenue update, the LAO provided an initial review of the Governor's updated proposal. Their report finds that, despite a significant revenue rebound, California's budget remains structurally imbalanced. The May

Revision reflects roughly \$16 billion in higher revenues across the budget window, driven largely by strong personal income tax collections tied to the AI-related stock market boom. However, the LAO cautions that the budget still relies heavily on one-time tools, including roughly \$20 billion in reserve withdrawals and suspended deposits, \$4 billion in additional borrowing, and other budget solutions to remain balanced. The LAO notes that it is unusual and concerning for the state to be drawing down reserves during a period of elevated revenues rather than rebuilding its fiscal position.

The LAO also warns that the state remains vulnerable to a future revenue downturn, particularly because California's fiscal outlook is tied closely to volatile capital gains and high-income taxpayer revenues. While projected future deficits have improved from the \$20 billion to \$30 billion range estimated in January to closer to \$10 billion annually, the LAO states that ongoing revenues are still insufficient to support ongoing spending. To strengthen the budget, the LAO recommends that the Legislature maintain the Governor's ongoing solutions, make a \$20 billion discretionary deposit into the Budget Stabilization Account, and set aside \$4 billion to prefund a likely future obligation to schools and community colleges. Overall, the LAO characterizes the state's fiscal condition as overextended and recommends a more cautious budget approach focused on rebuilding reserves and preparing for potential downside scenarios.

### **Cap-and-Invest Revenue Uncertainty and Legislative Funding Considerations**

One of the significant emerging budget issues involves uncertainty surrounding future Cap-and-Invest revenues and the Greenhouse Gas Reduction Fund (GGRF), which supports a wide range of state climate, housing, and transportation programs.

Recent [analysis](#) from the LAO suggests that proposed regulatory changes under consideration by the California Air Resources Board (CARB) could significantly reduce annual Cap-and-Invest auction revenues available for legislative appropriation. Under CARB's current proposal, annual GGRF revenues could decline to approximately \$2 billion per year, roughly half of recent funding levels.

The issue largely centers on CARB's proposed "Manufacturing Decarbonization Incentive" (MDI), which would provide additional free emissions allowances to certain industrial facilities making qualifying decarbonization investments. Analysts have raised concerns that these changes could reduce participation in future Cap-and-Invest auctions and lower overall auction revenues available to the state.

This matters because last year's [SB 840 \(Limón\)](#) expenditure framework assumed substantially higher ongoing Cap-and-Invest revenues to support a range of state priorities. If revenues decline significantly, the Legislature may need to revisit existing funding assumptions and reprioritize programs supported by the GGRF.

Programs that could face increased funding pressure include:

- Affordable Housing and Sustainable Communities (AHSC)
- Transit and Intercity Rail Capital Program (TIRCP)
- Low Carbon Transit Operations Program (LCTOP)
- Community Air Protection Program
- Wildfire and forest resilience programs
- Safe and Affordable Drinking Water programs

These programs have historically served as major funding sources for local governments, transit agencies, regional transportation entities, and affordable housing developments throughout California. As a result, any sustained reduction in Cap-and-Invest revenues could have meaningful downstream impacts on future state grant availability and program stability. Local agencies may face increased competition for programs such as TIRCP and AHSC, while transit and climate-related funding programs could become less predictable in future budget cycles. Reduced GGRF revenues may also create longer-term uncertainty for programs like LCTOP that support transit operations and related local investments. In response, the Legislature may increasingly rely on alternative funding mechanisms, including Proposition 4 bond funds or limited General Fund support, to sustain certain climate and infrastructure priorities. These pressures could also prompt lawmakers to revisit or restructure portions of the SB 840 expenditure framework during upcoming budget negotiations.

In the Assembly Budget Subcommittee 4 on Climate, Resources, Energy, and Transportation, a proposal by the California Air Resources Board that would essentially reduce Greenhouse Gas Reduction Fund (GGRF) revenues by half was discussed. The proposal would add 118 million emissions allowances above the cap for the new MDI program, where industrial entities can apply to receive emissions credits to support decarbonization-related projects. Typically, industrial entities must purchase credits at an auction, but the new credits would allow them to apply for and receive them for free, reducing revenues for the cap-and-invest program. Revenue from credits is deposited into multiple accounts, including the GGRF account, which funds a variety of local programs. This is particularly relevant as last year, the Legislature passed [AB 1207](#) and [SB 840](#) to specifically extend and reform the program and allocate GGRF funds to local programs, all of which are dependent on GGRF funding increasing or staying at the same level.

During CARB's May 28 and 29 Board Meeting, CARB staff claimed there were not enough allowances offered to emitters, hence the increase of 118 million emissions allowances above the cap for the MDI program. Comments and questions from board members, presentations from staff, and public comment ran the hearing late into the evening on May 28, then resumed on May 29 to continue discussions and hold a vote. As CARB staff presented the potential fiscal impacts of the proposal, they claimed that the GGRF would realize an impact of \$500 million despite the LAO's estimated impact of a \$2 billion hit to the program. The hearing concluded with the Board approving the proposal. Over the summer, CARB will host a workshop to begin updating compliance offset protocols, and the updated regulations will take effect on September 1, 2026.

## **STATE LEGISLATIVE UPDATES:**

### **Suspense File Hearings Narrow Legislative Field Ahead of Floor Action**

On May 14, the Assembly and Senate Appropriations Committees completed one of the Legislature's most significant procedural milestones by acting on hundreds of fiscal bills pending before the Suspense Files. The hearings narrowed the pool of legislation eligible to continue advancing this year, determining which measures would proceed to floor consideration and which would remain inactive for the remainder of the session.

Under Joint Legislative Rules, fiscal committees were required to act on house-of-origin bills by May 15, positioning approved measures for consideration ahead of the May 29 house-of-origin deadline. Bills that successfully pass their respective floors will then move to the opposite house for continued policy and fiscal review.

The Assembly Appropriations Committee considered 637 bills during its hearing, advancing 468 measures to the Assembly Floor while holding 169 bills in committee. Similarly, the Senate Appropriations Committee considered 332 bills, advancing 242 measures to the Senate Floor and holding 90 bills.

In total, the two committees reviewed 969 measures through the Suspense File process, with 710 bills advancing and 259 bills held inactive for the remainder of the legislative year.

### **Assembly Budget Chair Issues Letter Tempering Budget Expectations**

On May 25, Assembly Budget Chair Jesse Gabriel (D-Encino) issued a letter to his legislative colleagues regarding his view that the “Legislature must exercise fiscal discipline and restraint,” especially in light of the impacts of H.R. 1, the state’s susceptibility to an economic downturn, and the Legislature’s focus on affordability this year. The Chair recognized the significant number of funding requests and budget augmentations advanced by lawmakers and stakeholders throughout the spring, but emphasized uncertainty around new spending.

The letter also provides insight into the Legislature’s funding priorities heading into final budget negotiations. The Chair indicated that preserving resources for housing, healthcare, and core safety net programs may take precedence over many otherwise worthy proposals as lawmakers seek to protect vulnerable populations and avoid deeper cuts in future years. The Legislature is expected to continue balancing ongoing fiscal caution with efforts to address affordability, homelessness, public safety, and infrastructure needs before sending a final budget package to the Governor in mid-June.

### **EXECUTIVE BRANCH ACTIVITY:**

#### **Governor Newsom Signs Legislation to Strengthen State’s Elections**

Just days before the state’s June 2 primary, Governor Newsom hosted a bill signing for [Senate Bill 73 \(Cervantes, Umberg\)](#), legislation intended to strengthen California’s election protections amid growing concerns among Democratic leaders about potential federal interference in the 2026 midterm elections. During the signing event, Governor Newsom was critical of President Trump’s claims about election fraud and warned the administration could attempt to influence or disrupt California’s election process.

The measure expands state protections for voters, election workers, and election infrastructure by restricting unauthorized federal or law enforcement access to voter rolls, ballots, voting systems, and election facilities absent a court order or specific election-related investigation. Also, the bill prohibits federal officers or peace officers from interfering with election administration or intimidating voters. Additional provisions require the California Department of Justice to issue guidance to county election officials regarding interactions with law enforcement and establish criminal penalties for the unlawful seizure or removal of voted ballots. Supporters of the bill, including the League of Women Voters of California, described the legislation as a necessary safeguard against efforts to undermine public trust in elections and intimidate voters.

## **California Calls on Federal Government to Prolong Disaster Assistance**

California Governor Gavin Newsom [requested](#) that the Federal Emergency Management Agency (FEMA) extend disaster assistance for survivors of the Los Angeles wildfires by an additional 12 months, through July 2027. The request focuses on extending FEMA's Individuals and Households Program (IHP), which provides temporary housing and financial support to people recovering from disasters. State officials said many families are still displaced and facing delays related to insurance claims, housing shortages, contractor availability, and rebuilding costs.

According to the Governor's Office of Emergency Services, nearly 29,500 households were still dealing with insurance issues as of early May 2026, while roughly 1,000 households continued to rely on temporary federal housing assistance. Although rebuilding permits have been issued across affected areas, many residents have not yet been able to begin construction because of financial uncertainty and supply or labor shortages.

The announcement also criticized delays in federal disaster funding approvals. California said more than \$732 million in FEMA Public Assistance funding tied to the fires had been approved regionally but was still awaiting final authorization from the Department of Homeland Security, with only a small portion released. State officials argued the delays are slowing the rebuilding of schools, parks, water systems, and emergency infrastructure.

The release highlighted California's broader recovery efforts, including executive orders aimed at accelerating rebuilding and more than \$100 million in homeowner assistance through the CalAssist Mortgage Fund. Newsom also renewed calls for Congress and the White House to approve additional long-term disaster recovery funding for communities including Altadena, Pacific Palisades, and Malibu.

## **HHS Defers \$1.3 Billion in Medicaid Reimbursement and Suspends Enrollment of New Hospice Providers for Medicare, Medicaid, and Children's Health Insurance Program**

On May 13, the Department of Health and Human Services (HHS) Centers for Medicare & Medicaid Services (CMS) [imposed](#) a six-month moratorium on the enrollment of new hospice care providers seeking to provide services to Medicare, Medicaid (Medi-Cal), and Children's Health Insurance Program (CHIP) recipients.

The moratorium will prohibit new providers from signing up to receive reimbursements from CMS for services provided via Home Health and Hospice care, according to HHS's [press release](#). The moratorium is connected to the Anti-Fraud Task Force led by Vice President JD Vance and established in March 2026 by Executive Order (EO) [14395](#).

The Trump Administration has sought to conduct investigations in California, Minnesota, and Maine, among other states, alleging significant fraud has been functionally allowed by state governments. The moratorium could prevent expansions in care or lead to coverage denials for government-sponsored health care recipients, including seniors, who would need to ensure they access care at currently enrolled facilities.

In a press conference announcing the moratorium, Vice President Vance [stated](#) HHS was going to [defer](#) \$1.3 billion in Medicaid/Medi-Cal reimbursement funding for California, which could create

financial instability for the state and counties, who often provide initial payments to providers. In Fiscal Year 2024, California [received](#) over \$92 billion in reimbursements – the largest deferral in CMS’s history.

### **EPA Announces PFAS Mitigation Funding, \$77.3 Million for California**

On May 19, the Environmental Protection Agency (EPA) [announced](#) \$77.3 million in grant funding for California to help communities address per- and polyfluoroalkyl substances (PFAS) and other emerging contaminants in drinking water. The funding is provided through the Emerging Contaminants in Small or Disadvantaged Communities grant program and is intended to support testing, planning, and infrastructure projects in communities with limited resources.

According to the agency, the funding can be used by communities, drinking water systems, and private well owners to address [contaminants](#) including PFAS, manganese, perchlorate, and 1,4-dioxane. EPA stated that the grants are part of a broader national investment program aimed at helping communities improve drinking water quality and reduce exposure to emerging contaminants.

EPA also highlighted related federal efforts to address PFAS contamination, including technical assistance through its [PFAS OUT](#) initiative and additional financing available through the Water Infrastructure Finance and Innovation Act loan program. The agency stated that these programs are intended to support long-term improvements in drinking water infrastructure and contaminant treatment capacity.



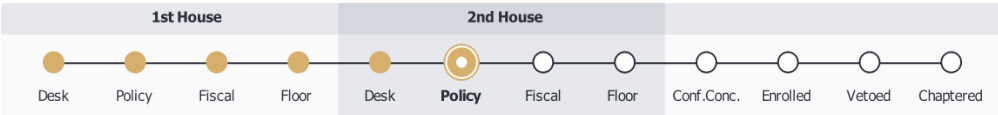
# North County Transit District

## Legislative Report

[AB 35](#)
[Alvarez, D](#)
[HTML](#)
[PDF](#)

**Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.**

**Progress bar**



**Notes**

**Notes 1**

Positive

Anticipated Impact - would make it easier to develop clean hydrogen projects.

**Bill information**

**Status:** 05/06/2026 - Referred to Com. on N.R. & W.

**Calendar:** 06/09/26 S-NATURAL RESOURCES AND WATER 9 a.m. - 1021 O Street, Room 2100 BECKER, JOSH, Chair

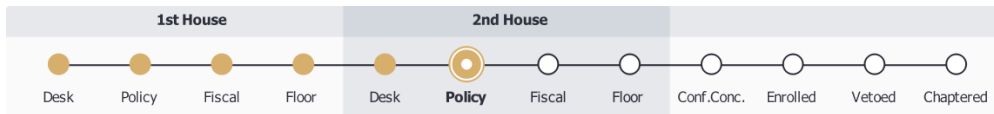
**Summary:** The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Current law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Current law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency. This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency’s internet website. (Based on 01/14/2026 text)

<b>Location:</b>	05/06/2026 - Senate Natural Resources and Water	<b>Current Text:</b>	01/14/2026 - Amended
		<b>Last Amend:</b>	01/14/2026

[AB 1421](#)[Wilson, D](#)[HTML](#)[PDF](#)

## Vehicles: Road Usage Charge Technical Advisory Committee.

### Progress bar



### Notes

#### Bill information

**Status:** 01/29/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 49. Noes 21.) In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** Current law requires the Chair of the California Transportation Commission to create a Road Usage Charge Technical Advisory Committee in consultation with the Secretary of Transportation to guide the development and evaluation of a pilot program assessing the potential for mileage-based revenue collection as an alternative to the gas tax system. Current law additionally requires the Transportation Agency, in consultation with the commission, to implement the pilot program, as specified. Current law repeals these provisions on January 1, 2027. This bill would require the commission, in consultation with the Transportation Agency, to consolidate and prepare research and recommendations related to a road user charge or a mileage-based fee system. The bill would require the commission to submit a report, as specified, on the research and recommendations described above to the appropriate policy and fiscal committees of the Legislature by no later than January 1, 2027. (Based on 01/05/2026 text)

**Location:** 01/29/2026 - Senate Rules

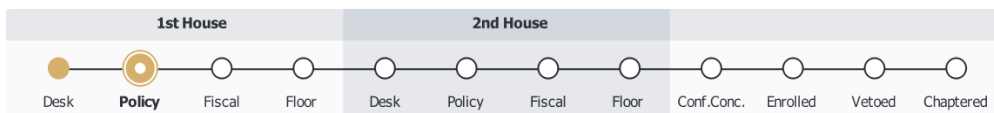
**Current Text:** 01/05/2026 - Amended

**Last Amend:** 01/05/2026

[AB 1745](#)[Gonzalez, Jeff, R](#)[HTML](#)[PDF](#)

## Motor Vehicle Fuel Tax Law: suspension of tax.

### Progress bar



### Notes

#### Bill information

**Status:** 02/23/2026 - Referred to Com. on TRANS.

**Summary:** The Motor Vehicle Fuel Tax Law imposes a tax upon each gallon of motor vehicle fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Current unfair competition laws establish a statutory cause of action for unfair competition, including any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising and acts prohibited by false advertisement laws. This bill would suspend the imposition of the tax on motor vehicle fuels for one year. The bill would require that all savings realized based on the suspension of the motor vehicle fuels tax by a person other than an end consumer, as defined, be passed on to the end consumer, and would make the violation of this requirement an unfair business practice, in violation of unfair competition laws, as

provided. The bill would require a seller of motor vehicle fuels to provide a receipt to a purchaser that indicates the amount of tax that would have otherwise applied to the transaction. (Based on 02/09/2026 text)

**Location:** 02/23/2026 -  
Assembly Transportation

**Current Text:** 02/09/2026 - Introduced

AB 1837

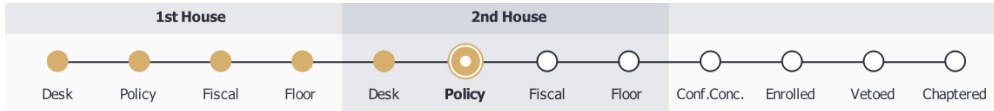
González, Mark, D

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### Video imaging of parking violations.

#### Progress bar



#### Notes

#### Bill information

**Status:** 05/21/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 61. Noes 6.) In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** Existing law authorizes a public transit operator in the state, until January 1, 2027, and authorizes the City and County of San Francisco indefinitely, to enforce parking violations in specified transit-only traffic lanes and at transit stops through the use of video imaging, and to install automated forward facing parking control devices on city-owned public transit vehicles for the purpose of video imaging parking violations occurring in transit-only traffic lanes, as specified. Existing law requires a public transit operator, prior to issuing notices of parking violations, to issue warning notices for the first 60 days and to make a public announcement of the program. Existing law requires a designated employee, or a contracted law enforcement agency, to review video image recordings for the purpose of determining whether a parking violation occurred in a transit-only traffic lane or at a transit stop and to issue a notice of violation to the registered owner of a vehicle within 15 calendar days, as specified. Existing law makes these video image records confidential and provides that these records are available only to public agencies to enforce parking violations. Existing law requires a public transit operator that implements an automated enforcement system to enforce parking violations in transit-only traffic lanes and at transit stops to submit a report to specified committees of the Legislature by no later than January 1, 2025. This bill would extend the authorization for the use of video imaging to enforce parking and stopping violations until January 1, 2034. The bill would require that a public transit operator issue warnings for 60 days prior to issuing notices of violations when it uses video imaging for enforcement of a violation that it has not previously used video imaging to enforce. (Based on 04/23/2026 text)

**Location:** 05/21/2026 - Senate Rules

**Current Text:** 04/23/2026 - Amended

**Last Amend:** 04/23/2026

AB 1941

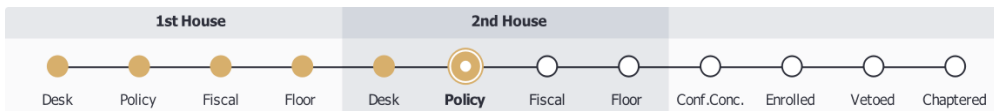
González, Mark, D

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### Organized metal theft.

#### Progress bar



## Notes

### Bill information

**Status:** 05/22/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 71. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** Existing law makes a person who is a dealer in or collector of junk, metals, or secondhand materials, or their agent, employee, or representative, who buys or receives any wire, cable, copper, lead, solder, mercury, iron, or brass that the person knows or reasonably should know is used by or belongs to specified entities, including a railroad, certain utility companies, or a public entity engaged in furnishing public utility service, without using due diligence to ascertain that the person selling or delivering that material has a legal right to do so, guilty of criminally receiving that property and, in addition to imprisonment, makes that act punishable by a fine of not more than \$5,000. This bill would prohibit organized metal theft, described as acting in concert with one or more persons to steal metal materials from one or more of specified materials and items with the intent to sell, exchange, or return those metal materials for value, acting in concert with 2 or more persons to receive, purchase, or possess those metal materials knowing or believing it to have been stolen, acting as an agent of another to steal those metal materials as part of an organized plan to commit theft, or recruiting, coordinating, organizing, supervising, directing, managing, or financing another to undertake acts of theft of metal. The bill would make a violation of organized metal theft punishable as either a misdemeanor or a felony. (Based on 03/26/2026 text)

**Location:** 05/22/2026 - Senate Rules

**Current Text:** 03/26/2026 - Amended

**Last Amend:** 03/26/2026

[AB 1944](#)

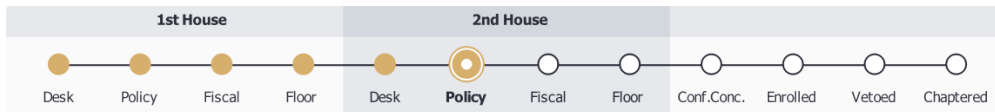
[Lee, D](#)

[HTML](#)

[PDF](#)

### Zero-emission transit buses: axle weight.

#### Progress bar



## Notes

### Bill information

**Status:** 05/06/2026 - Referred to Com. on TRANS.

**Calendar:** 06/09/26 S-TRANSPORTATION 1:30 p.m. - 1021 O Street, Room 1200 CORTESE, DAVE, Chair

**Summary:** Current law prohibits the maximum gross weight on any one axle of a bus from exceeding 20,500 pounds, except the maximum limit for the curb weight on any one axle of a transit bus procured through a solicitation process pursuant to which a solicitation was issued on or after January 1, 2019, is set at 22,000 pounds. Current law sets specified higher maximum limits up to 25,000 pounds for the curb weight on any one axle of an articulated transit bus or zero-emission transit bus procured through a solicitation process pursuant to which a solicitation was issued during specified periods between January 1, 2016, and December 31, 2021, inclusive, and sets the 22,000-pound maximum limit for an articulated transit bus or zero-emission transit bus procured through a solicitation process pursuant to which a solicitation was issued on or after January 1, 2022. This bill would, until January 1, 2032, establish specified higher weight limitations up to 25,000 pounds for zero-emission transit buses procured through a solicitation process pursuant to which a solicitation was issued at various specified periods between January 1, 2027, and December 31, 2031 inclusive. (Based on 02/13/2026 text)

**Location:** 05/06/2026 -  
Senate Transportation

**Current Text:** 02/13/2026 - Introduced

**AB 2074**

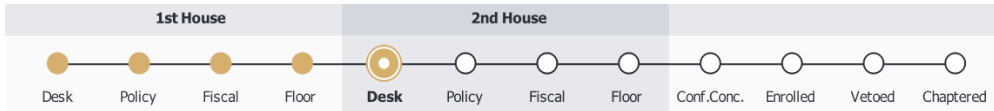
**Haney, D**

[HTML](#)

[PDF](#)

### Regional transit hub districts: downtown housing developments.

#### Progress bar



#### Notes

#### Bill information

**Status:** 05/28/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 64. Noes 6.)

**Summary:** The Planning and Zoning Law generally regulates local government zoning and approval of certain types of housing development projects. The law authorizes a development proponent to submit an application for a development that is subject to a prescribed ministerial approval process if the development complies with certain procedural requirements and satisfies specified objective planning standards. The law also requires a housing development project within a specified distance of a transit-oriented development stop to be an allowed use as a transit-oriented housing development on any site zoned for residential, mixed, or commercial development, if the development complies with specified requirements, as applicable. This bill would, by July 1, 2027, require major transit cities to designate one or more regional transit hub districts and prescribe requirements for those districts, including requiring that a district make a downtown housing development an allowable use, as specified. The bill would prescribe requirements for downtown housing developments, including requiring specified labor standards and requiring the developments to be eligible for streamlined ministerial approval, as specified. The bill would establish the Downtown Revitalization Loan Fund and continuously appropriate moneys in the fund to the California Housing Finance Agency for the purpose of making loans to applicants to develop downtown housing developments, as specified. By establishing a continuously appropriated fund, the bill would make an appropriation. (Based on 04/09/2026 text)

**Location:** 05/28/2026 - Senate DESK

**Current Text:** 04/09/2026 - Amended

**Last Amend:** 04/09/2026

**AB 2433**

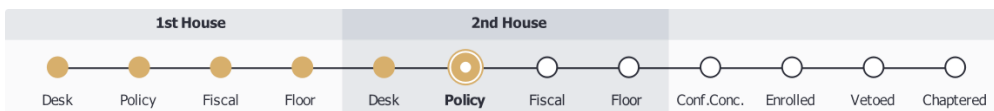
**Alvarez, D**

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[PDF](#)

### Housing development: density bonus.

#### Progress bar



#### Notes

#### Bill information

**Status:** 05/28/2026 - In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** The Density Bonus Law requires a city or county to grant a density bonus, other incentives or concessions, and waivers or reductions of development standards, as

specified, to an applicant for a housing development when the applicant seeks a density bonus for the housing development, as specified, if the applicant agrees to construct, among other things, a specified percentage of units for very low income, lower income, or senior citizen housing, and meets other requirements. This bill would, instead, require a city or county to grant a density bonus, other incentives or concessions, and waivers or reductions of development standards, as specified, to an applicant for a housing development when the applicant submits an application for a housing development that a city, county, or city and county determines meets specified criteria, including, among others, the housing development includes specified percentage of units for very low income, lower income, or senior citizen housing. (Based on 04/22/2026 text)

**Location:** 05/28/2026 - Senate Rules

**Current Text:** 04/22/2026 - Amended

**Last Amend:** 04/22/2026

AB 2484

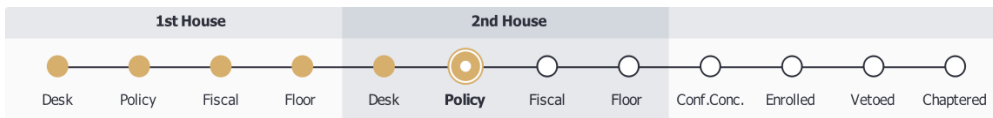
Alvarez, D

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### San Diego Metropolitan Transit System: transactions and use tax: voter initiatives.

#### Progress bar



#### Notes

#### Bill information

**Status:** 05/27/2026 - In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** The Mills-Deddeh Transit Development Act establishes the San Diego Metropolitan Transit Development Board, also known as the San Diego Metropolitan Transit System (MTS), governed by a 15-member board with specified powers and duties related to the operation of public transit services in the southern portion of the County of San Diego. The act authorizes MTS to impose a transactions and use tax of up to 0.5% for public transit purposes within its jurisdiction, or a portion of its jurisdiction, pursuant to the Transactions and Use Tax Law and subject to voter approval and various other requirements. This bill would also authorize those taxes to be imposed by a qualified voter initiative. (Based on 05/18/2026 text)

**Location:** 05/27/2026 - Senate Rules

**Current Text:** 05/18/2026 - Amended

**Last Amend:** 05/18/2026

AB 2552

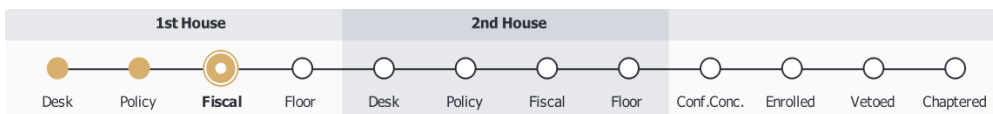
Ávila Farías, D

HTML

PDF

### California Environmental Quality Act: Transit-Oriented Development Implementation Fund: contributions.

#### Progress bar



#### Notes

#### Bill information

**Status:** 04/29/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (April 29). Re-referred to Com. on APPR.

**Summary:** The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. If a lead agency determines that a project will have a significant transportation impact, existing law authorizes the lead agency to mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating housing or related infrastructure projects, including by contributing an amount, to be determined pursuant to guidance issued by the Office of Land Use and Climate Innovation, to the Transit-Oriented Development Implementation Fund for purposes of the Transit-Oriented Development Implementation Program. Existing law makes those moneys available to the Department of Housing and Community Development, upon appropriation by the Legislature, for the purpose of awarding funding for affordable housing or related infrastructure projects under the program in accordance with specified priorities. On or before July 1, 2026, and at least once every 3 years thereafter, existing law requires the office, in consultation with other state agencies, to issue guidance related to the implementation of these provisions, as provided. This bill would authorize a lead agency for a land use project to require an applicant to contribute to the Transit-Oriented Development Implementation Fund if certain cost conditions are met and the department and the office have validated the reductions in vehicle miles traveled that are attributable to the project, as specified. (Based on 04/16/2026 text)

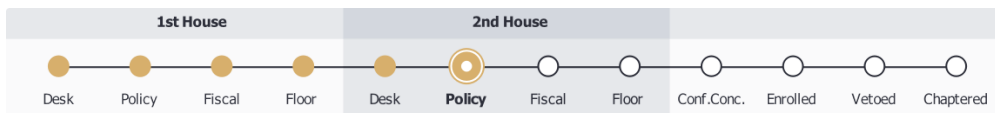
**Location:** 04/29/2026 - Assembly Appropriations

**Current Text:** 04/16/2026 - Amended  
**Last Amend:** 04/16/2026

[AB 2560](#) [Schultz, D](#) [HTML](#) [PDF](#)

### Climate Action Plan for Transportation Infrastructure: goals.

#### Progress bar



#### Notes

#### Bill information

**Status:** 05/27/2026 - In Senate. Read first time. To Com. on RLS. for assignment.

**Summary:** Existing law establishes the Transportation Agency, which has the power of general supervision over specified state entities. Existing law requires the agency to develop and report on legislative, budgetary, and administrative programs to accomplish comprehensive, long-range, coordinated planning and policy formation in the matters of public interest related to the agency. This bill would establish specified goals for the Climate Action Plan for Transportation Infrastructure (CAPTI), consistent with state law. (Based on 04/15/2026 text)

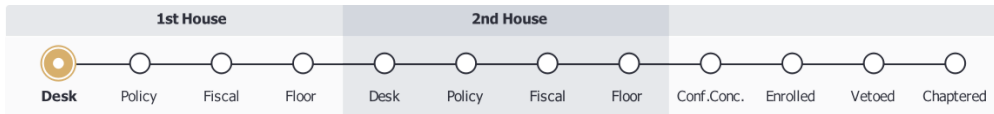
**Location:** 05/27/2026 - Senate Rules

**Current Text:** 04/15/2026 - Amended  
**Last Amend:** 04/15/2026

[ACA 1](#) [Valencia, D](#) [HTML](#) [PDF](#)

#### Public finance.

### Progress bar



### Notes

#### Notes 1

Anticipated impact - Unknown direct impact on NCTD. The ACA would change the required amount of funding transferred from the state General Fund to the Budget Stabilization Account (BSA) to an undefined amount, and would increase the balance limit of the BSA.

### Bill information

#### Status:

01/29/2025 - Introduced measure version corrected.

#### Summary:

The California Constitution prohibits the total annual appropriations subject to limitation of the State and of each local government from exceeding the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population. The California Constitution defines “appropriations subject to limitation” of the State for these purposes. This measure would change the 1.5% required transfer to an undetermined percentage of the estimated amount of General Fund revenues for that fiscal year. The measure would change the 10% limit on the balance in the Budget Stabilization Account to 20% of the amount of the General Fund proceeds of taxes for the fiscal year estimate, as specified. The measure would specify that funds transferred under these provisions to the Budget Stabilization Account do not constitute appropriations subject to the above-described annual appropriations limit. (Based on 12/02/2024 text)

#### Location:

12/02/2024 - Assembly PRINT

#### Current Text:

12/02/2024 - Introduced

ACA 4

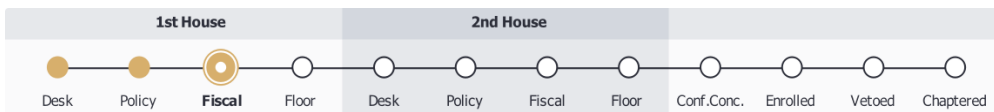
Jackson, D

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### Homelessness and affordable housing.

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### Notes

#### Notes 1

Anticipated impact - could fund affordable housing projects that may lead to the development of housing near transit corridors, however, would earmark 5% of the state's General Fund for housing, which would reduce flexibility in the state budget to allocate funding to other areas, including transportation. The bill would not directly reduce funding for transportation.

### Bill information

#### Status:

01/22/2026 - In committee: Set, first hearing. Held under submission.

#### Summary:

The California Constitution authorizes the development, construction, or acquisition of developments composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income financed in whole or in part by the federal government or a state public body, or to which the federal government or a state public body extends assistance, if a majority of the qualified electors of the city, town, or county in which the housing is proposed to be located approves the project by voting in favor thereof, as specified. This measure, the Housing Opportunities Made Equal (HOME) Act, would create an account in the General Fund into which, beginning in the 2027–28 fiscal

year, and each fiscal year thereafter until September 30, 2036, a sum would be transferred from the General Fund equal to or greater than 5% of the estimated amount of General Fund revenues for that fiscal year, as specified. The measure would require the moneys in the account to be appropriated by the Legislature to the Business, Consumer Services, and Housing Agency, and would authorize that agency to expend the moneys to fund prescribed matters related to homelessness and affordable housing, including housing and services to prevent and end homelessness. (Based on 05/05/2025 text)

**Location:** 05/14/2025 - Assembly APPR.  
SUSPENSE FILE

**Current Text:** 05/05/2025 - Amended  
**Last Amend:** 05/05/2025

SB 239

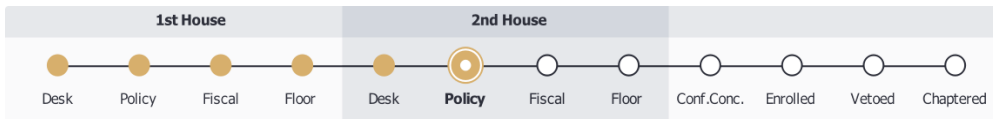
Arreguín, D

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**Crimes: criminal threats.**

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**Notes**

**Notes 1**

Anticipated impact - allows subsidiary bodies of the district to teleconference meetings without having to notice and make publicly accessible each teleconference location, or have at least a quorum participate from locations within the boundaries of the agency. A subsidiary body is defined as an advisory body that meets the Brown Act's definition of a legislative body, serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements.

**Bill information**

**Status:** 05/28/2026 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV.

**Summary:** Existing law makes it a crime to willfully threaten to commit a crime that will result in death or great bodily injury to another person, as specified. Under existing law, this crime is punishable as a misdemeanor or by imprisonment in state prison as a felony. Existing law, for the purposes of sentencing for a felony violation of these provisions, authorizes the court to consider, as a factor in aggravation, that the defendant willfully threatened to commit a crime that would result in the death or great bodily injury of a state constitutional officer, a Member of the Legislature, or a judge or court commissioner, as specified. This bill would additionally authorize the court to consider, as a factor in aggravation, that the defendant willfully threatened to commit a crime that would result in the death or great bodily injury of a county or city elections official, or a local agency official, as specified. (Based on 05/28/2026 text)

**Location:** 05/11/2026 - Assembly Local  
Government

**Current Text:** 05/28/2026 - Amended  
**Last Amend:** 05/28/2026

SB 667

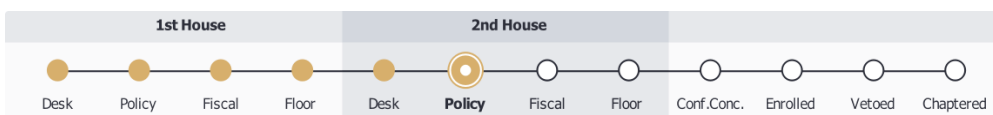
Archuleta, D

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**Railroads: safety: wayside detectors.**

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Notes

Bill information

**Status:** 05/04/2026 - Referred to Coms. on U. & E. and TRANS.

**Calendar:** 06/10/26 A-UTILITIES AND ENERGY 1:30 p.m. - State Capitol, Room 437 PETRIE-NORRIS, COTTIE, Chair

**Summary:** The Federal Railroad Safety Act (FRSA) authorizes the United States Secretary of Transportation to prescribe regulations and issue orders for railroad safety and requires the United States Secretary of Homeland Security, when prescribing a security regulation or issuing a security order that affects the safety of railroad operations, to consult with the United States Secretary of Transportation. The FRSA provides for state participation in the enforcement of the safety regulations and orders issued by the United States Secretary of Transportation or the United States Secretary of Homeland Security, pursuant to an annual certification, and authorizes the respective secretaries to make an agreement with a state to provide investigative and surveillance activities. The FRSA provides that, to the extent practicable, laws, regulations, and orders related to railroad safety and security are required to be nationally uniform, but authorizes a state to adopt or continue in force a law, regulation, or order related to railroad safety or security until the United States Secretary of Transportation, with respect to railroad safety matters, or the United States Secretary of Homeland Security, with respect to railroad security matters, prescribes a regulation or issues an order covering the subject matter of the state requirement. A state is additionally authorized to adopt or continue in force an additional or more stringent law, regulation, or order related to railroad safety or security, when necessary to eliminate or reduce an essentially local safety or security hazard, that is not incompatible with a federal law, regulation, or order, and that does not unreasonably burden interstate commerce. This bill would require a railroad corporation to install and operate a network of wayside detector systems on or adjacent to any track used by a freight train, require that each wayside detector system include a hot wheel bearing detector, and prescribe the maximum spacing for individual detection devices along a continuous track. (Based on 01/22/2026 text)

**Location:** 05/04/2026 - Assembly Utilities and Energy

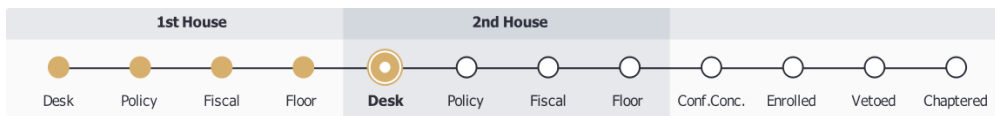
**Current Text:** 01/22/2026 - Amended

**Last Amend:** 01/22/2026

SB 677 Wiener, D [HTML](#) [PDF](#)

Housing development: transit-oriented development.

Progress bar



Notes

Bill information

**Status:** 01/26/2026 - Read third time. Passed. (Ayes 24. Noes 10.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Summary:** Current law requires that a housing development project, as defined, within a specified distance of a transit-oriented development (TOD) stop, as defined, be an allowed use as a transit-oriented housing development on any site zoned for residential, mixed, or commercial development, if the development complies with certain applicable requirements, as provided. Among these requirements, current law establishes requirements concerning height limits, density, and residential floor area ratio in accordance with a development's proximity to specified tiers of TOD stops, as provided,

and requires a development to meet specified labor standards that require that a specified affidavit be signed under penalty of perjury, under specified circumstances. Current law specifies that a development proposed pursuant to these provisions is eligible for streamlined, ministerial approval, as provided. Current law defines, among other terms, the term “high-frequency commuter rail” for purposes of these provisions to mean a commuter rail service operating a total of at least 48 trains per day across both directions, not including temporary service changes of less than one month or unplanned disruptions, and not meeting the standard for very high frequency commuter rail, at any point in the past three years. Current law also defines the term “Tier 2 transit-oriented development stop” for these purposes to mean a TOD stop within an urban transit county, as defined, excluding a Tier 1 transit-oriented development stop, as defined, served by light rail transit, by high-frequency commuter rail, or by bus service meeting specified standards. This bill would revise the definition of “high-frequency commuter rail” to instead mean a public commuter or intercity rail station with a total of at least 48 passenger trains on average per weekday across all directions, not including temporary service changes of less than one month or unplanned disruptions, and not meeting the standard for very high frequency commuter rail, at any point in the past three years. (Based on 01/08/2026 text)

**Location:** 01/26/2026 - Assembly DESK

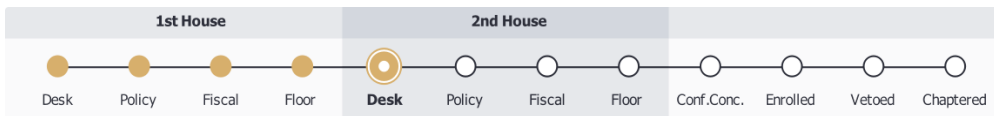
**Current Text:** 01/08/2026 - Amended

**Last Amend:** 01/08/2026

**SB 1087** **Cabaldon, D** [HTML](#) [PDF](#)

**Transportation planning: sustainable communities strategies: transportation funding programs.**

**Progress bar**



**Notes**

**Bill information**

**Status:** 05/27/2026 - Read third time. Passed. (Ayes 31. Noes 3.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Summary:** Existing law requires certain transportation planning agencies to prepare and adopt regional transportation plans directed at achieving a coordinated and balanced regional transportation system. Existing law requires a regional transportation plan to include a policy element, a sustainable communities strategy prepared by a metropolitan planning organization, an action element, and a financial element, as provided. Existing law requires those transportation planning agencies to adopt and submit every 4 years, except as provided, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. Existing law requires a sustainable communities strategy to achieve regional targets set by the State Air Resources Board for the reduction of greenhouse gas emissions from the automobile and light truck sector in the region for 2020 and 2035, respectively, and requires the state board to update those targets every 8 years, consistent with each metropolitan planning organization’s timeframe for updating its regional transportation plan, as specified. Existing law establishes certain procedural requirements for setting and updating those targets and authorizes the state board to revise the targets every 4 years based on changes in specified factors. This bill would instead require, commencing with the first or 2nd regional transportation plan prepared on or after January 1, 2027, as determined by the applicable metropolitan planning organization, the regional transportation plan to include an 8-year sustainable communities strategy prepared by the metropolitan planning organization. (Based on 04/09/2026 text)

**Location:** 05/27/2026 - Assembly DESK

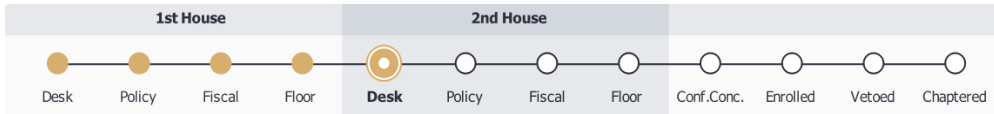
**Current Text:** 04/09/2026 - Amended

**Last Amend:** 04/09/2026

[SB 1265](#)
[Richardson, D](#)
[HTML](#)
[PDF](#)

**California Alternative Energy and Advanced Transportation Financing Authority: GoGreen Program.**

**Progress bar**



**Notes**

**Bill information**

**Status:** 05/22/2026 - Read third time. Passed. (Ayes 27. Noes 5.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Summary:** Under existing law, the purpose of the California Alternative Energy and Advanced Transportation Financing Authority Act is to advance the state’s goals of reducing the levels of greenhouse gas emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the state’s dependence on fossil fuels and to that end to provide an alternative method of financing in providing and promoting the establishment of facilities utilizing alternative methods and sources of energy and facilities needed for the development and commercialization of advanced transportation technologies. Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority to carry out that purpose. Existing Public Utilities Commission decisions established the California Hub for Energy Efficiency Financing program, administered by the authority and funded through charges collected by specified electrical corporations and gas corporations from their ratepayers. This bill would require the authority to administer the GoGreen Program, previously known as the California Hub for Energy Efficiency Financing program, and would authorize the authority to use moneys collected from the ratepayers of electrical and gas corporations, as directed by the commission, and other available funding sources, consistent with the program’s purposes. The bill would require the program to provide financing assistance to participating lenders to support residents in financing eligible energy efficiency and decarbonization measures at costs that are competitive with or below market rates. (Based on 05/14/2026 text)

**Location:** 05/22/2026 - Assembly DESK

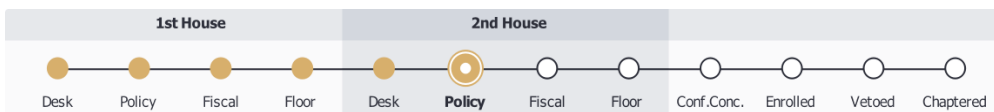
**Current Text:** 05/14/2026 - Amended

**Last Amend:** 05/14/2026

[SB 1324](#)
[Blakespear, D](#)
[HTML](#)
[PDF](#)

**Passenger and freight rail: LOSSAN Rail Corridor: working group report.**

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**Notes**

**Bill information**

**Status:** 05/11/2026 - Referred to Com. on TRANS.

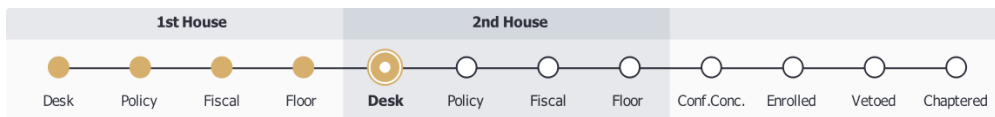
**Summary:** Existing law authorizes the department, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a joint powers board assumes responsibility for administering state-funded intercity rail service in certain rail corridors, including the LOSSAN Rail Corridor. Existing law defines the LOSSAN Rail Corridor as the intercity passenger rail corridor between San Diego, Los Angeles, and San Luis Obispo. Pursuant to this authority, the department entered into an interagency transfer agreement with the LOSSAN Rail Corridor Agency to administer intercity passenger rail service in the LOSSAN Rail Corridor. Existing law requires the Secretary of Transportation to convene a working group composed of representatives of certain types of entities, including, among others, representatives from county transportation commissions and metropolitan planning organizations from specified counties. Existing law requires the working group to submit consensus recommendations and feedback in a report to the Legislature on or before February 1, 2026, on various topics relating to rail service in the LOSSAN Rail Corridor. This bill would instead require the working group to submit this report to the Legislature on or before February 1, 2027. (Based on 03/23/2026 text)

<b>Location:</b>	05/11/2026 - Assembly Transportation	<b>Current Text:</b>	03/23/2026 - Amended
		<b>Last Amend:</b>	03/23/2026

[SB 1337](#) [Richardson, D](#) [HTML](#) [PDF](#)

**Interagency Working Group on Transportation Fuels Transition Strategy.**

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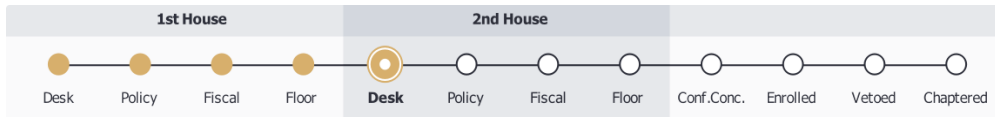
**Notes**

**Bill information**

**Status:** 05/22/2026 - Read third time. Passed. (Ayes 32. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Summary:** Existing law establishes the Division of Petroleum Market Oversight to, among other things, provide independent oversight and analysis of the transportation fuels market for the protection of consumers by identifying market design flaws, market power abuses, and any other manner by which market participants act to harm competition or act contrary to the best interests of the consumers in the state. Existing law requires the director of the division, when requested, to appear before the appropriate policy committees of the Legislature to provide an update on the division's performance as compared to its objectives, the status of competition in the transportation fuels markets, and other information the committees request. This bill would establish the Interagency Working Group on Transportation Fuels Transition Strategy, which would be led by the State Energy Resources Conservation and Development Commission and consist of various entities, to develop priority policies and programs informed by a specified plan and assessment and strengthen coordination and communication regarding policies and regulations across state, regional, and local authorities, communities, and stakeholders in order to inform transportation fuels policy development and implementation, as provided. (Based on 04/13/2026 text)

<b>Location:</b>	05/22/2026 - Assembly DESK	<b>Current Text:</b>	04/13/2026 - Amended
		<b>Last Amend:</b>	04/13/2026

**Transit-oriented housing developments: local governments: transit agencies and projects.****Progress bar****Notes****Bill information**

**Status:** 05/20/2026 - In Assembly. Read first time. Held at Desk.

**Summary:** Existing law requires a housing development project to be an allowed use as a transit-oriented housing development if certain requirements are met. Existing law provides that these provisions do not apply to a local agency until July 1, 2026, unless the local agency takes specified actions. Existing law defines various terms for these purposes. Existing law prohibits a local government from adopting any requirement that applies to a project solely or partially on the basis that the project is seeking approval as a transit-oriented housing development, as specified. This bill would additionally prohibit a local government with an existing or planned transit-oriented development stop from taking specified actions with respect to transit agencies and transit projects. (Based on 04/30/2026 text)

**Location:** 05/19/2026 - Assembly DESK

**Current Text:** 04/30/2026 - Amended

**Last Amend:** 04/30/2026

**STAFF REPORT**

**RECEIVE THE PERFORMANCE, ADMINISTRATION AND FINANCE  
COMMITTEE CHAIR REPORT FOR THE MEETING ON MAY 21, 2026**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Receive the Performance, Administration and Finance (PAF) Committee Chair Report for the May 21, 2026 meeting.

**BACKGROUND  
INFORMATION:**

On May 21, 2026, at 11:00 a.m., the PAF Committee met as scheduled with all appointed members in attendance.

**PAF Committee Agenda Item No. 1 – Receive Update on Proposed FY2027  
Operating and Capital Budget**

Eun Park-Lynch, Chief Financial Officer, provided an overview of the proposed FY2027 Operating and Capital Budget. NCTD’s annual budget is proposed to be \$180 million for FY2027 and \$57 million for FY2027-FY2031 capital projects. The budget will be brought back to the full Board for consideration of adoption on June 18, 2026. Several key factors impacting the budget were discussed, including:

- a. Slow growth of Transportation Development Act (TDA) and TransNet sales tax revenues
- b. Property and liability insurance premium increases continue to exceed inflation
- c. Costs continue to increase and outpace revenue growth
- d. Oil prices are rising due to global geopolitical events
- e. Tariffs on vehicle and vehicle parts are ongoing
- f. Approximately \$11 million is needed annually for federal and state unfunded mandates

Committee Member Contreras asked if the NCTD+ service outside of San Marcos and Vista will be considered. CEO, Shawn Donaghy, responded that NCTD+ for San Marcos and Vista will continue, as these are included in the operating budget. NCTD will submit a grant to SANDAG to implement NCTD+ in Fallbrook in FY2028, however, NCTD may not have funds to sustain this service in the future. Committee Member Contreras further commented that if NCTD cannot sustain the impending future budget deficits, it may have to consider decreases in services and even potential elimination of services. She recommended that NCTD begin now the review of priority routes and possible service reductions and/or eliminations so the Board can make early decisions about potential eliminations or service reductions. NCTD should also consider redoing the routes to improve efficiencies and mitigate duplicative routes. She requested that NCTD staff alert the Board when fuel nears \$120/barrel so the Board can make decisions on imminent budget impacts. Other concerns she mentioned were high tariffs, liability insurance costs, and security contract increases. CEO Donaghy and Mary Dover, Chief Operating Officer – Bus, responded that NCTD Executive Staff are working with its state delegation to include in its transportation reauthorization bill the ability to reduce insurance costs and to determine local availability. The state did approve a cap on the level of insurance increases and extended the time to find alternate insurance from 30 days to one year. Once staff receives more information on how to advocate, they will reach out to the Board for letters of support. Mary Dover added that staff has

already sent in letters to the legislative reauthorization committees supporting any measures to decrease costs for NCTD. She can share that with the Board so that any local jurisdiction can show their support as well. CEO Donaghy also addressed increases in security services and shared that NCTD has been in conversations with its federal delegation to request that federal funds be available for security services to free up operating funds.

Committee Vice-Chair Edson asked why revenue from the fare change was not included in the budget. Mary Dover responded that because the fare change hasn't officially been approved yet until July and implemented in October, they were not included. Also, until NCTD has a better picture of the ridership impacts due to increased fares, fare increases won't be included until the FY28 budget. Committee Vice-Chair Edson further asked if staff is able to advocate for relief from public agencies tariff increases. Mary Dover responded that NCTD has had conversations with congressional delegates concerning tariffs in the industry in general. CEO Donaghy added that NCTD has a limited number of bus and parts manufacturers to choose from, so this has been an added challenge besides tariff increases. Committee Vice-Chair Edson asked if NCTD participates in fuel hedging. CEO Donaghy stated that NCTD does not hedge due to the uncertain benefits and as an example, if the agency had hedged fuel a few years ago, hedging would have cost NCTD more than the cost of fuel itself.

Committee Vice-Chair Edson further asked if there is anything NCTD can do with state or federal dollars to be used for operational expenses. Mary Dover responded that NCTD is currently working with SANDAG on some project savings that they expect will free SB125 funds for operations. Committee Vice-Chair Edson commended NCTD staff on only increasing the FY2027 by 1.17% increase over the 2026 budget. Eun Park-Lynch responded that this was a collaborative effort among the Executive Staff to make sacrifices within their Division. One of those being the hiring freezes across the agency, but everyone understood the importance of having a balanced budget. A general discussion ensued related to cost recovery fees and permits, flagging and hydrogen buses that exist on NCTD's fleet.

Committee Member Bhat-Patel asked staff what NCTD's strategy is to balance the agency's future budgets. CEO Donaghy responded that it would probably be very difficult to try to find a rationale for a tax referendum in North County in the current climate, so it is aggressively looking for additional funding sources. NCTD is also looking to reevaluate the services to potentially consolidate some routes to decrease the operational impact and mitigate duplicative routes serving the same areas.

Committee Chair Sannella thanked staff for the presentation and for always being open and transparent about NCTD's financial challenges. He agrees with Committee Member Contreras that NCTD needs to look at potential service reductions and/or eliminations now before more challenging times come. He asked how the freezing of 22 positions has impacted employee morale. CEO Donaghy said that to maintain the current workforce, the Executive Team has decided to oversee more departments, so NCTD doesn't have to recruit Chief positions, thereby saving money. Although this shift has encouraged more departmental interactions across the agency, this is not a long-term, sustainable goal.

**PAF Committee Agenda Item No. 2 – Receive Update on Low-Income Fare Program**

Mary Dover, Chief Operating Officer – Bus, Alicia Peat-Watson, Director of Customer Experience, and Ioni Tcholakova, Director of Service Planning, provided an update on exploring the feasibility of a low-income fare program for the region. Staff explained the discount programs that currently exist within the region for low-income riders. All fare discounts require need regional concurrence by SANDAG to be incorporated in the regional fare ordinance. Based on demographic data and current ridership, if NCTD introduces a low-income fare program, 52% of BREEZE riders, 47% of SPRINTER riders, and 15% of COASTER riders would qualify for this low-income fare. This would translate into lost fare revenues of approximately \$2 million.

Committee Member Contreras thanked staff for the presentation and wishes to continue discussions regarding implementing a low-income fare discount program in the region. She appreciates NCTD staff for looking into this and suggests they engage with external agencies to fund this important initiative.

Committee Vice-Chair Edson asked how often the regional fare ordinance gets reviewed. Mary Dover responded that although there should be a regular cadence, the last time it was reviewed was seven years ago.

Committee Member Bhat-Patel asked if any Low Carbon Transit Operations Program (LCTOP) funds can be used for a low-income fare program. Mary Dover responded that if any LCTOP funds are used, it will likely be towards zero-emission buses rather than a discount program. Due to the higher capital costs of these buses, LCTOP funds have allowed the procurement of these buses to comply with state requirements for the transition towards the zero-emission buses.

**BOARD MEMBER COMMENTS AND REPORTS**

None

The meeting was adjourned at 1:06 p.m.

**ATTACHMENT(S):** 2A – CY2027 Operating Budget and CIP Presentation  
2B – Low-Income Fare Program Presentation

**FISCAL IMPACT:** This staff report has no fiscal impact.

**STAFF CONTACT:** **Eun Park-Lynch, Chief Financial Officer**  
E-mail: eparklynch@nctd.org Phone: 760-967-2858



# Receive Proposed FY2027 Operating and Capital Budget

PAF Committee Meeting  
May 21, 2026

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

# Background

- On December 18, 2025 (Agenda Item No. 3), the Board approved the proposed FY2027-FY2031 Capital Improvement Program (CIP) based on estimated federal and non-federal funding levels at that time
  - For the last four months, staff has continued evaluating the CIP for project readiness, new capital priorities, and reprogramming project savings. The final FY2027-FY2031 CIP will be presented at the June 18, 2026 Board Meeting.
- On March 19, 2026 (Agenda Item No. 3), the Marketing, Service Planning, and Business Development (MSPBD) Committee received an overview on the development of the proposed FY2027 Service Implementation Plan (SIP) and key assumptions
- On May 21, 2026, the Board will set a public hearing for June 18, 2026 to consider adoption of the FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program

# Board Policies No. 3 and 17

- The PAF Committee is responsible for overseeing the preparation of the annual budget before presentation to the full Board for approval.
- NCTD must adopt an annual balanced budget where total revenues are equal to or exceed total expenses.
- Funds should be programmed first to cover operating expenses (unless grant specific requirements restrict funding for capital projects). Any remaining unallocated funds can then be programmed for the Capital Improvement Program.
- Revenue and expenses projections are based on a series of assumptions. Revenues should be estimated conservatively.
- One-time revenues generally should be used for one-time expenses or capital investments.

# FY2027-FY2031 Budget Outlook

- SANDAG forecasts slow growth of TDA and TransNet sales tax revenues
  - FY2026 to FY2027: 1.3%
  - FY2028 to FY2031: Average of 2.2%
- Costs continue to increase and outpace revenue growth
  - San Diego Region CPI of 3.8% in 2025
  - Rising oil prices caused by global geopolitical events
    - Diesel \$4.63 (excluding taxes and fees) in April 2026 compared to \$2.66 in April 2025 (74% increase)
    - FY27 Fuel budget higher by \$2.3 million compared to FY26 budget
  - Tariffs on vehicle and vehicle parts are ongoing

# FY2027-FY2031 Budget Outlook

- Property and liability insurance premium increases continue exceeding inflation
  - Federal mandatory excess liability insurance anticipated to be in excess of \$400 million
  - NCTD's safety record and zero loss history is not factored in the premiums, which are largely driven by global catastrophic events
- Since 2020 (COVID-19), transit agencies were awarded one-time funding to assist with operations. NCTD received the following one-time operating funds:
  - Federal CARES: \$94.3 million (funds were fully exhausted by the end of FY25)
  - Federal ARPA: \$60.2 million (funds were fully exhausted by the end of FY25)
  - State SB125: \$25.1 million (NCTD is coordinating with SANDAG to reprogram \$49.6 million of capital funds for operations)
  - State ZETCP: \$7.7 million
  - NCTD must rely on sustainable funding sources to support operations

# Federal and State Unfunded Mandates

- Excess liability insurance: \$7 million for FY27 (\$1.5 million higher than FY26)
- Positive Train Control: \$2.2 million for FY27
- Zero-Emission transition: \$1.7 million for bus hydrogen fuel for FY27
  - California Innovative Clean Transit (ICT) requires all public transit agencies to gradually transition to a 100 percent zero-emission bus (ZEB) fleet by 2040
    - Hydrogen fuel prices continue to increase due to supply disruptions and station shortages. High prices and limited infrastructure have slowed adoption.
    - There is no budget for Rail Zero-Emission transition due to lack of funding from the state
- Storm Water Mitigation and Environmental Compliance: \$700K for FY27

# FY2027 Major Assumptions

- Sales tax revenues (TDA and TransNet) are calculated and allocated by SANDAG to MTS and NCTD based on population (NCTD will receive 29%)
- State Transit Assistance and State of Good Repair revenue estimates are provided by the State Controller's Office
- Federal Transit Administration funds are appropriated by Congress
- SB125 TIRCP and ZETCP one-time revenues of \$13.7 million
- Fare revenues based on ridership projections by mode of service do not account for future changes to the fare ordinance
- Fuel expenses for diesel assume \$110-120 barrel/oil
- Wage increases associated with negotiation of six collective bargaining agreements for operational employees
  - Offset by hiring freeze for 22 FTEs (no wages budgeted in FY27)

# FY2027 Service Implementation Plan

- Uncertain funding projections at all levels of government, coupled with decreasing sales tax revenues, pose significant challenges in projecting future service levels.
- The Regional Youth Opportunity Pass Program was funded with “capital dollars” in FY2026 and SANDAG has proposed “capital dollars” for FY2027.
  - Funds are programmed for the Capital Improvement Program instead of operations, requiring NCTD to provide the operating funds for the program
- No service expansions are planned for FY2027-FY2031.
- NCTD+ for the Fallbrook-Pala zone has been deferred to FY2028, contingent upon receiving funding from SANDAG’s Flexible Fleets program.
- Future NCTD+ zones will be contingent upon operational conditions and funding.

# Proposed FY2027 Operating Budget Summary

	FY2026 * Adopted Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)
<b>Operating Revenues</b>					
Passenger Fares	\$ 12,492,298	\$ 12,493,703	\$ 12,763,545	\$ 271,247	2.17%
Non-Transportation Revenues	4,731,200	5,951,011	4,557,736	(173,464)	-3.67%
Auxiliary Revenues	11,199,184	11,352,783	11,600,386	401,202	3.58%
Federal Grants	37,254,595	37,283,786	37,962,816	708,221	1.90%
State Grants	33,654,670	26,241,500	30,968,107	(2,686,563)	-7.98%
Local Grants	79,473,630	81,460,337	83,037,787	3,564,157	4.48%
	<b>178,805,577</b>	<b>174,783,120</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>
<b>Operating Expenditures</b>					
Salaries, Wages, and Benefits	\$ 92,866,801	\$ 94,377,105	\$ 95,915,714	\$ 3,048,913	3.28%
Professional Services	43,190,410	39,807,650	38,206,981	(4,983,429)	-11.54%
Fuel, Materials, and Supplies	22,700,459	20,312,433	25,232,595	2,532,136	11.15%
Utilities	3,867,188	3,667,324	4,083,591	216,403	5.60%
Casualty and Liability	9,709,267	10,569,851	11,750,000	2,040,733	21.02%
Fuel Taxes	1,270,553	1,251,589	1,433,547	162,994	12.83%
Purchased Transportation	1,033,000	1,443,613	913,000	(120,000)	-11.62%
Miscellaneous Expenses	1,847,204	1,213,347	1,676,190	(171,014)	-9.26%
Debt-Related Expense	674,300	531,124	522,000	(152,300)	-22.59%
Leases and Rentals	1,146,395	883,834	656,759	(489,636)	-42.71%
Contingency	500,000	-	500,000	-	0.00%
	<b>178,805,577</b>	<b>174,057,870</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>
	<b>\$ -</b>	<b>\$ 725,250</b>	<b>\$ -</b>	<b>\$ -</b>	

\* As originally adopted and does not reflect budget transfers made during the fiscal year

# FY2027-FY2031 Capital Improvement Program

- \$57 million needed for critical capital projects in FY27-FY28
  - \$17.4 million funded with competitive grants (CNG Buses, PTC Wireless)
  - \$15.6 million funded with prior years capital carryover reserves
  - Projects will be funded upon project readiness

FTA Scope	FTA Scope Description	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year
111	Bus Rolling Stock	\$ 19,734,360	\$ -	\$ -	\$ -	\$ -	\$ 19,734,360
113	Bus Stations, Stops and Terminals	950,000	350,000	-	-	-	1,300,000
114	Bus Support Equipment and Facilities	8,020,000	825,000	-	-	-	8,845,000
121	Rail Rolling Stock	3,270,000	-	-	-	-	3,270,000
122	Rail Transitways and Lines	7,060,025	5,500,025	-	-	-	12,560,050
123	Rail Stations, Stops and Terminals	1,560,000	-	-	-	-	1,560,000
124	Rail Support Equipment and Facilities	5,876,500	1,138,000	-	-	-	7,014,500
126	Rail Signals and Communications Equipment	2,720,000	-	-	-	-	2,720,000
<b>Total Constrained CIP</b>		<b>\$ 49,190,885</b>	<b>\$ 7,813,025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,003,910</b>

# 5-Year Forecast

	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year Total
<b>TOTAL REVENUES</b>						
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 65,521,506
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	20,132,378
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	61,588,019
Federal Grants	69,576,934	48,795,924	48,795,924	48,795,924	48,795,924	264,760,630
State Grants *	32,963,662	33,621,831	23,741,331	24,037,189	24,338,122	138,702,135
Local Grants	83,037,787	80,302,322	81,972,540	83,646,497	85,291,454	414,250,600
	<b>214,500,050</b>	<b>191,601,188</b>	<b>183,753,006</b>	<b>186,286,936</b>	<b>188,814,088</b>	<b>964,955,268</b>
<b>FUNDS ALLOCATION</b>						
Capital Improvement Program	49,190,885	7,813,025	-	-	-	57,003,910
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	950,136,686
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>1,059,327,571</b>
Deficit	(15,581,212)	(8,741,743)	(21,156,873)	(23,307,332)	(25,585,143)	(94,372,303)
Capital Funds Prior Carryover	15,581,212	-	-	-	-	15,581,212
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (8,741,743)</b>	<b>\$ (21,156,873)</b>	<b>\$ (23,307,332)</b>	<b>\$ (25,585,143)</b>	<b>\$ (78,791,091)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>						
CalPERS Unfunded Accrued Liability Payments	\$ 4,280,762	\$ 4,451,603	\$ 4,937,095	\$ 4,997,562	\$ 5,041,221	\$ 23,708,243
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	7,900,000
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 31,608,243</b>

\* Funding has not being received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

# Cost Recovery Fee

- Approved by the Board annually with the Operating Budget
- Supports Board Policy No. 11 - Real Estate
- Establishes fair market value for some types of incidental use. Includes fees for:
  - Permits
  - Incidental Uses
  - Right of Way Support Services
- Permit applicants are charged for actual costs
- Fully burdened rates include base compensation plus the associated employee benefits incurred by NCTD for that staff member
- The FY2027 Proposed Cost Recovery Fee Schedule is included in Attachment 1B

# Next Steps

- May 21, 2026: Board will receive an update on the FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program
- By May 31, 2026: Publish notice that NCTD will hold a public hearing on June 18, 2026 related to the consideration for adoption of the FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program
- June 3, 2026: Release of Documents for Public Review and Comment
- June 18, 2026: Public Hearing and adoption of the FY2027 Operating Budget and related documents

**Questions?**



## BOARD APPROVED COST RECOVERY FEE SCHEDULE

### Fiscal Year 2027

#### Permit Cost Recovery Schedule (One Time)

<b>Right-of-Entry Permit</b>	Actual Cost *
<b>Right-of-Entry Permit Amendment/Extension</b>	Actual Cost *
<b>Special Event Permit</b>	Actual Cost *
<b>Plan/Work Plan Review Process (hourly rate):</b>	
Submittal Review	Actual Cost *

#### Right-of-Way Support Services

<b>Contractor Safety Training (Roadway Worker Protection):</b>	
Class per participant	\$183.36
<b>Flagging Protection (prevailing wage projects)</b>	
Hourly rate	\$179.33
Overtime rate	\$208.07
Double time rate	\$236.82
<b>Flagging Protection (none prevailing wage projects)</b>	
Hourly rate	\$149.87
Overtime rate	\$228.80
Signal Mark-Out/Signal Support/Track Inspection	Actual Cost *
<b>Maintenance/Repair Work</b>	Actual Cost *

#### Incidental Use Fees

<b>Set-Up and Administration</b>	
Incidental Use Viability, Negotiations & License Set-Up Fee (One-Time)	\$1,800
Administration Fee (Recurring Annually)	\$228
<b>Incidental Use Fees (Recurring Annually)</b>	
Standard Transverse Wireline Crossing (Electric, Telephone, CATV)	\$2,400
Telecommunication Fiber Optic Cable (0 - 432 strands)	\$5,400
Telecommunication Fiber Optic Cable (>432 strands)	\$12.50/strand per cable
Pipeline Utility Crossing (Sewer/Water/Storm Drain)	
<0"-10" diameter	\$1,740
>10"-24" diameter	\$2,280
>24"-30" diameter	\$3,000
>30"-42" diameter	\$4,200
>42"-52" diameter	\$5,400
>52" diameter	Case by Case
<b>Longitudinal Installations</b>	
Standard Wireline (Electric, Telephone, CATV) (≤ 200 feet in length)	\$2,400
Standard Wireline (Electric, Telephone, CATV) (> 200 feet in length)	\$12/linear foot
Pipeline Utility (Sewer/Water/Storm Drain)	
<0"-10" diameter (≤ 200 feet in length)	\$1,740
<0"-10" diameter (> 200 feet in length)	\$8.70/linear foot
>10"-24" diameter (≤ 200 feet in length)	\$2,280
>10"-24" diameter (> 200 feet in length)	\$11.40/linear foot
>24"-30" diameter (≤ 200 feet in length)	\$3,000
>24"-30" diameter (> 200 feet in length)	\$15.00/linear foot
>30"-42" diameter (≤ 200 feet in length)	\$4,200
>30"-42" diameter (> 200 feet in length)	\$21.00/linear foot
>42"-52" diameter (≤ 200 feet in length)	\$5,400
>42"-52" diameter (> 200 feet in length)	\$27.00/linear foot
>52" diameter	Case by Case
<b>Incidental Use Fees (One-Time)</b>	
Guy wires, arms, brackets and service drops	\$600
Cabinets and other permanent structures	Fair Market Value

\* Actual cost is generated from NCTD labor time applied to a specific process at a fully burdened hourly rate, plus costs incurred by NCTD directly related to the requested activity. Fully burdened hourly rates applied by NCTD include the base compensation of NCTD staff that are engaged in the requested activity, plus the associated employee benefits incurred by NCTD for that staff member such as payroll taxes, medical benefits, retirement plans, etc.



# Receive Update on Low Income Fare Program

PAF Committee Meeting  
May 21, 2026

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

# Current Reduced Fare Categories

- **Senior-Disabled-Medicare/Youth (SDM/Y):**
  - **Senior:** A person 65 years or older automatically qualifies for the reduced fare rate with NCTD and MTS.
  - **Disabled:** A person of any age with a qualifying disability can apply to NCTD and MTS's Reduced Fare program.
  - **Medicare:** A person with Medicare automatically qualifies for the reduced fare rate with NCTD and MTS.
  - **Youth:** A person aged 6 through 18.
- **Additional Programs**
  - **Youth Opportunity Pass (YOP):** Free rides for all youth 6 through 18 with PRONTO account.
  - **Paratransit ID (NCTD ONLY):** All riders eligible for LIFT service may travel free on BREEZE, SPRINTER, and COASTER.

# Metrolink: Mobility-4-All

- **50% on Metrolink ticket or pass with a valid California Electronic Benefit Transfer (EBT) card**
- **Tickets are only available for purchase on Metrolink station ticket machines**
- **Launched in August 2023**



# LA Metro: LIFE Program

- **Initial 90 Days Free**
  - 20 Free Rides every month *or*
  - Set discount on weekly and monthly fare products
- **Eligibility Requirements**
  - Must be 18
  - Meet annual income threshold
  - Instant qualification for persons enrolled in existing social service programs
- **Initial launch 2018**



# Demographic Breakdown by Mode

Mode	Low-Income SDM/Y	Low-Income Adult	Adult <i>(Regular Fare)</i>
<b>BREEZE</b>	9.3%	52.1%	38.6%
<b>SPRINTER</b>	7.7%	47.0%	45.4%
<b>COASTER</b>	3.9%	15.7%	80.4%

*SANDAG Onboard Transit Passenger Survey - 2023*

**Questions?**

**STAFF REPORT**

**RECEIVE THE QUARTERLY SAFETY AND RISK MANAGEMENT  
REPORT FOR THE THIRD QUARTER OF FY2026**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Receive the quarterly Safety and Risk Management Report for the third quarter of FY2026 (January 1, 2026 – March 31, 2026).

**BACKGROUND  
INFORMATION:**

Safety and risk management are core values at North County Transit – San Diego Railroad (NCTD). The Safety Department provides the Board of Directors with quarterly updates on safety performance trends and metrics aligned with NCTD’s Public Transportation Agency Safety Plan (PTASP) and System Safety Plan (SSP). These updates support ongoing oversight of safety performance, identification and mitigation of emerging risks, and continuous improvement of NCTD’s safety and risk management practices.

**SAFETY REPORT:**

The Quarterly Safety Report (Safety Report) analyzes NCTD’s safety performance using the performance targets and goals listed in NCTD’s PTSAP, and the SSP. The areas where the safety performance targets and goals are not achieved guide NCTD in its risk-reduction strategies and allocation of resources. Because safety performance is tracked on a calendar year basis, the Q3 FY2026 report presents data and trends for the first quarter of calendar year 2026 (Q1-CY2026). Highlights are summarized below:

**Rail Performance Overview:**

- **Trespasser Activity:** COASTER and SPRINTER experienced a combined total of 30 near misses and trespass-related events during Q1-CY2026. NCTD continues to monitor trends related to trespassing, vehicle incursions, and unsafe behavior at grade crossings and stations. NCTD also continues coordinating with local jurisdictions to address recurring crossing and trespass activity along the rail corridor. The City of Vista is implementing safety improvements at the Vista Village Drive crossing, including refreshed pavement markings, updated traffic signal sequencing to hold left-turn traffic during SPRINTER preemptions, and installation of additional railroad warning signage. The City of Oceanside is advancing crossing safety improvements at College Boulevard, including refreshed roadway markings and future installation of a queue cutter traffic signal intended to reduce vehicle encroachment near the crossing.
- **System Reliability:** SPRINTER exceeded its system reliability target during Q1-CY2026, reporting 5,008 mean miles between major mechanical failures compared to the target of 4,500 miles.
- **Safety Metrics:** SPRINTER met all established PTASP safety performance targets during the reporting period, including major events, collisions, fatalities, injuries, transit worker safety, and system reliability. No fatalities, reportable injuries, or vehicular collisions were reported during Q3-CY2026.

## Bus Performance Overview:

- **Safety Metrics:** Bus operations met most PTASP safety performance targets during the reporting period, including zero fatalities, zero collisions, and low major event rates. Reportable injuries and assaults on transit workers remained areas of continued focus.
- **System Reliability:** LIFT exceeded its reliability target during Q3-CY2026, while BREEZE and FLEX fell below target thresholds and continue to be monitored by Operations and Maintenance staff.
- **Bicycle Events:** There were no events involving bicyclists during Q3-CY2026.

NCTD's Safety and Operations teams for rail and bus will continue to monitor and assess key elements impacting system reliability and will continue to manage and recover expected target goals over the remainder of the reporting year.

## System-Wide Safety Activities:

- **Safety Committees:** Rail and bus safety committees (14 members + union representatives per mode) met regularly to review incidents, rule compliance, injury trends, and efficiency testing. All PTASP and SSP modifications were reviewed and approved as required, along with updated target-setting for annual performance goals.
- **Voluntary Reporting:** The Safety Department tracks voluntary hazard reports submitted by rail and bus personnel. Reports are reviewed at monthly Safety Committee meetings, assessed for risk, and assigned corrective actions as appropriate. The Safety Department, and respective Committee (Bus/Rail) monitors each report through resolution.

## RISK MANAGEMENT REPORT:

Bus and Property incidents trended upward in Q3-FY2026. Increased emphasis on Non-Revenue Vehicle losses resulted in no liable incidents in Q3-FY2026.

## Risk Exposure Summary by Mode

### AUTO

- **Non-Revenue Vehicles (NRV)** – Increased emphasis on NRV awareness led to a second quarter with no claims. The first NRV Defensive Driving class on December 16, 2025 targeted departments with the highest accident rates. This topic was highlighted during the Risk Roundtable on February 24, 2026. In addition, Accident Investigation SOPs were updated to incorporate risk management, prevention, and mitigation guidance for key operational leadership across all departments emphasizing in-house operations.
- **Bus** – Q3 2026 recorded 14 bus incidents representing the highest total to date and exceeding Q4 2025's count of 11 incidents. Four of the 14 incidents involved onboard passenger injuries. These incidents have been reviewed with Safety and Operations. The

remaining 10 incidents involved minor property damage incidents, primarily involving parked vehicle strikes.

## **RAIL**

- **COASTER** – One COASTER incident was reported in January for an incident that occurred on July 2, 2025. The incident involves a non-fatal trespasser strike. The individual appears to have ignored the activated crossing gate and crossed into the right-of-way. Liability has been denied.
- **SPRINTER** – No SPRINTER incidents were reported in Q3.

## **PROPERTY**

“Property” refers to liability incidents involving damage to third-party property resulting from NCTD operations, contractor activities, or NCTD’s fixed assets, including facilities, equipment, or infrastructure.

The six incidents this quarter marks the second consecutive quarter of rising incidents. Q4 results will be closely monitored as three straight quarters would trigger a new benchmark warranting further risk investigation.

1. A non-labile incident occurred on the Inland Rail Trail near the Buena Creek SPRINTER station. The incident took place on July 20, 2025, but was not reported until January 20, 2026. A private party vehicle drove onto the trail and fatally struck a trespasser who was sleeping on the bridge along the trail. The incident has been referred to the County of San Diego for indemnification.
2. Two liable incidents involve the crossing gate on W. Ash St in San Diego descending quicker than intended onto vehicles resulting in minor property damage.
3. A non-labile crossing gate incident occurred on Beech St. in San Diego.
4. A non-labile bridge incident occurred involving a citizen towing a boat that struck the bridge on Witherby St. in San Diego claiming the posted height is incorrect. A field inspection verified that the posted clearance height is accurate, and the incident was denied.
5. The final incident involved a trip-and-fall on the sidewalk within the right-of-way near the Carlsbad Village COASTER station. The incident has been referred to the City of Carlsbad for indemnification.

**ATTACHMENT:** 3A – Quarterly Safety and Risk Management Report Q3-FY2026

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Lori A. Winfree, Deputy CEO/Chief General Counsel**  
E-mail: [lwinfree@nctd.org](mailto:lwinfree@nctd.org) Phone: 760-966-6532

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**



# Quarterly Safety and Risk Management Report

For the Period  
January 1, 2026 – March 31, 2026

## Table of Contents

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## **SAFETY DEPARTMENT REPORT**

### **SAFETY PLAN PERFORMANCE**

This report details the metrics used to measure the safety performance of North County Transit – San Diego Railroad’s (NCTD) various operating modes. The performance measures are those listed in NCTD’s Safety Plans. The Public Transportation Agency Safety Plan (PTASP) is applicable to NCTD’s Bus modes and SPRINTER Operations and specific safety metrics are required by the Federal Transit Administration (FTA). The System Safety Plan (SSP) and its broader goals is applicable to COASTER and SPRINTER as part of Federal Railroad Administration (FRA) regulations. All data is tracked on a calendar year basis to align with FTA and FRA requirements; thus, Q3 FY2026 report presents data and trends for the first quarter of calendar year 2026 (Q1-CY2026).

#### **Definitions:**

- **Reportable Injuries** are employee and passenger injuries that are reported to the National Transit Database (NTD). The threshold for what is considered reportable injuries according to NTD are those requiring medical transportation from the scene.
- **Major Events** are documented using the **S&S-40 Major Event Report** form and must be reported within 30 days of the incident.
  - **Major Event Reporting Thresholds for Rail Modes**  
An event qualifies as a Major Event if it meets the general definition of a reportable event **and** satisfies one or more of the following criteria:
    - **Fatality**: A death confirmed within 30 days of the incident, including suicides.
    - **Injury**: An injury requiring immediate medical attention away from the scene for one or more individuals.
    - **Serious Injury**: An injury that may not involve transport from the scene but meets the criteria for seriousness.
    - **Substantial Property Damage**: Damage that includes the towing of any vehicle due to disabling damage.
    - **Evacuation**: An evacuation conducted for life safety reasons or to the rail right-of-way.
    - **Runaway Train**: An uncontrolled movement of a train.
    - **Collisions**:
      - Between a rail transit vehicle and an individual.
      - At a grade crossing or intersection.
      - With another rail vehicle (revenue or non-revenue).
    - **Derailment**: A mainline or yard derailment involving revenue or non-revenue vehicles.
- **System Reliability** reflects calculations based on major mechanical failures as defined by the NTD, as compared to revenue vehicle miles.
- **Assault on a Transit Worker** is a circumstance in which an individual knowingly, without lawful authority or permission, and with intent to endanger the safety of any individual, or with a reckless disregard for the safety of human life, interferes with,

disables, or incapacitates a transit worker while the transit worker is performing the duties of the transit worker.

## **PUBLIC TRANSPORTATION AGENCY SAFETY PLAN**

The Public Transportation Agency Safety Plan (PTASP) is required by the Federal Transit Administration (FTA) in accordance with 49 CFR Part 673. The PTASP is a comprehensive document outlining how NCTD manages safety risks and ensures the effectiveness of its safety measures. It provides a roadmap for NCTD’s implementation of its Safety Management System (SMS), which details District efforts to proactively identify hazards, assess risks, and implement strategies to reduce the likelihood and severity of safety events. An essential component of the PTASP is annual target-setting for specified safety performance measures as identified in the National Safety Plan. NCTD establishes its annual calendar year goals for SPRINTER and BREEZE/FLEX/LIFT modes under FTA regulations.

### **SPRINTER PTASP CALENDAR YEAR 2026 SAFETY PERFORMANCE**

<b>Safety Performance Measure</b>	<b>Q1 2026 (Jan-Mar)</b>	<b>Cumulative CY2026</b>	<b>Goal for 2026</b>	<b>On Track for Goal?</b>
Measure 1a – Major Events	1	1	7	YES
Measure 1b – Major Event Rate	0.02	0.02	1.35	YES
Collisions	0	0	3	YES
Measure 1.1 – Collision Rate	0.00	0.00	0.06	YES
Pedestrian Collisions	0	0	2	YES
Measure 1.1.1 – Pedestrian Collision Rate	0.00	0.00	0.04	YES
Vehicular Collision	0	0	1	YES
Measure 1.1.2 – Vehicular Collision Rate	0	0.00	0.02	YES
Measure 2a – Fatalities	0	0	2	YES
Measure 2b – Fatality Rate	0.00	0.00	0.04	YES
Measure 2.1 – Transit Worker Fatality Rate	0.00	0.00	0.00	YES
Measure 3a – Injuries	0	0	3	YES
Measure 3b – Injury Rate	0.00	0.00	0.06	YES
Transit Worker Injuries	0	0	1	YES
Measure 3.1 – Transit Worker Injury Rate	0.00	0.00	0.02	YES
Measure 4a – Assaults on Transit Workers*	3	3	15	YES
Measure 4b – Rate of Assaults on Transit Workers	0.06	0.06	2.89	YES
Measure 5 – System Reliability SPRINTER	5,008	5,008	4,500	YES

All rates are based on 100,000 Vehicle Revenue Miles (VRM); 2026 VRM for SPRINTER is projected at 518,850

**BUS PTASP CALENDAR YEAR 2026 SAFETY PERFORMANCE**

<b>Safety Performance Measure</b>	<b>Q1 2026 (Jan-Mar)</b>	<b>Cumulative CY2026</b>	<b>Goal for 2026</b>	<b>On Track for Goal?</b>
Measure 1a – Major Events	0	0	8	YES
Measure 1b – Major Event Rate	0.00	0.00	0.12	YES
Collisions	0	0	4	YES
Measure 1.1 – Collision Rate	0.00	0.00	0.06	YES
Pedestrian Collisions	0	0	0	YES
Measure 1.1.1 – Pedestrian Collision Rate	0.00	0.00	0.00	YES
Vehicular Collision	0	0	4	YES
Measure 1.1.2 – Vehicular Collision Rate	0	0.0	0.06	YES
Measure 2a – Fatalities	0	0	0	YES
Measure 2b – Fatality Rate	0.00	0.00	0.00	YES
Measure 2.1 – Transit Worker Fatality Rate	0.00	0.00	0.00	YES
Measure 3a – Injuries	4	4	15	YES
Measure 3b – Injury Rate	0.06	0.06	0.24	YES
Transit Worker Injuries	2	2	2	YES
Measure 3.1 – Transit Worker Injury Rate	0.03	0.03	0.03	YES
Measure 4a – Assaults on Transit Workers*	7	7	20	YES
Measure 4b – Rate of Assaults on Transit Workers	0.11	0.11	0.30	YES
Measure 5 – System Reliability BREEZE	13,110	13,110	14,000	NO
Measure 5 – System Reliability LIFT	201,309	201,309	45,000	YES
Measure 5 – System Reliability FLEX	12,524	12,524	50,000	NO

All rates are based on 100,000 Vehicle Revenue Miles (VRM); 2026 VRM for BREEZE, LIFT and FLEX is projected at 6,622,702

## SYSTEM SAFETY PLAN

The SSP is developed in accordance with Federal Railroad Administration (FRA) regulations as detailed 40 CFR Part 270. The purpose of the SSP is to improve railroad safety through structured, proactive processes and procedures developed and implemented by NCTD that supports risk management and provides methods for evaluating and responding to all safety issues. NCTD develops annual safety performance goals, which are critical to operational safety improvements. The SSP covers both COASTER and SPRINTER. SPRINTER operations and maintenance fall under FTA regulations, because the railroad track on which it operates is regulated by the FRA, it is covered under both PTASP and SSP requirements.

### COASTER AND SPRINTER 2026 SAFETY PERFORMANCE

- 1. Zero Fatalities, Serious Injuries, and Significant Accidents:** This goal helps ensure mitigation of any risks with a severity level that could result in the death of a passenger or employee, serious injury to a passenger or employee, or an accident that would trigger an independent investigation by a regulator (FRA or FRA) or the National Transportation Safety Board (NTSB).

	Jan	Feb	March
Death of a passenger or employee	0	0	0
Serious injury to a passenger or employee	0	0	0
Accident that would trigger an independent investigation by a regulator (FRA or FRA) or the NTSB	0	0	0

- 2. Reduce Employee Injury Rate** The aim of this goal is to reduce the employee injury by at least 5% year-over-year. A year-over-year comparison will be provided upon completion of CY2026.

	Jan	Feb	March
Employee Injuries - COASTER	0	1	0
Employee Injuries - SPRINTER	0	0	0
Employee Injuries - OTHER	1	0	0

- 3. Reduce Near Misses and Trespasser Strikes:** This goal aims to reduce near-miss events and trespasser strikes by 5% year-over-year. Near misses and other trespasser events are not only safety issues, but they also create unnecessary stress for employees and unnecessary delays for passengers. A year-over-year comparison will be provided upon completion of CY2026.

	Jan	Feb	March
Near Misses - COASTER	10	7	5
Near Misses - SPRINTER	2	5	1
Trespasser Strikes - COASTER	0	0	0
Trespasser Strikes - SPRINTER	0	0	0

- 4. Voluntary Hazard Reporting:** This goal aims to increase the number of hazards reported by 20% year-over-year. A year-over-year comparison will be provided upon completion of CY2026.

	Jan	Feb	March
Rail Related Hazard Reports	0	0	0

### EXTERNAL REGULATORY INSPECTIONS

The table below reflects inspections completed by external regulatory agencies, such as the FRA, California Public Utilities Commission, and California Highway Patrol.

External Safety Inspection Activity	Number of Inspections Completed (January - March)	Number of Defects (January - March)
Bus Compliance	0	0
Rail Compliance	4	0
Construction/Facilities	0	0
Total	4	0

### INTERNAL SAFETY DEPARTMENT INSPECTIONS

The table below reflects inspections completed by NCTD Safety Department staff. These proactive inspections are a critical component of regulatory compliance and help to support NCTD’s culture of compliance.

Internal Safety Inspection Activity	Number of Inspections Completed (January - March)
Bus Compliance	27
Rail Compliance	24
Construction/Facilities	8
Total	59

## **SAFETY COMMITTEE ACTIVITIES – BUS AND RAIL**

NCTD maintains two separate Safety Committees, one for Bus and one for Rail. These Committees fulfill essential oversight functions as required under the FTA’s PTASP regulations (49 CFR Part 673), the FRA’s operational testing rules (49 CFR Part 217), and the California Public Utilities Commission’s General Order 164-E. Each committee includes 14 appointed members with designated alternates, as well as two local union representatives, providing a diverse and representative forum for safety oversight.

During Q1 – CY2026, the Committees met to review recent safety incidents, analyze trends in preventable collisions, passenger injuries, and rule violations, and monitor efficiency testing performance. In accordance with FTA requirements, the Committees established CY2026 goals for the Safety Performance Targets. Members also evaluated the implementation of corrective actions stemming from internal hazard reports, audits, and field observations. Importantly, the committees are also responsible for reviewing and approving all modifications to the PTASP and SSP, ensuring that policy updates align with current operational needs and evolving regulatory standards. These meetings support NCTD’s commitment to a proactive safety culture and continuous improvement across all transit modes.

## **RISK MANAGEMENT REPORT**

This section summarizes key risk management findings, emerging risks, and notable changes since the prior quarter. Example highlights may include claim frequency trends, high-severity events, or successful mitigation initiatives.

### **Key Metrics**

#### **AUTO**

<b>NON-REVENUE VEHICLES (NRV)</b>	<b>Q1 2026</b>
Claims	0
Open	0
Closed	0

<b>BUS</b>	<b>Q1 2026</b>
Claims	14
Open	7
Closed	7

**RAIL**

<b>COASTER</b>	<b>Q1 2026</b>
Claims	1
Open	1
Closed	0

<b>SPRINTER</b>	<b>Q1 2026</b>
Claims	0
Open	0
Closed	0

**PROPERTY**

	<b>Q1 2026</b>
Claims	6
Open	2
Closed	4

**Risk Exposure Summary by Mode**

**AUTO**

**Non-Revenue Vehicles (NRV)** – Increased emphasis on NRV awareness led to a second quarter with no claims. The first NRV Defensive Driving class on December 16, 2025 targeted departments with the highest accident rates. This topic was highlighted during the Risk Roundtable on February 24, 2026. In addition, Accident Investigation SOPs were updated to incorporate risk management, prevention, and mitigation guidance for key operational leadership across all departments emphasizing in-house operations.

**Bus** – Q1 2026 recorded 14 bus incidents representing the highest total to date and exceeding Q4 2025’s count of 11 incidents. Four of the 14 incidents involved onboard passenger injuries. These incidents have been reviewed with Safety and Operations. The remaining 10 incidents involved minor property damage incidents, primarily involving parked vehicle strikes.

**RAIL**

**COASTER** – One COASTER incident was reported in January for an incident that occurred on July 2, 2025. The incident involves a non-fatal trespasser strike. The individual appears to have ignored the activated crossing gate and crossed into the right-of-way. Liability has been denied.

**SPRINTER** – No SPRINTER incidents were reported in Q1.

## **PROPERTY**

“**Property**” refers to liability incidents involving damage to third-party property resulting from NCTD operations, contractor activities, or NCTD’s fixed assets, including facilities, equipment, or infrastructure.

The six incidents this quarter mark the second consecutive quarter of rising incidents. Q2 results will be closely monitored as three straight quarters would trigger a new benchmark warranting further risk investigation.

1. A non-labile incident occurred on the Inland Rail Trail near the Buena Creek SPRINTER station. The incident took place on July 20, 2025, but was not reported until January 20, 2026. A private party vehicle drove onto the trail and fatally struck a trespasser who was sleeping on the bridge along the trail. The incident has been referred to the County of San Diego for indemnification.
2. Two liable incidents involve the crossing gate on W. Ash St in San Diego descending quicker than intended onto vehicles resulting in minor property damage.
3. A non-labile crossing gate incident occurred on Beech St in San Diego.
4. A non-labile bridge incident occurred involving a citizen towing a boat that struck the bridge on Witherby St. in San Diego claiming the posted height is incorrect. A field inspection verified that the posted clearance height is accurate, and the incident was denied.
5. The final incident involved a trip-and-fall on the sidewalk within the right-of-way near the Carlsbad Village COASTER station. The incident has been referred to the City of Carlsbad for indemnification.

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

Agenda  
Item #  
**4**

**STAFF REPORT**

**RECEIVE THE QUARTERLY SECURITY REPORT FOR THE THIRD QUARTER OF FY2026**

Time Sensitive:  Consent:

**STAFF  
RECOMMENDATION:**

Receive the Security Department Quarterly Report for the third quarter of FY2026 (January 1, 2026, through March 31, 2026).

**BACKGROUND  
INFORMATION:**

Fostering and maintaining safe and secure operations is one of the North County Transit – San Diego Railroad’s (NCTD) primary goals. Staff provides the NCTD Board of Directors with a quarterly update covering law enforcement and security-related activities, including crimes, arrests, and citations.

**Law Enforcement Activities:**

The Transit Enforcement Services Unit (TESU) is staffed through a contract with the San Diego County Sheriff’s Department. This dedicated team of deputies provides proactive patrols, responds to reported crimes throughout the transit system, and conducts investigations of incidents that occur within the entire network. TESU focused its efforts on both SPRINTER and BREEZE details during FY2026-Q3. Overall final numbers for TESU resulted in 263 arrests across NCTD. This reflects an 18% decrease in total arrests for FY2026-Q2 compared to the previous quarter.

**Loitering/Vagrancy:**

During the third quarter of FY2026 (FY2026-Q3), security incidents related to quality-of-life issues such as loitering/vagrancy decreased by 10%, trespassing increased by 15%, and homeless encampments increased by 25% compared to the second quarter of FY2026 (FY2026-Q2).

**Assaults Against Employees:**

During the month of January, there were four reported physical assaults against transit employees. In February, there was one reported physical assault against a transit employee. In March, there were eight reported physical assaults against transit employees. NCTD continues to work with TESU and local law enforcement to address perpetrators of these assaults whenever possible.

The attached Security Department Quarterly Report provides the details and statistics of the performance metrics for the quarter.

**ATTACHMENT:**

4A – FY2026-Q3 Security Department Quarterly Report

**FISCAL IMPACT:**

This staff report has no fiscal impact.

**COMMITTEE REVIEW:**

None

**STAFF CONTACT:**

**Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel**  
E-mail: lwinfree@nctd.org Phone: (760) 966-6532



**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**



# Quarterly Security Report

For the Period  
January 1, 2026 – March 31, 2026  
(Q3 of FY2026)

## SECURITY DEPARTMENT REPORT

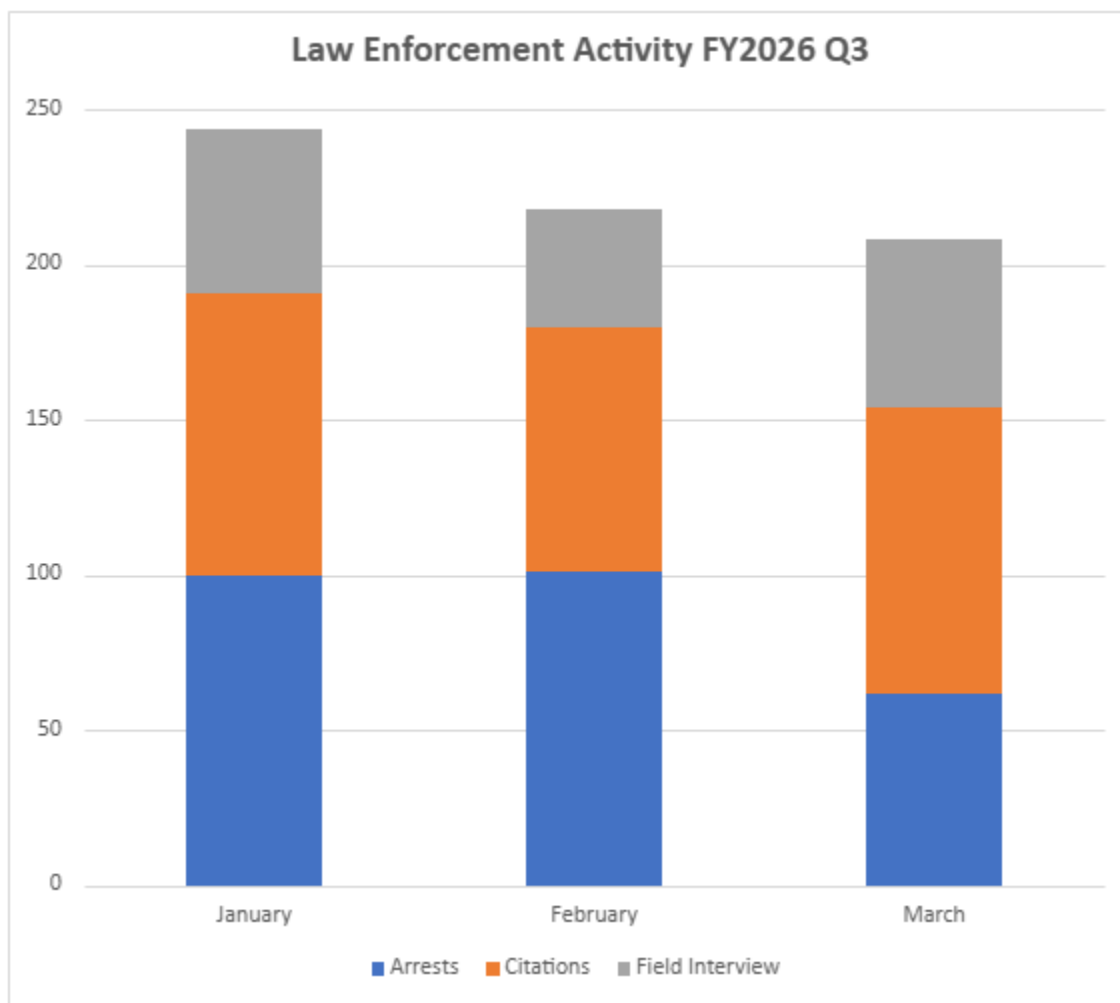
**North County Transit – San Diego Railroad (NCTD)** places a high priority on providing a safe and secure environment for employees, contractors, passengers, and members of the public. To support this effort, NCTD contracts with the San Diego Sheriff's Department for law enforcement services and with Inter-Con Security for on-call security officers. NCTD Security also collaborates with local law enforcement agencies within the various jurisdictions it serves. Additionally, NCTD directly employs Control Center Technicians who provide 24-hour CCTV monitoring, as well as field-based Code Compliance Inspectors who support ordinance enforcement.

NCTD Security incorporates several data-driven processes to analyze a wide range of safety and security-related issues. Using this data, the NCTD Security Department formulates solutions to existing problems, anticipates future challenges, and develops programs and initiatives aimed at continuous improvement. The following sections provide an overview of the data NCTD utilizes to support system-wide security.

### Transit Enforcement Services Unit:

The Transit Enforcement Services Unit (TESU) is staffed through a contract with the San Diego County Sheriff’s Department. This dedicated team of deputies provides proactive patrols, responds to reported crimes throughout the transit system, and conducts investigations of incidents that occur within the entire network. The unit is composed of one Sergeant, two Corporals, and eight Deputies. Overall final numbers for TESU resulted in 263 arrests, 262 citations and 145 field interviews.

The chart below summarizes TESU’s arrests, citations, and field interviews for the third quarter of FY2026.

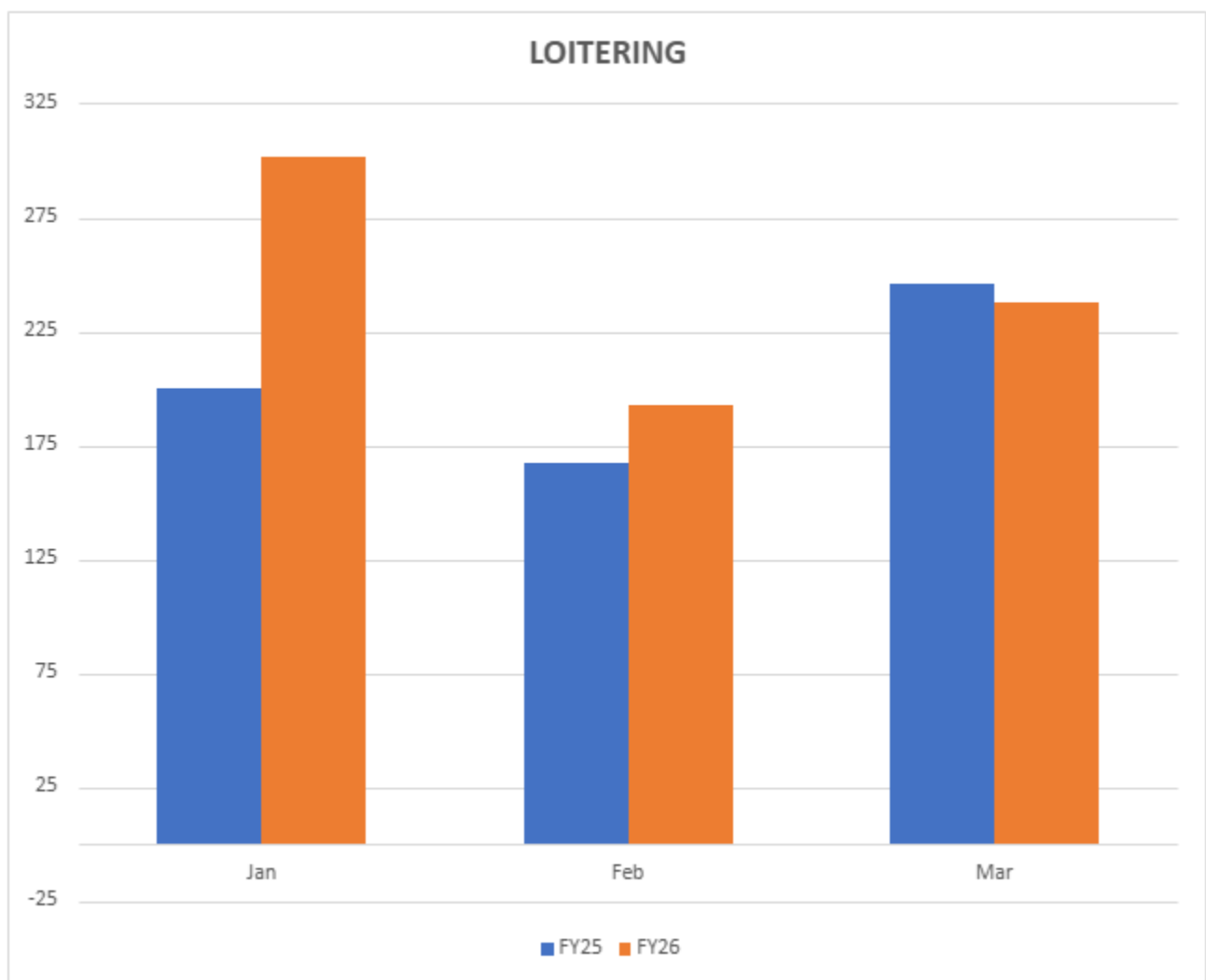


## Loitering / Vagrancy

The following chart represents reported loitering and vagrancy incidents during Q3–FY2026. The first chart displays the number of incidents for the quarter, alongside data from FY2025 for comparison.

NCTD’s direct and contracted security personnel continue to focus their efforts on reducing overall incidents, with particular attention to high-activity areas such as the Oceanside Transit Center (OTC) and the Escondido Transit Center (ETC), both of which are staffed 24/7 by Inter-Con Security.

During Q3–FY2026, Inter-Con Security handled 52% of all loitering and vagrancy contacts, the majority of which occurred at OTC and ETC that made up 57% of the total reported loitering and vagrancy calls.

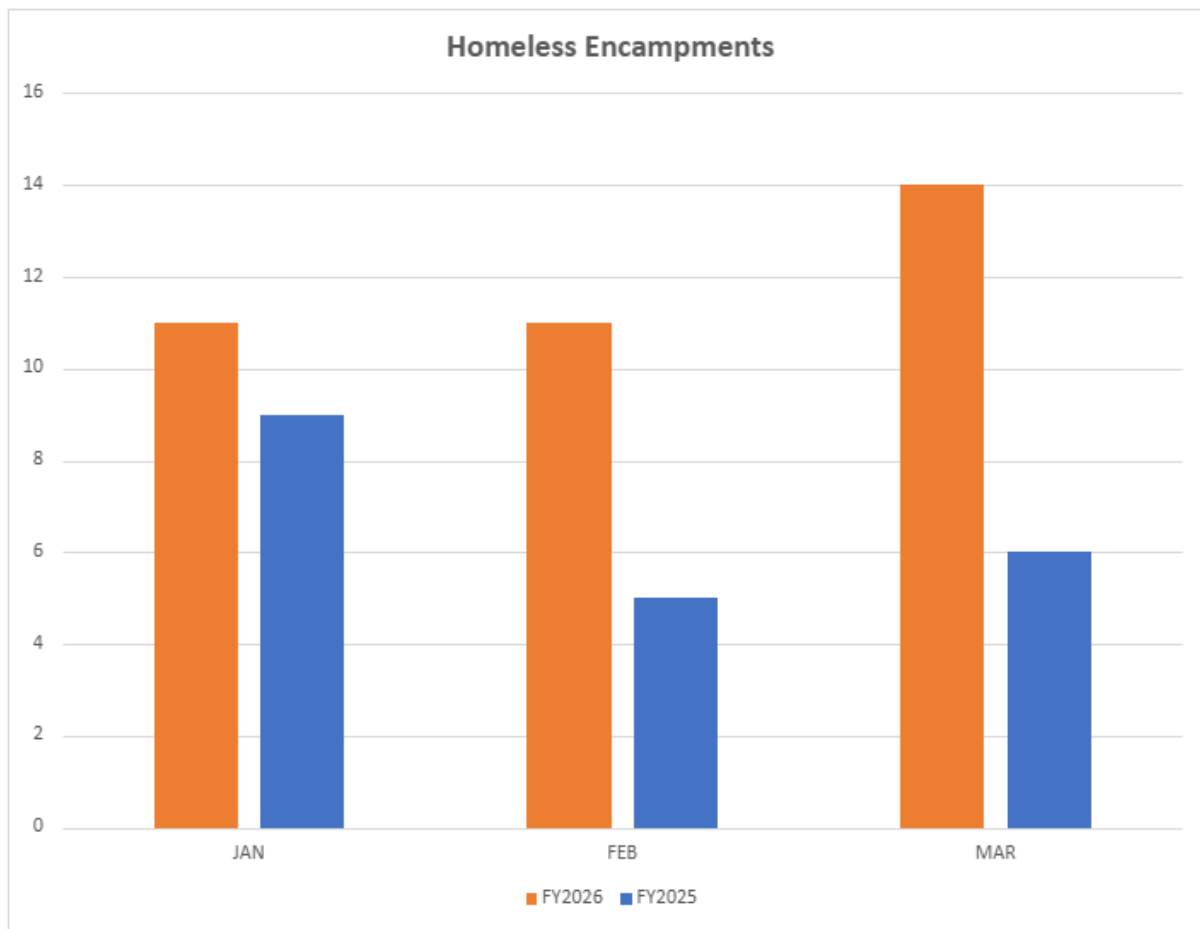


## Homeless Encampments

The following chart show reported homeless encampments across the NCTD system during Q3–FY2026. The chart presents the total number of encampments identified during the quarter, along with comparative data from FY2025.

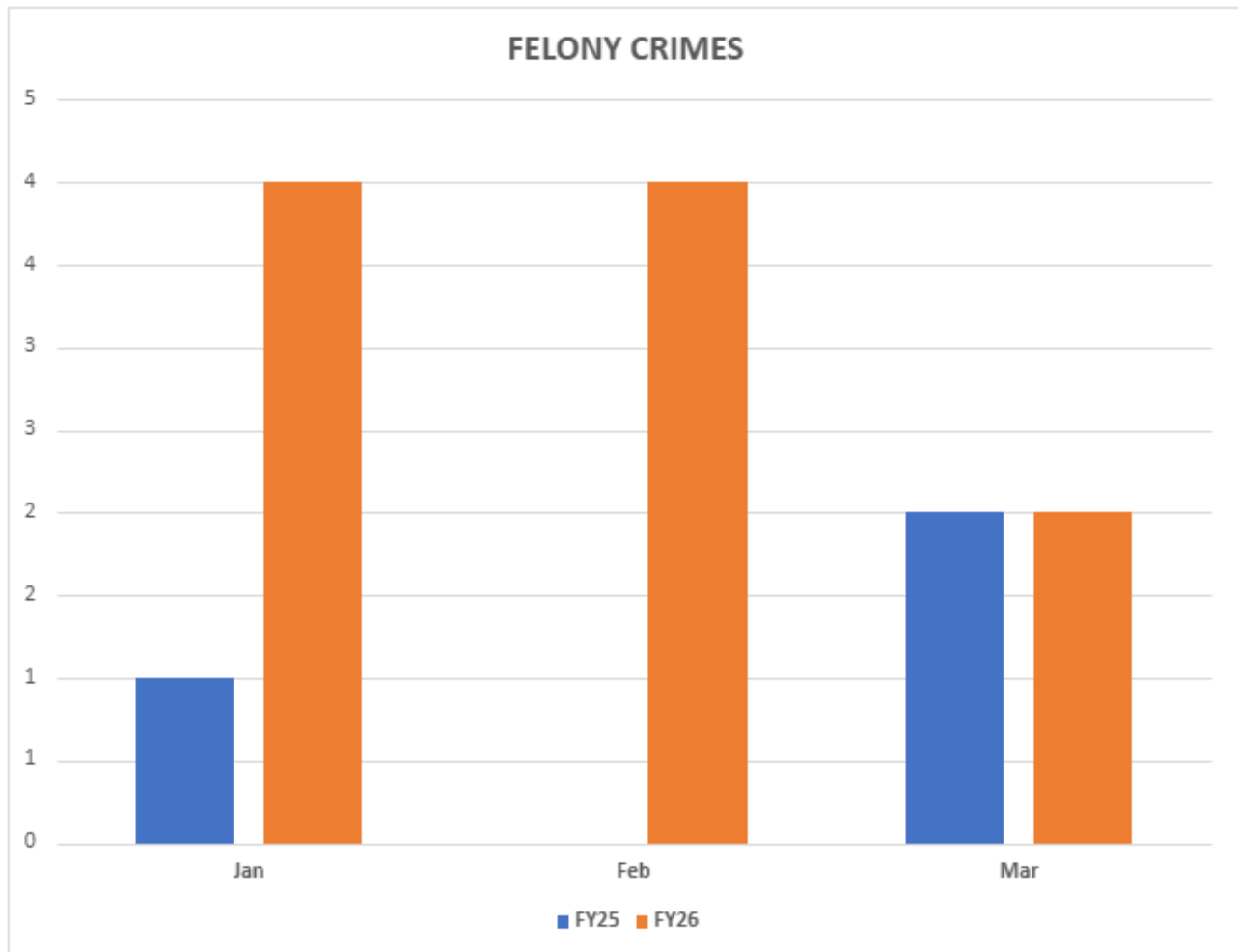
NCTD Security aims to have encampments removed within 72 hours after a notice to vacate has been issued to the occupants. NCTD's Code Compliance Inspectors and TESU Deputies work collaboratively to identify encampments, issue notices, and coordinate their removal.

TESU Deputies also conduct ongoing directed patrols along the San Diego Subdivision, which continues to experience the highest concentration of encampments.



## Felony Crimes

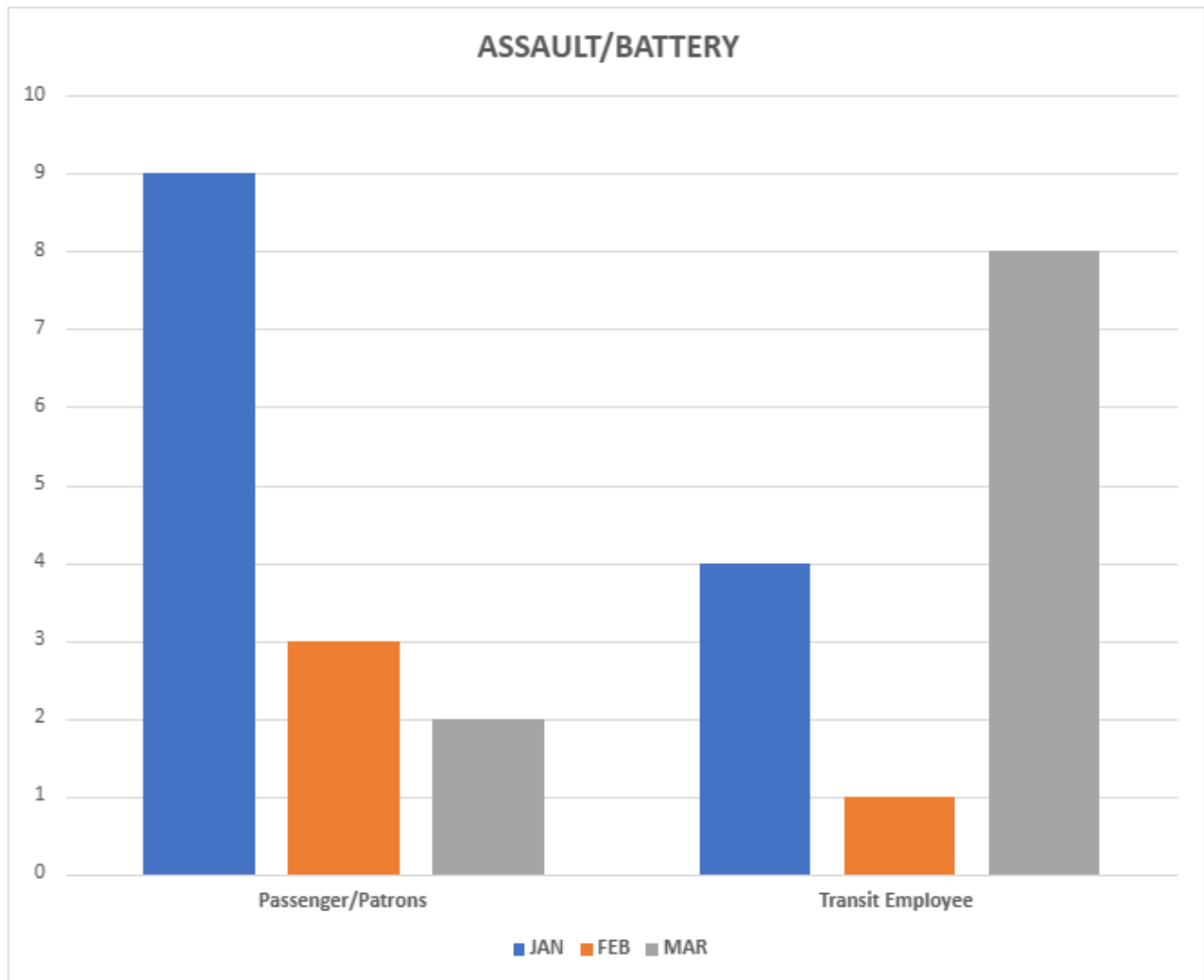
The following chart represents major felony crimes reported to NCTD and its contracted law enforcement agencies that occurred on NCTD property during Q3–FY2026. Four felony crimes were reported on NCTD property were reported during the months of January and February 2026. There were two felony crimes reported in the month of March 2026. Reported crimes include assault, battery, theft, and vandalism. All felony crimes are referred to local law enforcement agencies for investigation.



### ASSAULTS/BATTERY

The following chart represents incidents of assault and battery that occurred on NCTD property or transit modes during Q3 of FY2026. The data is categorized by victims: Employees/Contractors and Passengers/Patrons. All assault and battery incidents are reported to security and referred either to local law enforcement or to TESU for further investigation when the victim chooses to pursue charges.

In January, there were nine reported assaults involving passengers and four involving transit employees. In February, three passenger assaults and one employee assault were reported. In March, there were two passenger assaults and eight employee assaults.



**STAFF REPORT**

**RECEIVE THE UNAUDITED QUARTERLY INVESTMENT REPORT FOR THE THIRD QUARTER OF FY2026**

Time Sensitive:  Consent:

**STAFF  
RECOMMENDATION:**

Receive the Unaudited Quarterly Investment Report for the Third Quarter of FY2026 (January 1, 2026 through March 31, 2026).

**BACKGROUND  
INFORMATION:**

Pursuant to the North County Transit – San Diego Railroad (NCTD) Board Policy No. 9, *Investment Policy* (Board Policy No. 9), the Chief Financial Officer, acting as NCTD’s Treasurer, submits a Quarterly Investment Report to the Board of Directors (Board). The Quarterly Investment Report provides unaudited information on investment portfolio performance and includes a listing of the current investment portfolio, the compliance or non-compliance of the investments with the investment policy, and the ability of the investment portfolio to provide the necessary liquidity to meet the expenditure requirements of NCTD for the next six months. The table below lists NCTD’s cash and investment balances as of March 31, 2026:

Cash and Investments	Book Value	Market Value	Annual Yield
State of California Local Agency Investment Fund (LAIF)	\$67,177,733	\$67,177,733	4.21%
County of San Diego Investment Pool	\$40,412,329	\$40,412,329	3.70%
JPMorgan Chase Checking	\$5,280,728	\$5,280,728	1.50%
<b>Total Cash and Investments</b>	<b>\$112,870,790</b>	<b>\$112,870,790</b>	<b>3.90%</b>

The LAIF and County of San Diego investments are liquid and funds may be accessed for immediate needs. As required by Board Policy No. 9, the Chief Financial Officer, as Treasurer, certifies that the investment portfolio is in compliance with NCTD’s Board of Directors’ investment policy. The Treasurer also certifies that the investment portfolio provides the necessary liquidity to meet NCTD’s expenditures for the next six months, provided that grant-funding authorities continue to disburse funds to NCTD on a timely basis.

The variance between cash and investments per this report and the Statement of Financial Position amount as of March 31, 2026, for Cash and Investments, is related to cash held in ticket vending machines, petty cash, cash in transit held by armored services, and cash managed by third parties for claims payments. The table below summarizes the balance of cash and investments and annual investment yield on March 31, 2026, compared to March 31, 2025.

	3/31/2026	3/31/2025	Change %
Cash and Investments	\$112,870,790	\$124,677,040	-9.47%
Annual Investment Yield	3.90%	4.21%	-7.36%

For the quarter ended March 31, 2026, LAIF reported a quarterly yield of 3.98% and the San Diego County Investment Pool reported an annualized yield of 3.90% for its entire portfolio.

**ATTACHMENT:** None

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Eun Park-Lynch, Chief Financial Officer**  
E-mail: [eparklynch@nctd.org](mailto:eparklynch@nctd.org) Phone: 760-967-2858

**STAFF REPORT** | **RECEIVE THE UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER OF FISCAL YEAR 2026**

**Time Sensitive:**  **Consent:**

**STAFF RECOMMENDATION:** Receive the unaudited Quarterly Financial Report for the third quarter of fiscal year 2026 (Q3-FY2026) (January 1, 2026 through March 31, 2026).

**BACKGROUND INFORMATION:** The attached Financial Report provides unaudited financial information that includes the Statements of Net Position; Statements of Revenue, Expenses, and Changes in Net Position; Statements of Revenues and Expenses by Department; Fare Recovery Ratios; Sources of Operating Grants Revenue; and a financial performance narrative explaining the significant variances between actual results compared to the same period in the prior year and to the budget. Below are some of the financial highlights for Q3-FY2026:

- Cash and investments of \$113.1 million as of March 31, 2026
- Operating income of \$0.5 million for the first nine months of FY2026 (excluding depreciation and gain on disposal of assets)
- Operating expenses were lower by \$5.3 million compared to the budget (excluding depreciation) for the first nine months of FY2026
- Capital projects expenditures of \$31.9 million for the first nine months of FY2026

**ATTACHMENT:** 6A – Q3-FY2026 Financial Report

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Eun Park-Lynch, Chief Financial Officer**  
E-mail: eparklynch@nctd.org Phone: 760-967-2858

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

**ATTACHMENT 6A**



**UNAUDITED QUARTERLY  
FINANCIAL REPORT**

**For the Period  
January 1, 2026 – March 31, 2026  
(FY2026-Q3)**

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## FINANCIAL PERFORMANCE

### Report Highlights

Cash and investments were \$113.1 million as of March 31, 2026. For the nine months ended March 31, 2026, net operating income was \$0.5 million (excluding depreciation and gain on disposal of assets) and operating expenses (excluding depreciation, which is not budgeted) were lower by \$5.3 million compared to the budget.

### Comparison to the Same Quarter of the Prior Year

Operating revenues for the first nine months of FY2026 were lower by \$0.4 million compared to the same period in FY2025. While fare revenues continue to increase year-to-year, on the other hand, the federal alternative fuel excise tax credit for NCTD's use of renewable natural gas expired on December 31, 2024, which had previously generated \$0.5 million for the first six months in FY2025.

Total operating expenses, excluding depreciation, were higher by \$9.5 million for the first nine months of FY2026 compared to the same period in FY2025, most notably in bus operations and maintenance. Bus operators received wage increases of 10% from the labor agreements previously with MV Transportation. Additionally, effective on October 1, 2025, NCTD executed labor agreements with multiple bargaining units for bus operations and maintenance employees, which resulted in increased wages. Vehicle maintenance costs for bus operations increased due to higher prices caused by tariffs and the augmentation of inventory of essential parts at the beginning of the fiscal year to ensure that sufficient parts were in stock to minimize bus downtime.

Non-operating revenues and expenses consist primarily of federal, state, and local grants utilized to fund transit operations and preventive maintenance; of which most grant revenues are earned as expenses are incurred.

### Comparison to Budget

Operating revenues were higher than budget by \$0.5 million mainly due to higher credits from the Low Carbon Fuel Standard (LCFS) and Renewable Identification Number (RIN) programs associated with the renewable natural gas used on BREEZE buses, and higher reimbursements under shared use agreements for use of NCTD's rail right-of-way.

Operating expenses for the first nine months of FY2026 (excluding depreciation which is not budgeted) were lower than budget by \$5.3 million. Cost of materials and overhauls for COASTER and SPRINTER vehicles are under budget by \$1.8 million and have been deferred to FY2027 (these costs are included in the proposed operating budget for FY2027). Other professional and contracted maintenance services (mainly in engineering, maintenance of way, facilities, and information technology) have not yet materialized in the fiscal year.

The recent Iran conflict that started in late February 2026 have caused oil prices to increase significantly, which affects the cost for diesel for COASTER and SPRINTER; however, due to the conservative FY2026 budget, cumulative fuel expenses through March 31, 2026 remain within the budgeted levels.

## STATEMENTS OF NET POSITION

	June 30, 2025 (Audited)	September 30, 2025 (Unaudited)	December 31, 2025 (Unaudited)	March 31, 2026 (Unaudited)
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 131,089,669	\$ 108,939,572	\$ 112,307,652	\$ 113,099,213
Investments with fiscal agent	1,832,522	1,835,133	1,839,444	1,836,694
Accounts receivable	4,415,770	4,295,307	3,947,142	4,114,673
Grants receivable	46,237,276	25,920,915	28,558,450	23,071,845
Lease receivables	284,867	284,867	284,867	284,867
Parts and supplies inventory, net of reserve	1,925,178	1,925,178	1,925,178	1,925,178
Prepaid expenses	3,762,696	5,041,858	5,262,367	6,557,648
Restricted cash	84,603,956	79,323,142	79,609,973	75,957,433
Total current assets	<u>274,151,934</u>	<u>227,565,972</u>	<u>233,735,073</u>	<u>226,847,551</u>
Noncurrent assets				
Lease receivables - due in more than one year	17,222,178	17,222,178	17,222,178	17,222,178
Capital assets				
Nondepreciable capital assets	250,726,032	260,666,703	264,746,483	273,613,231
Depreciable capital assets, net of accumulated depreciation	509,004,534	490,012,923	478,477,586	459,214,833
Right-to-use assets, net of accumulated amortization	7,213,410	7,213,410	7,213,410	7,213,410
Total capital assets	<u>766,943,976</u>	<u>757,893,036</u>	<u>750,437,479</u>	<u>740,041,474</u>
<b>Total assets</b>	<b><u>1,058,318,088</u></b>	<b><u>1,002,681,186</u></b>	<b><u>1,001,394,730</u></b>	<b><u>984,111,203</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated decrease in fair value of interest rate swap	698,330	698,839	642,493	613,869
Outflows of resources related to pension	9,480,232	9,480,232	9,480,232	9,480,232
Outflows of resources related to OPEB	321,733	321,733	321,733	321,733
<b>Total deferred outflows of resources</b>	<b><u>10,500,295</u></b>	<b><u>10,500,804</u></b>	<b><u>10,444,458</u></b>	<b><u>10,415,834</u></b>
<b>LIABILITIES</b>				
Current liabilities payable from current assets				
Accounts payable	52,574,690	18,452,782	18,829,636	12,604,215
Accrued liabilities	1,746,222	3,510,881	2,345,096	4,299,891
Deposits payable	192,844	156,720	156,720	156,720
Certificates of participation - due within one year	1,450,000	-	-	-
Lease payable - due within one year	352,376	352,376	352,376	352,376
SBITA payable - due within one year	1,608,202	1,608,202	1,608,202	1,608,202
Unearned grant revenue - due within one year	25,614,585	27,469,112	27,776,760	27,784,845
Claims payable - due within one year	659,822	659,822	659,822	659,822
Compensated absences - due within one year	2,200,046	2,662,973	3,236,394	3,515,498
Other postemployment benefits liability - due within one year	140,000	140,000	140,000	140,000
Total current liabilities payable from current assets	<u>86,538,787</u>	<u>55,012,868</u>	<u>55,105,006</u>	<u>51,121,569</u>
Noncurrent liabilities				
Certificates of participation - due in more than one year	14,900,000	14,900,000	14,900,000	14,900,000
Lease payable - due in more than one year	283,819	283,819	283,819	283,819
SBITA payable - due in more than one year	4,808,914	4,808,914	4,808,914	4,808,914
Unearned grant revenue - due in more than one year	126,182,991	121,853,053	121,506,455	117,049,166
Claims payable - due in more than one year	1,944,454	1,944,454	1,944,454	1,944,454
Compensated absences - due in more than one year	47,231	47,231	80,479	72,592
Other postemployment benefits liability - due in more than one year	3,720,890	3,720,890	3,720,890	3,720,890
Net pension liability	42,969,550	39,034,183	39,034,183	39,034,183
Negative fair value of interest rate swap	698,330	698,839	642,493	613,869
Total noncurrent liabilities	<u>195,556,179</u>	<u>187,291,383</u>	<u>186,921,687</u>	<u>182,427,887</u>
<b>Total liabilities</b>	<b><u>282,094,966</u></b>	<b><u>242,304,251</u></b>	<b><u>242,026,693</u></b>	<b><u>233,549,456</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Inflows of resources related to leases	15,717,305	15,717,305	15,717,305	15,717,305
Inflows of resources related to OPEB	904,077	904,077	904,077	904,077
<b>Total deferred inflows of resources</b>	<b><u>16,621,382</u></b>	<b><u>16,621,382</u></b>	<b><u>16,621,382</u></b>	<b><u>16,621,382</u></b>
<b>NET POSITION</b>				
Net investment in capital assets	728,982,659	735,939,725	728,484,168	718,088,163
Unrestricted position	41,119,376	18,316,632	24,706,945	26,268,036
<b>Total net position</b>	<b><u>\$ 770,102,035</u></b>	<b><u>\$ 754,256,357</u></b>	<b><u>\$ 753,191,113</u></b>	<b><u>\$ 744,356,199</u></b>

### Significant Balances

Significant balances as of each period are as follows:

	<b>June 30, 2025 (Audited)</b>	<b>September 30, 2025 (Unaudited)</b>	<b>December 31, 2025 (Unaudited)</b>	<b>March 31, 2026 (Unaudited)</b>
<b>Assets</b>				
Cash and investments	\$ 131,089,669	\$ 108,939,572	\$ 112,307,652	\$ 113,099,213
Receivables	50,937,913	30,501,089	32,790,459	27,471,385
Restricted cash	84,603,956	79,323,142	79,609,973	75,957,433
Capital assets, net	766,943,976	757,893,036	750,437,479	740,041,474
<b>Liabilities</b>				
Accounts payable	52,574,690	18,452,782	18,829,636	12,604,215
Unearned grant revenue	151,797,576	149,322,165	149,283,215	144,834,011
Certificates of participation	16,350,000	14,900,000	14,900,000	14,900,000
Net pension liability	42,969,550	39,034,183	39,034,183	39,034,183
Net position	770,102,035	754,256,357	753,191,113	744,356,199

### Accounts Receivable

The balances in accounts receivable are comprised of the following amounts:

	<b>June 30, 2025 (Audited)</b>	<b>September 30, 2025 (Unaudited)</b>	<b>December 31, 2025 (Unaudited)</b>	<b>March 31, 2026 (Unaudited)</b>
Shared Use Agreements	\$ 1,565,466	\$ 780,006	\$ 1,470,539	\$ 1,285,468
Interest	1,454,061	1,118,776	1,288,255	1,190,381
Fare Revenue	571,629	1,628,182	499,668	1,181,612
Low Carbon Fuel Standards (LCFS) credits	362,000	421,602	322,000	339,000
Other	462,614	346,741	366,680	118,212
	<u>\$ 4,415,770</u>	<u>\$ 4,295,307</u>	<u>\$ 3,947,142</u>	<u>\$ 4,114,673</u>

As of March 31, 2026, the net outstanding balance past 90 days was \$42,915.

**Grants Receivable**

Grants Receivable represents reimbursement requests for projects being funded by federal, state, and local grants. The balances in grants receivable are comprised of the following amounts:

	June 30, 2025 (Audited)	September 30, 2025 (Unaudited)	December 31, 2025 (Unaudited)	March 31, 2026 (Unaudited)
State Controller's Office	\$ 2,876,091	\$ 3,899,606	\$ 4,652,923	\$ 7,832,900
Federal Transit Administration	27,606,499	14,161,710	12,321,964	6,540,746
California State Transportation Agency (CalSTA)	2,099,325	2,321,952	2,159,095	3,756,334
San Diego Association of Governments	1,942,206	1,117,128	2,898,772	1,846,689
California Department of Transportation (Caltrans)	4,883,354	1,984,378	1,918,008	1,421,498
Federal Railroad Administration	735,615	73,039	208,832	603,971
California Energy Commission	1,520,043	1,517,294	1,517,294	-
Clean Truck and Bus Vouchers (HVIP)	2,064,000	516,000	-	-
Other	2,510,143	329,808	2,881,562	1,069,707
	<u>\$ 46,237,276</u>	<u>\$ 25,920,915</u>	<u>\$ 28,558,450</u>	<u>\$ 23,071,845</u>

**Accounts Payable**

The balances in accounts payable are comprised of the following amounts:

	June 30, 2025 (Audited)	September 30, 2025 (Unaudited)	December 31, 2025 (Unaudited)	March 31, 2026 (Unaudited)
Repairs and Maintenance	\$ 5,339,421	\$ 3,919,379	\$ 2,691,177	\$ 3,248,526
Fuel and Lubricants	1,428,852	1,985,634	2,229,707	2,790,981
Capital Projects	23,611,550	2,418,968	3,894,100	1,502,790
Other	2,934,027	1,388,260	1,303,602	1,165,036
Security	1,061,365	1,552,679	1,614,267	1,157,784
Utilities	1,304,669	1,088,878	1,147,858	1,153,284
IT, Software, and Licenses	1,437,613	746,441	1,227,585	1,096,334
Purchased Transportation	14,971,596	4,518,589	1,192,762	448,622
Payroll and Benefits Liabilities	485,597	833,954	884,495	40,858
Insurance	-	-	2,644,083	-
	<u>\$ 52,574,690</u>	<u>\$ 18,452,782</u>	<u>\$ 18,829,636</u>	<u>\$ 12,604,215</u>

## **STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

These statements are presented in three sections:

- (1) Operating income or loss, which is operating revenues (fare revenues, lease and advertising, right-of-way auxiliary revenues, and other operating revenue) minus operating expenses and depreciation.
- (2) Income or loss before capital contributions, which is operating income or loss plus/minus other nonoperating revenues and expenses, such as grant revenues, investment income, and debt related expenses.
- (3) Change in net position is income or loss before capital contributions plus additions of grant revenues used for capital programs resulting in the net income or loss.

This financial report provides the unaudited Statements of Revenues, Expenses, and Changes in Net Position for the first nine months of FY2026 (YTD) compared to the same period in the prior fiscal year.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
CURRENT YEAR TO DATE VS. PRIOR YEAR TO DATE**

	Current Actual YTD FY2026-Q3	Prior Actual YTD FY2025-Q3	Variance (\$)	Variance (%)
<b>OPERATING REVENUES</b>				
Fare Revenue	\$ 9,193,403	\$ 8,268,246	\$ 925,157	11.2%
Advertising and right-of-way	8,583,818	9,162,787	(578,969)	-6.3%
Lease and sublease revenue	1,794,277	1,858,924	(64,647)	-3.5%
Other revenue	1,298,683	2,008,214	(709,531)	-35.3%
Total operating revenues	20,870,181	21,298,171	(427,990)	-2.0%
<b>OPERATING EXPENSES</b>				
Bus operations				
Vehicle operations	34,238,442	29,265,982	4,972,460	17.0%
Vehicle maintenance	13,310,661	8,847,856	4,462,805	50.4%
Non-vehicle maintenance	4,254,536	5,070,046	(815,510)	-16.1%
Administration	12,522,716	14,078,443	(1,555,727)	-11.1%
Rail operations				
Vehicle operations	16,303,573	15,689,594	613,979	3.9%
Vehicle maintenance	10,750,953	10,151,817	599,136	5.9%
Non-vehicle maintenance	11,326,035	11,132,651	193,384	1.7%
Administration	18,203,437	17,046,662	1,156,775	6.8%
Right-of-way operations	7,558,082	7,655,998	(97,916)	-1.3%
Depreciation	58,319,149	61,248,916	(2,929,767)	-4.8%
Total operating expenses	186,787,584	180,187,965	6,599,619	3.7%
Operating loss	(165,917,403)	(158,889,794)	(7,027,609)	4.4%
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Operating grants	106,429,856	98,356,013	8,073,843	8.2%
Investment income	2,056,998	2,219,633	(162,635)	-7.3%
Debt related expense	(365,500)	(405,472)	39,972	-9.9%
Gain (loss) on disposal of capital assets	190,628	(4,595)	195,223	-4248.6%
Total non-operating revenues	108,311,982	100,165,579	8,146,403	8.1%
Loss before capital contributions	(57,605,421)	(58,724,215)	1,118,794	-1.9%
<b>CAPITAL CONTRIBUTIONS</b>				
Capital grants	31,859,585	40,669,121	(8,809,536)	-21.7%
Total capital contributions	31,859,585	40,669,121	(8,809,536)	-21.7%
Change in Net Position	\$ (25,745,836)	\$ (18,055,094)	\$ (7,690,742)	42.6%
<b>Operating income excluding depreciation and gain/loss on disposal of assets</b>	<b>\$ 523,100</b>	<b>\$ 2,529,296</b>	<b>\$ (2,006,196)</b>	<b>-79.3%</b>

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
(excluding Depreciation, Gain/Loss on Disposal of Assets, and Capital Grants)  
ACTUAL YEAR TO DATE VS. BUDGET YEAR TO DATE**

	<b>Actual YTD FY2026-Q3</b>	<b>Budget YTD FY2026-Q3</b>	<b>Over (Under) Budget (\$)</b>	<b>Over (Under) Budget (%)</b>
<b>OPERATING REVENUES</b>				
Fare Revenue	\$ 9,193,403	\$ 9,117,924	\$ 75,479	0.8%
Advertising and right-of-way	8,583,818	8,392,122	191,696	2.3%
Lease and sublease revenue	1,794,277	1,884,897	(90,620)	-4.8%
Other revenue	1,298,683	965,766	332,917	34.5%
Total operating revenues	20,870,181	20,360,709	509,472	2.5%
<b>OPERATING EXPENSES</b>				
Bus operations				
Vehicle operations	34,238,442	33,610,255	628,187	1.9%
Vehicle maintenance	13,310,661	13,229,349	81,312	0.6%
Non-vehicle maintenance	4,254,536	5,259,746	(1,005,210)	-19.1%
Administration	12,522,716	13,024,665	(501,949)	-3.9%
Rail operations				
Vehicle operations	16,303,573	16,722,447	(418,874)	-2.5%
Vehicle maintenance	10,750,953	12,916,749	(2,165,796)	-16.8%
Non-vehicle maintenance	11,326,035	12,416,487	(1,090,452)	-8.8%
Administration	18,203,437	18,290,075	(86,638)	-0.5%
Right-of-way operations	7,558,082	8,154,197	(596,115)	-7.3%
Total operating expenses	128,468,435	133,623,970	(5,155,535)	-3.9%
Operating loss	(107,598,254)	(113,263,261)	5,665,007	-5.0%
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Operating grants	106,429,856	113,874,110	(7,444,254)	-6.5%
Investment income	2,056,998	750,000	1,306,998	174.3%
Debt related expense	(365,500)	(508,676)	143,176	-28.1%
Total non-operating revenues	108,121,354	114,115,434	(5,994,080)	-5.3%
<b>Operating income excluding depreciation and gain/loss on disposal of assets</b>	<b>\$ 523,100</b>	<b>\$ 852,173</b>	<b>\$ (329,073)</b>	

**STATEMENTS OF REVENUES AND EXPENSES BY DEPARTMENT  
YTD FY2026-Q3 vs YTD FY2025-Q3 AND BUDGET**

DEPARTMENT	Current Actual YTD FY2026-Q3 (Unaudited)	Prior Actual YTD FY2025-Q3 (Unaudited)	Budget ** YTD FY2026-Q3 (Unaudited)	Over (Under) Budget (\$)	Over (Under) Budget (%)
<b>REVENUE</b>					
FAREBOX REVENUES	9,193,403	8,268,246	9,117,924	75,479	0.8%
GRANT REVENUE					
FEDERAL GRANTS	26,338,763	41,530,017	27,216,235	(877,472)	-3.2%
STATE GRANTS	20,401,345	5,763,410	25,439,282	(5,037,937)	-19.8%
LOCAL GRANTS	59,689,748	51,062,586	61,218,593	(1,528,845)	-2.5%
OTHER REVENUES	1,317,049	2,804,408	965,766	351,283	36.4%
INVESTMENT INCOME	2,056,998	2,219,633	750,000	1,306,998	174.3%
REVENUES - MAINTENANCE OF WAY	8,561,349	8,361,221	8,363,619	197,730	2.4%
REVENUES - REAL ESTATE	1,798,380	1,864,296	1,913,400	(115,020)	-6.0%
<b>REVENUE TOTAL</b>	<b>129,357,035</b>	<b>121,873,817</b>	<b>134,984,819</b>	<b>(5,627,784)</b>	<b>-4.2%</b>
<b>EXPENSES</b>					
120 - BUS OPERATORS *	18,098,916	-	18,036,771	62,145	0.3%
125 - ON-DEMAND SERVICES *	5,889,908	-	5,747,369	142,539	2.5%
130 - BUS OPERATIONS ADMINISTRATION	4,563,813	40,286,188	4,690,223	(126,410)	-2.7%
135 - NON-REVENUE OPERATIONS SUPPORT *	14,354	-	81,682	(67,328)	-82.4%
140 - COASTER MAINTENANCE *	6,437,089	-	7,889,704	(1,452,615)	-18.4%
145 - SPRINTER MAINTENANCE *	4,180,280	-	5,329,483	(1,149,203)	-21.6%
150 - COASTER OPERATORS	3,376,461	3,144,471	3,346,976	29,485	0.9%
155 - SPRINTER OPERATORS	2,311,913	2,367,097	2,242,044	69,869	3.1%
160 - RAIL OPERATIONS	1,324,189	4,525,101	1,435,210	(111,021)	-7.7%
165 - OPERATIONS CONTROL CENTER	2,058,013	2,212,849	2,035,452	22,561	1.1%
170 - RAIL VEHICLES OVERHAULS *	2,030,388	9,570,151	2,503,405	(473,017)	-18.9%
175 - RAIL VEHICLES MAINTENANCE	1,348,308	-	1,309,424	38,884	3.0%
180 - NON-REVENUE VEHICLES AND SPECIALITY EQUIPMENT	862,835	814,909	949,450	(86,615)	-9.1%
185 - MAINTENANCE OF SIGNALS	3,069,876	4,987,399	3,093,712	(23,836)	-0.8%
190 - BUS VEHICLES MAINTENANCE *	11,584,561	-	11,613,008	(28,447)	-0.2%
210 - MATERIALS MANAGEMENT *	4,749,488	-	4,608,228	141,260	3.1%
215 - GENERAL SERVICES *	249,562	-	237,343	12,219	5.1%
220 - FACILITIES MANAGEMENT	9,169,132	9,462,765	9,945,802	(776,670)	-7.8%
225 - BUSINESS INTELLIGENCE *	242,230	-	225,676	16,554	7.3%
230 - SECURITY OVERSIGHT	6,528,757	6,182,459	5,962,013	566,744	9.5%
240 - DEVELOPMENT SERVICES OVERSIGHT	2,752,689	2,279,527	2,163,756	588,933	27.2%
245 - PROJECT MANAGEMENT DELIVERY	447,980	353,072	429,354	18,626	4.3%
250 - RAIL TECHNOLOGIES	402,225	583,349	460,253	(58,028)	-12.6%
260 - SERVICE PLANNING	1,740,091	1,072,573	1,617,647	122,444	7.6%
261 - SAFETY OVERSIGHT	1,191,234	1,151,434	1,091,410	99,824	9.1%
270 - COMMUNICATIONS AND MARKETING	958,031	1,020,570	1,309,647	(351,616)	-26.8%
280 - TRANSIT SYSTEMS MANAGEMENT	-	374,517	35,547	(35,547)	-100.0%
290 - ACCOUNTING	255,723	518,500	254,463	1,260	0.5%
295 - PAYROLL *	502,345	-	416,444	85,901	20.6%
300 - FARE COLLECTION	517,270	313,158	586,950	(69,680)	-11.9%
315 - SYSTEMS TECHNOLOGY *	3,541,190	-	3,944,554	(403,364)	-10.2%
320 - INFORMATION TECHNOLOGY OPERATIONS	2,714,330	5,076,499	2,704,637	9,693	0.4%
330 - PROCUREMENT AND CONTRACT ADMINISTRATION	957,711	1,185,366	1,021,371	(63,660)	-6.2%
335 - GOVERNMENT RELATIONS	561,277	676,850	623,416	(62,139)	-10.0%
337 - GRANTS	197,577	215,402	299,899	(102,322)	-34.1%

**STATEMENTS OF REVENUES AND EXPENSES BY DEPARTMENT  
YTD FY2026-Q2 vs YTD FY2025-Q2 AND BUDGET (continued)**

DEPARTMENT	Current Actual YTD FY2026-Q3 (Unaudited)	Prior Actual YTD FY2025-Q3 (Unaudited)	Budget ** YTD FY2026-Q3 (Unaudited)	Over (Under) Budget (\$)	Over (Under) Budget (%)
339 - ADMINISTRATION	488,344	440,316	520,855	(32,511)	-6.2%
340 - FINANCIAL OVERSIGHT	989,555	904,954	1,025,772	(36,217)	-3.5%
350 - HUMAN RESOURCES	1,333,164	1,354,372	1,600,601	(267,437)	-16.7%
351 - LEARNING AND DEVELOPMENT	636,885	1,157,577	911,433	(274,548)	-30.1%
356 - ENGINEERING	2,645,772	1,373,989	3,127,653	(481,881)	-15.4%
357 - GENERAL COUNSEL	10,438,760	7,884,506	9,621,061	817,699	8.5%
359 - ASSET MANAGEMENT	283,360	314,310	279,442	3,918	1.4%
360 - CHIEF EXECUTIVE OFFICER	458,848	366,914	504,425	(45,577)	-9.0%
365 - CUSTOMER EXPERIENCE	1,002,585	1,010,933	1,124,248	(121,663)	-10.8%
370 - BOARD OF DIRECTORS	26,988	27,585	49,482	(22,494)	-45.5%
400 - OPERATIONS SUPPORT SERVICES	-	203,168	-	-	N/A
405 - RAIL TRAINING *	564,274	-	684,733	(120,459)	-17.6%
510 - MAINTENANCE OF WAY	4,046,897	4,358,750	4,816,914	(770,017)	-16.0%
515 - RAIL RIGHT OF WAY OVERSIGHT	4,736	400,241	134,723	(129,987)	-96.5%
520 - LAND USE	718,521	767,228	980,305	(261,784)	-26.7%
600 - DEBT	365,500	405,472	508,676	(143,176)	-28.1%
<b>OPERATING EXPENSE TOTAL</b>	<b>128,833,935</b>	<b>119,344,521</b>	<b>134,132,646</b>	<b>(5,298,711)</b>	<b>-4.0%</b>
<b>OPERATING INCOME EXCLUDING DEPRECIATION AND LOSS ON DISPOSAL OF ASSETS</b>					
	<b>\$ 523,100</b>	<b>\$ 2,529,296</b>	<b>\$ 852,173</b>	<b>\$ (329,073)</b>	<b>-38.6%</b>

\* New departments in FY26

\*\* Includes budget transfers during the fiscal year

## FARE RECOVERY RATIOS

Fare Recovery Ratio as Reported to the California State Controller's Office (With Local Support) <sup>(a)</sup>					
BREEZE, FLEX, COASTER, SPRINTER, and NCTD+	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
Fare revenue and local support	\$ 35,631,103	\$ 39,423,871	\$ 44,562,602	\$ 42,620,101	Not reported
Operating Costs	\$ 107,448,402	\$ 120,329,443	\$ 130,519,772	\$ 142,383,886	Not reported
<b>Fares plus Local Funds Recovery Ratio:</b>	<b>33.2%</b>	<b>32.8%</b>	<b>34.1%</b>	<b>29.9%</b>	Not reported
LIFT (PARATRANSIT)	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
Fare revenue and local support	\$ 1,087,970	\$ 1,789,172	\$ 1,675,401	\$ 1,857,575	Not reported
Operating Costs	\$ 8,735,519	\$ 10,682,711	\$ 12,913,004	\$ 14,730,061	Not reported
<b>Fares plus Local Funds Recovery Ratio:</b>	<b>12.5%</b>	<b>16.7%</b>	<b>13.0%</b>	<b>12.6%</b>	Not reported

Fare Recovery Ratio as Reported to the California State Controller's Office (Without Local Support) <sup>(b)</sup>					
BREEZE, FLEX, COASTER, SPRINTER, and NCTD+	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
Fare Revenue	\$ 8,153,922	\$ 10,646,706	\$ 11,157,611	\$ 10,915,839	Not reported
Operating Costs	\$ 107,377,052	\$ 120,329,443	\$ 130,519,772	\$ 142,383,886	Not reported
<b>Fare Recovery Ratio</b>	<b>7.6%</b>	<b>8.8%</b>	<b>8.5%</b>	<b>7.7%</b>	Not reported
LIFT (PARATRANSIT)	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
Fare Revenue	\$ 621,970	\$ 574,994	\$ 808,434	\$ 754,128	Not reported
Operating Costs	\$ 8,717,490	\$ 10,682,711	\$ 12,913,004	\$ 14,730,061	Not reported
<b>Fare Recovery Ratio</b>	<b>7.1%</b>	<b>5.4%</b>	<b>6.3%</b>	<b>5.1%</b>	Not reported

Pure Fare Recovery Ratio <sup>(c)</sup>					
BREEZE, FLEX, COASTER, SPRINTER, and NCTD+	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
Fare Revenue	\$ 8,153,922	\$ 10,646,706	\$ 11,157,611	\$ 10,915,839	\$ 8,603,949
Operating Costs	\$ 116,656,005	\$ 127,019,759	\$ 137,272,434	151,469,722	\$ 110,528,094
<b>Fare Revenue to Operating Costs</b>	<b>7.0%</b>	<b>8.4%</b>	<b>8.1%</b>	<b>7.2%</b>	<b>7.8%</b>
LIFT (PARATRANSIT)	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
Fare Revenue	\$ 621,970	\$ 574,994	\$ 808,434	\$ 754,128	\$ 589,453
Operating Costs	\$ 9,127,233	\$ 11,238,341	\$ 13,312,686	\$ 15,164,639	\$ 10,382,255
<b>Fare Revenue to Operating Costs</b>	<b>6.8%</b>	<b>5.1%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>5.7%</b>

(a) Fare recovery ratios with local support include other local revenue sources and exclude allowable operating costs

(b) Fare recovery ratios without local support include fares only and exclude allowable operating costs

(c) Fares divided by Operating Costs (excludes interest, depreciation, GASB 68 and GASB 75 actuarial adjustments, and non-cash expenses)

### SOURCES OF OPERATING GRANTS REVENUE

Federal Grant Program	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
5304 - State Planning and Research Program	\$ 38,720	\$ 174,106	\$ 13,441	\$ 11,850	\$ -
5307 - Urbanized Area Formula	2,223,162	19,866,495	25,706,331	30,573,365	10,657,559
5311 - Rural Area Formula Grant	-	677,635	641,568	627,375	-
5311 - Rural Area Formula Grant (ARPA)	-	-	480,520	-	-
5311 - Rural Area Formula Grant (CARES)	1,055,187	-	-	-	-
5311 - Rural Area Formula Grant (CRRSAA)	-	988,024	-	-	-
5337 - State of Good Repair Formula Grants	1,458,136	5,792,142	1,590,495	3,224,661	15,583,399
5337 - American Rescue Plan Act (ARPA)	15,670,887	13,044,836	16,505,472	18,792,556	-
5337 - Coronavirus Aid, Relief, and Economic Security (CARES) Act	31,935,750	1,663,555	1,050,069	-	-
5338 - Transit-Oriented Development Planning	-	-	125,134	-	78,231
Other Federal	244,647	60,672	(54,964)	-	19,574
<b>Total Federal Grants</b>	<b>\$ 52,626,490</b>	<b>\$ 42,267,465</b>	<b>\$ 46,058,066</b>	<b>\$ 53,229,807</b>	<b>\$ 26,338,763</b>

State Grant Program	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
State Transit Assistance (STA)	\$ 4,058,481	\$ 8,029,564	\$ 7,929,927	\$ 10,360,763	\$ 8,452,517
STA State of Good Repair (SGR)	759,757	2,539,107	2,006,437	2,030,635	2,356,630
State TIRCP SB-125	-	-	-	4,834,133	3,395,132
State Zero-Emission Transit Capital Program (ZETCP)	-	-	-	1,078,429	630,223
State Rail Assistance (SRA)	-	-	-	-	4,692,771
California Public Utilities Commission (CPUC)	87,121	90,246	88,683	88,683	-
Other State Grants	-	-	31,284	218,833	874,072
<b>Total State Grants</b>	<b>\$ 4,905,358</b>	<b>\$ 10,658,917</b>	<b>\$ 10,056,331</b>	<b>\$ 18,611,476</b>	<b>\$ 20,401,345</b>

Local Grant Program	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Actual YTD FY2026-Q3
TDA - Transportation Development Act	\$ 30,167,244	\$ 44,264,061	\$ 47,059,669	\$ 50,190,233	\$ 41,237,436
Transnet	18,146,000	17,725,000	20,124,438	19,177,000	13,255,000
Transnet 8.1%	5,529,392	7,210,257	7,444,809	7,183,635	5,197,312
SANDAG Youth Opportunity Pass	205,540	1,233,240	1,233,240	1,233,240	-
<b>Total Local Grants</b>	<b>\$ 54,048,176</b>	<b>\$ 70,432,558</b>	<b>\$ 75,862,156</b>	<b>\$ 77,784,108</b>	<b>\$ 59,689,748</b>

<b>Total Operating Grants</b>	<b>\$ 111,580,024</b>	<b>\$ 123,358,940</b>	<b>\$ 131,976,553</b>	<b>\$ 149,625,391</b>	<b>\$ 106,429,856</b>
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**STAFF REPORT** | **RECEIVE THE QUARTERLY CUSTOMER EXPERIENCE REPORT FOR THE THIRD QUARTER OF FY2026**

**Time Sensitive:**  **Consent:**

**STAFF RECOMMENDATION:** Receive the quarterly Customer Experience Report for the Third Quarter (Q3) of FY2026 (January 1, 2026, through March 31, 2026).

**BACKGROUND INFORMATION:** Providing a positive customer experience is a key component of North County Transit – San Diego Railroad’s (NCTD) mission. Staff provides the NCTD Board of Directors (Board) with a report on a quarterly basis to identify trends in customer feedback and to affirm positive actions.

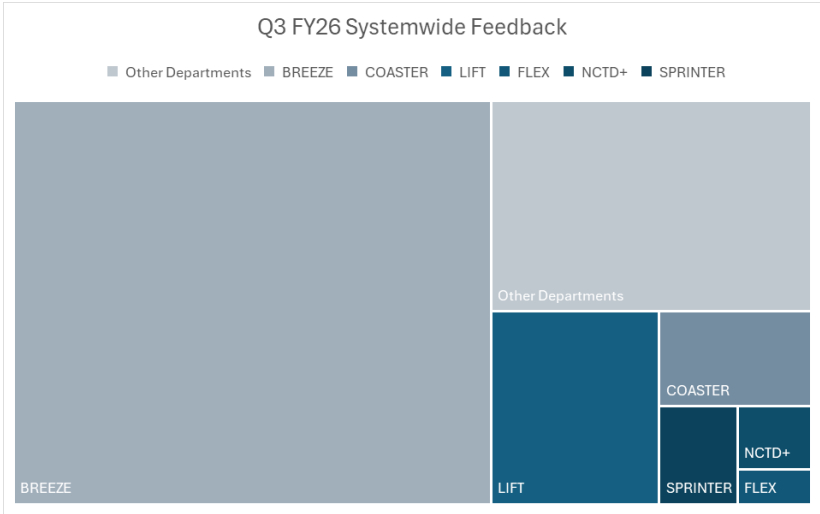
To help our operational teams identify areas of concern and develop actions to improve the overall customer experience, the Customer Experience team meets monthly to review customer feedback trends and discuss recommendations.

**Q3 FY2026 Results**

A total of 26 compliments were received in Q3 of Fiscal Year (FY) 2026, a decrease of seven when compared to Q3 FY25. The reports were made to acknowledge a positive interaction with a Bus Operator, train crew member, customer service agent, or NCTD staff.

Overall, NCTD received a total of 626 customer feedback reports in Q3 of FY2026; an increase of 111 when compared to Q3 FY25. All core categories saw increases apart from safety and security. Of the total customer feedback reports, 79%, or 495, were associated with the six modes of transit (BREEZE, LIFT, FLEX, NCTD+, COASTER, and SPRINTER). The remaining feedback is from other departments, including customer service (informational requests), right-of-way (graffiti or debris), facilities (cleanliness issues, graffiti), service planning (service requests), security and to a lesser extent, safety concerns.

The following graphs show Q3 FY26 Systemwide Feedback by Department and the quarterly year-over-year comparison of customer feedback by Core Category.



**FQ3**

Core Category	Feedback CY	Feedback LY	Feedback YoY %
Service	172	168	2.38%
Security	33	42	-21.43%
Safety	19	22	-13.64%
Policy	33	29	13.79%
Planning	113	40	182.50%
Paratransit	17	14	21.43%
Operator	119	98	21.43%
Facilities	50	49	2.04%
Equipment	44	39	12.82%
Claims and Accidents	26	14	85.71%
<b>Total</b>	<b>626</b>	<b>515</b>	<b>21.55%</b>

**ATTACHMENT:** 7A – FY2026-Q3 Customer Experience Report

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Alicia Peat-Watson, Director of Customer Experience**  
 E-mail: [apeatwatson@nctd.org](mailto:apeatwatson@nctd.org) Phone: 760-967-2813



**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**



# Customer Experience Quarterly Report

For the Period  
January 1, 2026 – March 31, 2026

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## **Introduction**

The Customer Experience Department supports North County Transit – San Diego Railroad’s (NCTD) mission and vision by identifying trends, highlighting opportunities for improvement, and collaborating with internal stakeholders on actionable solutions to ensure the customer has a positive experience when using NCTD services and facilities.

NCTD receives customer feedback through multiple channels, including phone, email, web submissions, and in person. All feedback is documented in NCTD’s customer relationship management (CRM) system and forwarded to the appropriate department personnel for review, investigation, and potential action. Most customer feedback relates to modal service, security, or facilities. Investigations may involve tools such as operator interviews, video, GPS data, and other applicable technologies.

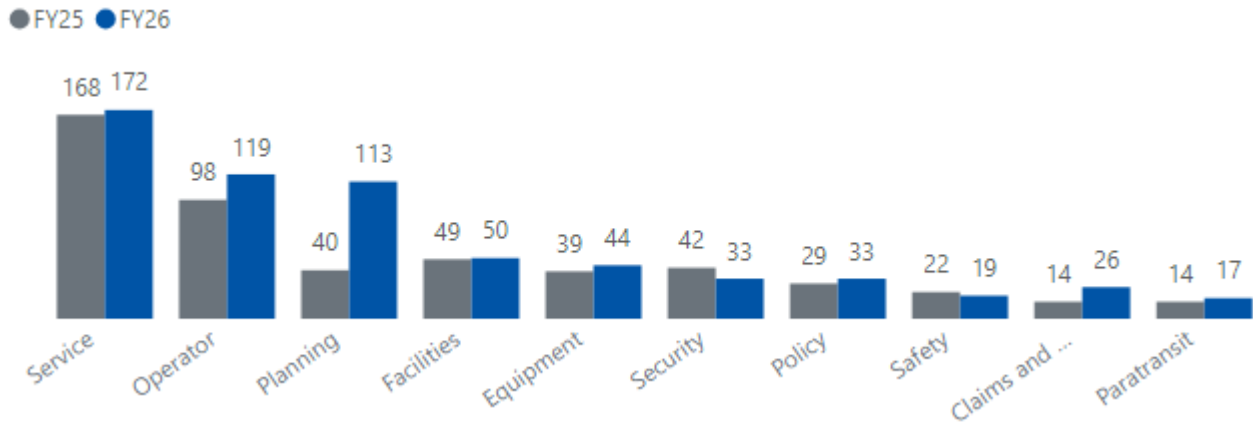
## Core Categories

To provide insight into customer feedback trends, feedback is assigned to a core category via a sub-code. Each of the 10 core categories are defined below.

Core Category	Sub-Code	Definition
<b>Claims and Accidents</b>	Claims and Accidents	Requests related to claims or accidents in various departments.
<b>Equipment</b>	ADA Ramp Issue,	Issues deploying the ADA ramp for all modes. The ramp must be no steeper than a ratio of 1:12.
	Announcements	Announcement related feedback that may affect notifying the general public about train delays, accidents, etc.
	Damaged/Dirty	Damaged or dirty seats, facilities, and all modes.
	Door Malfunction	Bus or rail doors malfunctioning due to technical error.
	Farebox/Validator/TVM	Farebox, validator, or TVM payment machines issues
	HVAC	Heat, ventilation, and air conditioning on all modes.
	IT Request	Information technology requests for additional information regarding IT apps on Rail modes and facilities.
<b>Facilities</b>	Signal Issue	Signals not displaying, signals displaying late or early, and general signal issues for ROW/MOW, and Rail .
	Facilities Cleaning	Dirty facilities such as dirty transit centers or bus stops that are sent to the facilities department.
	Facilities Electrical	Electrical issues at facilities such as light bulbs or broken LED displays located at transit centers or bus stops.
	Facilities Landscaping	Facilities having landscaping issues such as overgrown bushes, overgrown grass, fallen down trees, etc.
	Facilities Plumbing	Plumbing issues such as transit center bathrooms malfunctioning or water fountains and faucets not working properly.
<b>Operator</b>	Graffiti	Graffiti tags on modes, facilities and ROW.
	Closed Door on PAX	Door was closed on the customer and they were unable to board.
	Dangerous Driving	Bus operators driving being dangerous or uncomfortable for the customer.
	Left Before Seated	Bus Operators leaving the bus stop or transit center before the customer was seated.
	Off Route	Bus operator going off route.
	Refusal of Service	Modal operator refusing to serve a customer or refusal of service to a paying party without appropriate reasoning or policy.
<b>Paratransit</b>	Rude	Modal operator being rude to an individual such as yelling, offensive language, or offensive gestures.
	EZ-Wallet	LIFT bus paratransit's EZ-Wallet payment service for paratransit ticket purchases.
	Mobility Device	Mobility devices unable to be accommodated or deployed correctly on all modes.
	MTS Transfer	Paratransit MTS transfer
	Reservationist/Dispatch	Reservationist or dispatch issues for LIFT, FLEX, NCTD+
	Service Area	Issues or requests related to LIFT 3/4 mile boundary.
	Time Onboard Vehicle Violation	LIFT service Time Onboard Vehicle Violation related incidents.
<b>Planning</b>	Bus Stop - Amenities	Amenities for the bus stop facilities & planning for future bus stop amenities.
	Bus Stop - Request	Any safety or planning requests for bus related services.
	Information Request	Requests for information regarding NCTD operations, modes, facilities.
	Marketing Request	Marketing requests.
	Service Request	Service requests for Planning department.
<b>Policy</b>	Wayfinding-Signage	Wayfinding-signage in the Facilities, Planning, or CS departments
	E-Bikes	Electric bikes on all modes and facilities
	Horns - Trains	Train horn or quiet zone feedback
	Policy Dispute	Policy disputes for all modes and facilities.
	PRONTO/Fare Issue	PRONTO or Fare issues on all modes and facilities.
<b>Safety</b>	Fencing	Fencing for safety or right of maintenance ROW / Maintenance of Way MOW along the rail tracks.
	Safety	Safety is being infringed upon on any mode or facility.
<b>Security</b>	Customer Altercation	Verbal or physical altercations with each other or staff members on all modes and facilities.
	Security	Security issues: break ins, dangerous items & weapons, and other security related incidents on all modes and facilities.
	Trespassing	Trespassing on NCTD facilities, transit centers, or bus stops during off hours or violations of safety and security standards.
<b>Service</b>	Cancelleds	Any delay or cancelations for the modes during normal service hours.
	Capacity	Vehicles too full.
	Early	Earlier than scheduled or expected service for all modes.
	Incorrect Pick-up/Drop-off Location	Customer picked up or dropped off at an incorrect location for bus and paratransit services.
	Late	Late or later than scheduled or expected service for all modes.
	Missed Requested Stop	Missing requested route stop on bus or paratransit services.
	No Show	Bus or paratransit services do not show up to the required stop or station at the indicated time.
	Pass-by /Left Pax	Customer being passed by or left for all modes.

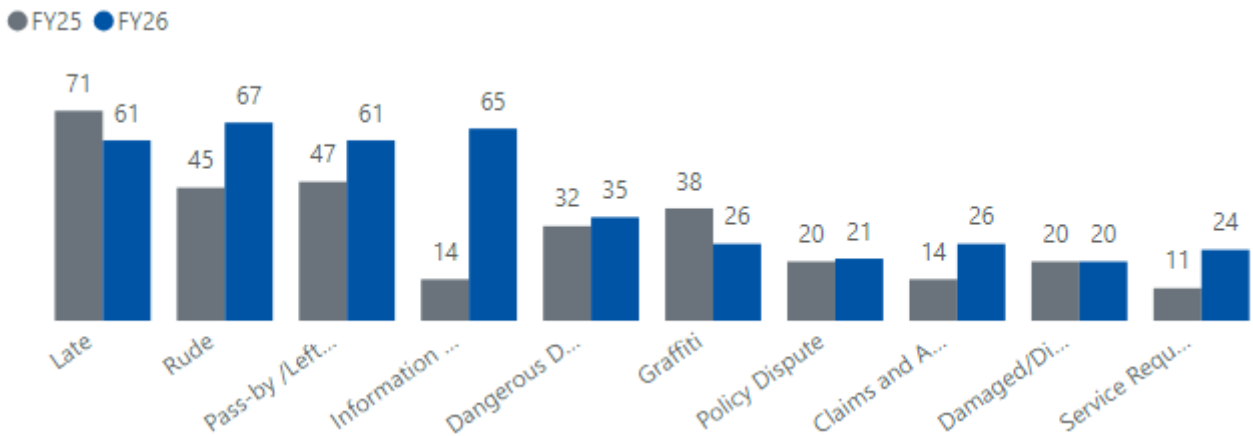
*Note: Our reporting methodology is department-based instead of mode based, so as not to unfairly represent a mode for complaints not directly related to the mode.*

### Q3 FY26 vs Q3 FY25 Systemwide Feedback by Core Category



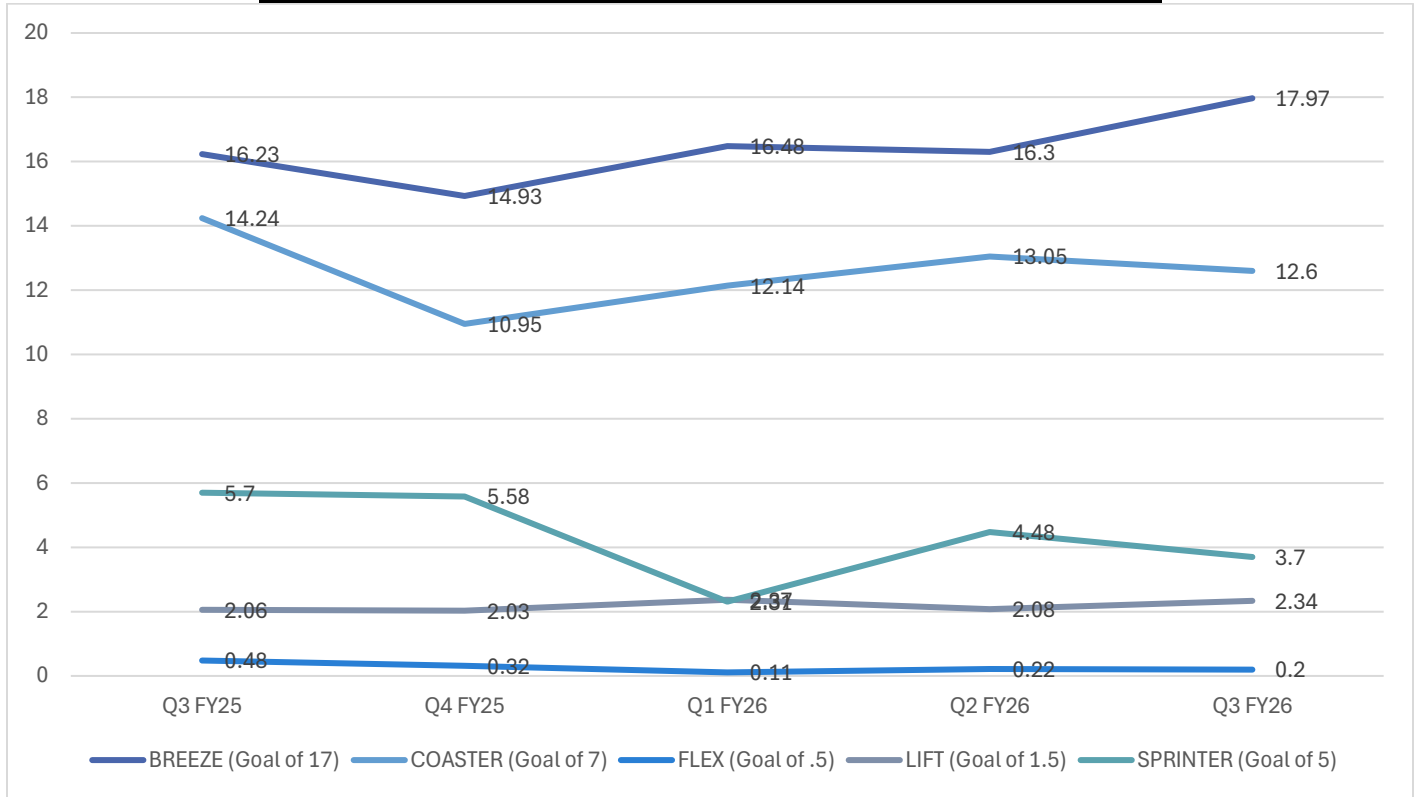
Overall systemwide feedback for Q3 FY26 is higher when compared to Q3 FY25. All core categories experienced increases, except for Safety and Security, which decreased.

### Q3 FY26 vs Q3 FY25 Systemwide feedback by top Sub-Codes



Overall systemwide feedback for Q3 FY26 is higher by 111 reports. All sub-code categories stayed the same or experienced decreases, except for Rude Operator, Pass-by/Left Passenger, Information Requests, Dangerous Driving, Policy Dispute, Claims and Accidents and Service requests.

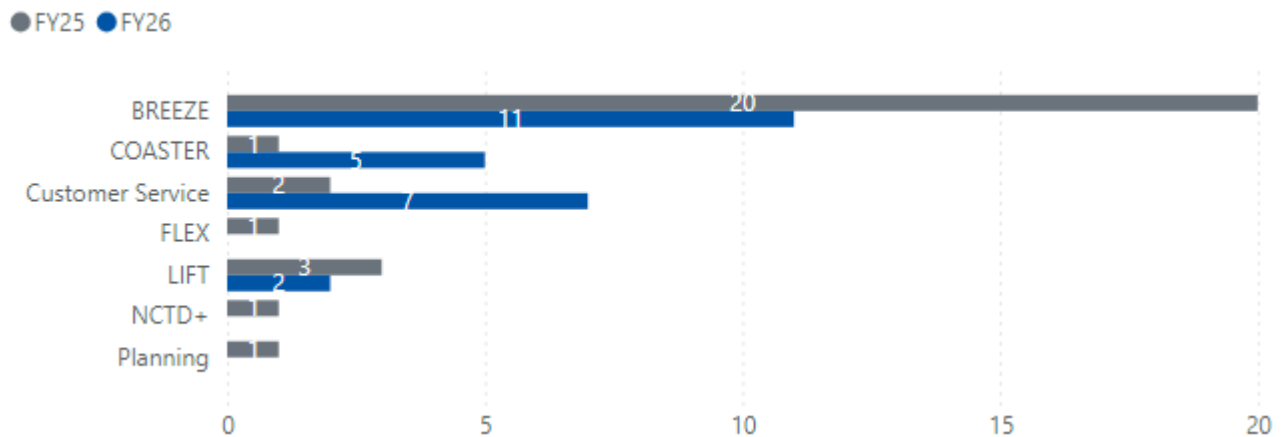
### **FY26 Systemwide feedback by Weighted Ridership**



**i** Adjusted ridership count is based on mode. The ridership count is normalized based on the following breakout. BREEZE/COASTER/SPRINTER are by 100k passengers and FLIFT/FLEX are adjusted by 1K passengers.

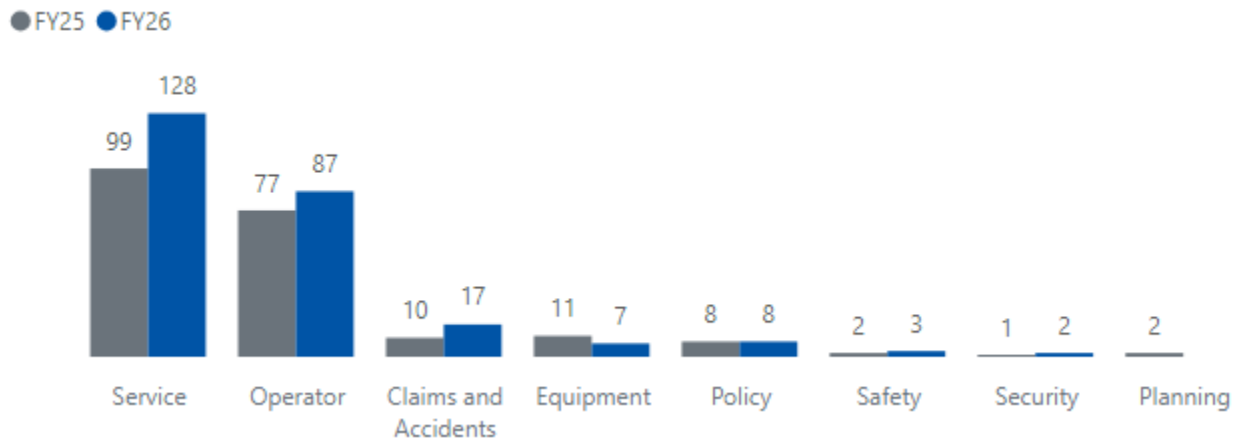
In Q3 FY26, systemwide feedback weighted by ridership is trending above the FY26 goals for all modes except for FLEX and SPRINTER, which are trending below their FY26 goals.

### **Q3 FY26 vs Q3 FY25 Systemwide Compliments by Department**



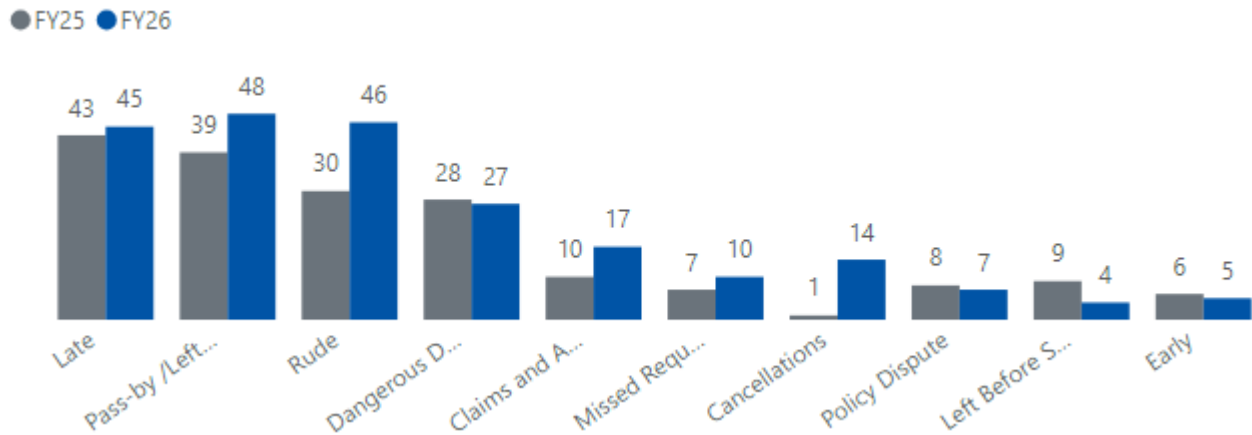
Systemwide compliments decreased in Q3 FY26 compared to Q3 FY25, with NCTD receiving 26 versus 33. COASTER and Customer Experience saw gains, while all other departments decreased.

### Q3 FY26 vs Q3 FY25 BREEZE feedback by Core Category



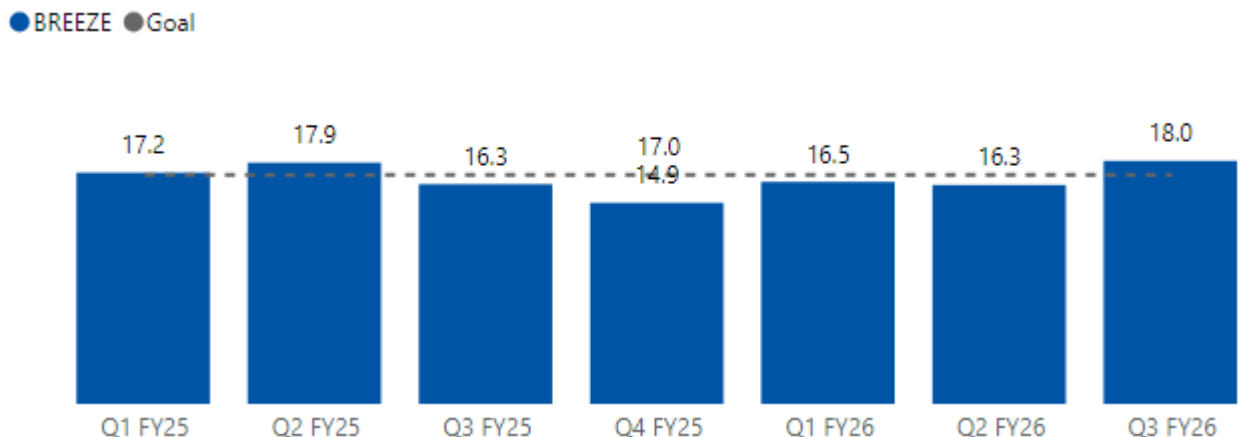
Feedback for BREEZE is higher this quarter than when compared to Q3 last year (252 versus 210). All core categories increased or remained the same except for Equipment and Service Planning Concerns, which decreased.

### Q3 FY26 vs Q3 FY25 BREEZE feedback by top Sub-Codes



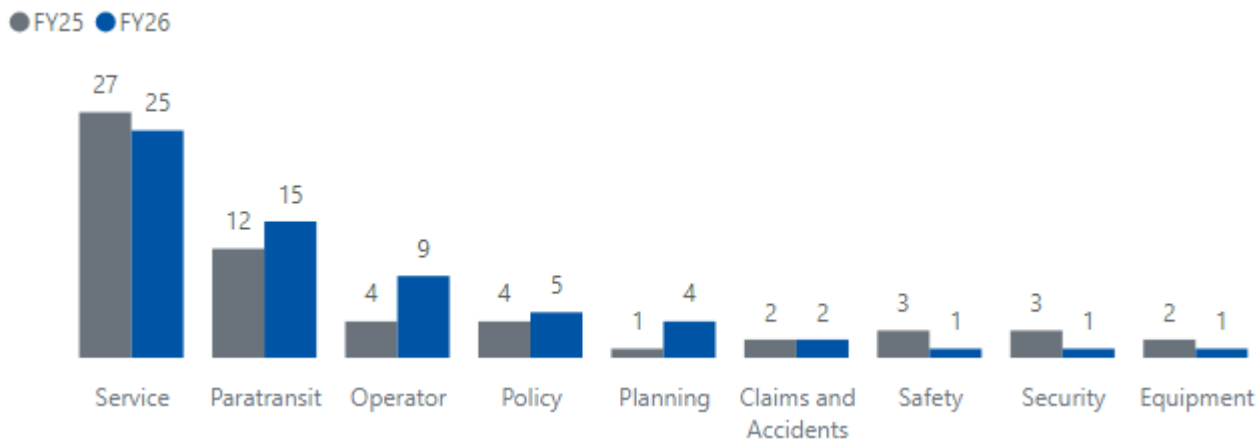
In Q3 FY26, BREEZE operations saw fewer concerns than Q3 FY25, with declines in Late Service, Pass-bys, Dangerous Driving, Missed Stops, Early Service, and Service Refusals. However, Rude Operator Reports, Claims and Accidents, Off-Route Issues, and Policy Disputes increased or remained unchanged.

### BREEZE feedback by Weighted Ridership



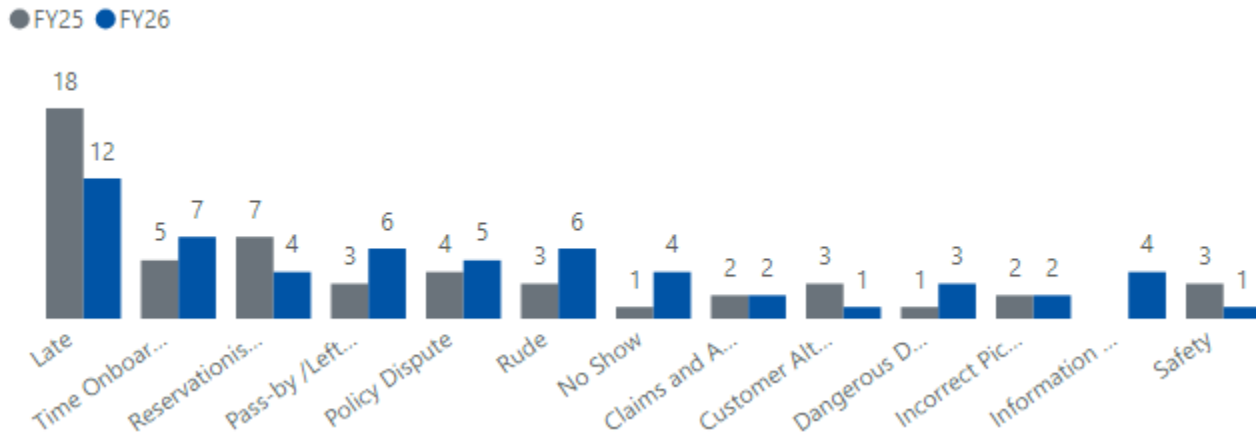
The FY26 goal for BREEZE is a maximum of 17 feedback reports per every 100,000 passengers. Q3 FY26 is trending above our target goal.

### Q3 FY26 vs Q3 FY25 LIFT feedback by Core Category



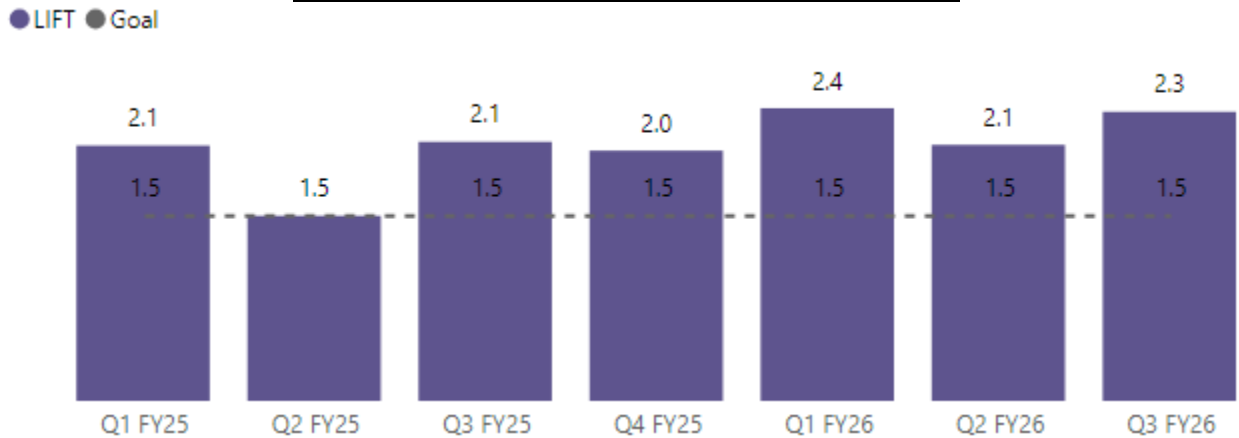
Feedback for LIFT is higher this quarter than when compared to Q3 last year (63 versus 58). This is due to an increase in concerns involving Paratransit issues, Operator Behavior, and Policy Concerns.

### Q3 FY26 vs Q3 FY25 LIFT feedback by top Sub-Codes



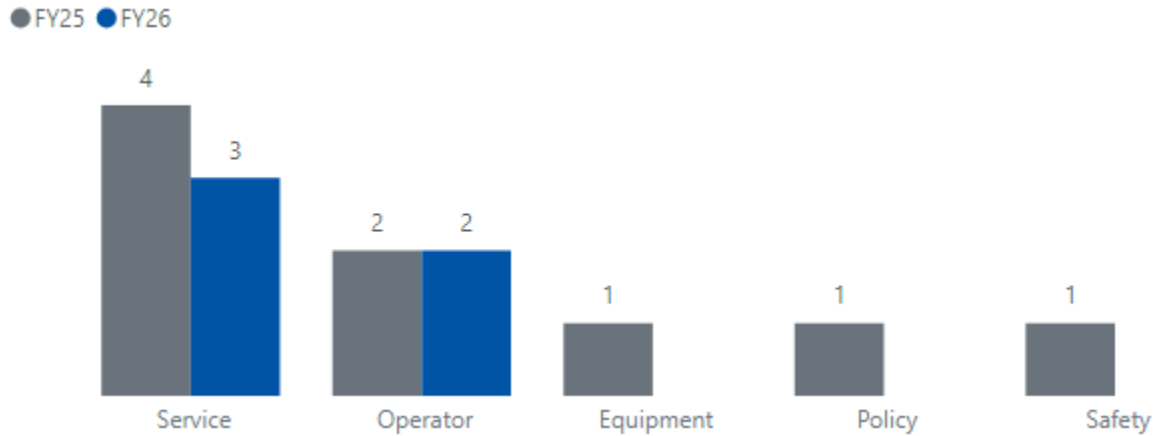
In Q3 FY26, LIFT feedback increased in Time On-board Violations, Dangerous Driving, Pass-by/Left Passenger Issues, Policy Disputes, Rude Operator Behavior, No-Shows, Dangerous Driving Concerns and Information Requests. Decreases or no changes were seen in Service Late, Reservationist/Dispatch Concerns, Claims and Accidents, Customer Altercations, Incorrect Drop off/Pick up Location and Safety Concerns.

### LIFT feedback by Weighted Ridership



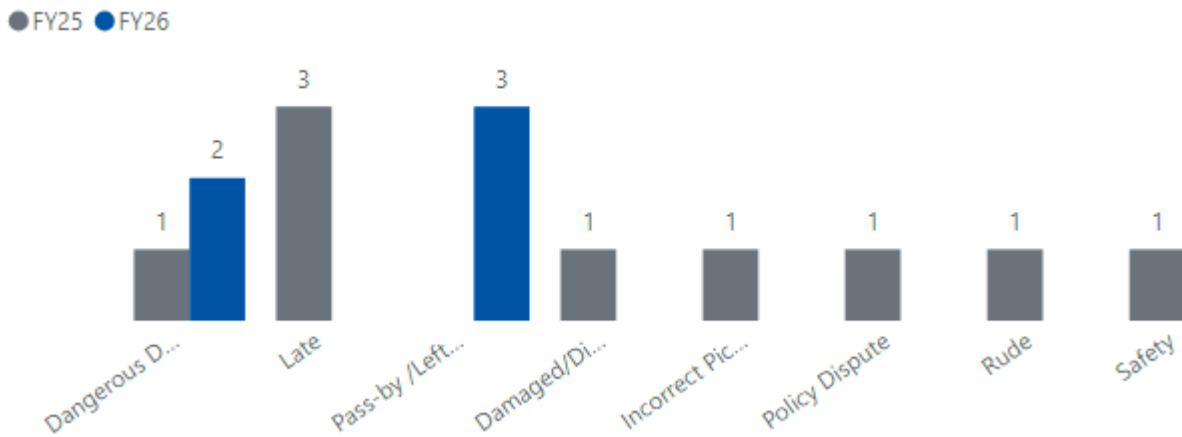
The FY26 goal for LIFT is a maximum of 1.5 feedback reports per every 1,000 passengers. Q3 FY26 results are trending above NCTD’s target goal.

### Q3 FY26 vs Q3 FY25 FLEX feedback by Core Category



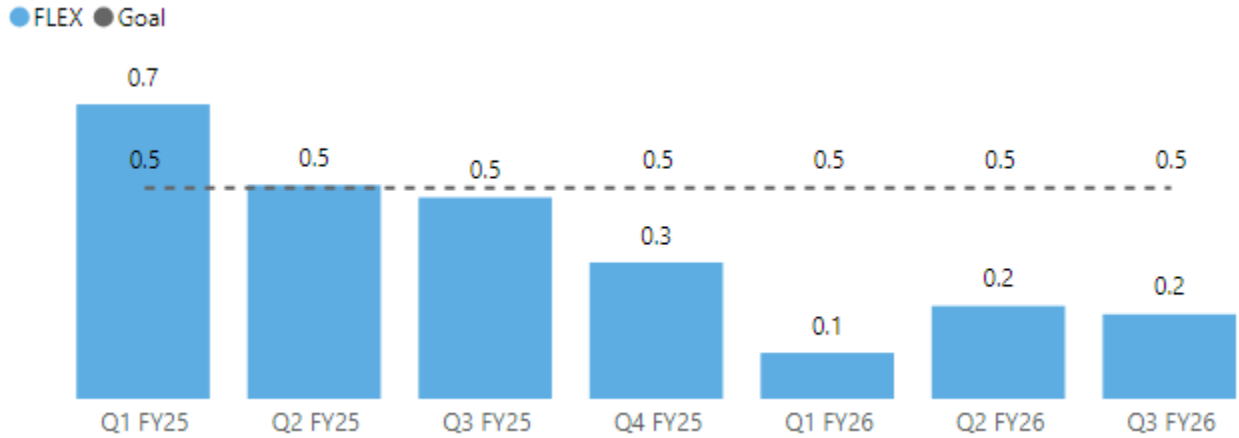
Feedback for FLEX is lower this quarter than when compared to Q3 last year because last fiscal year, NCTD+ feedback was included in the FLEX totals (5 vs 9).

### Q3 FY26 vs Q3 FY25 FLEX feedback by top Sub-Codes



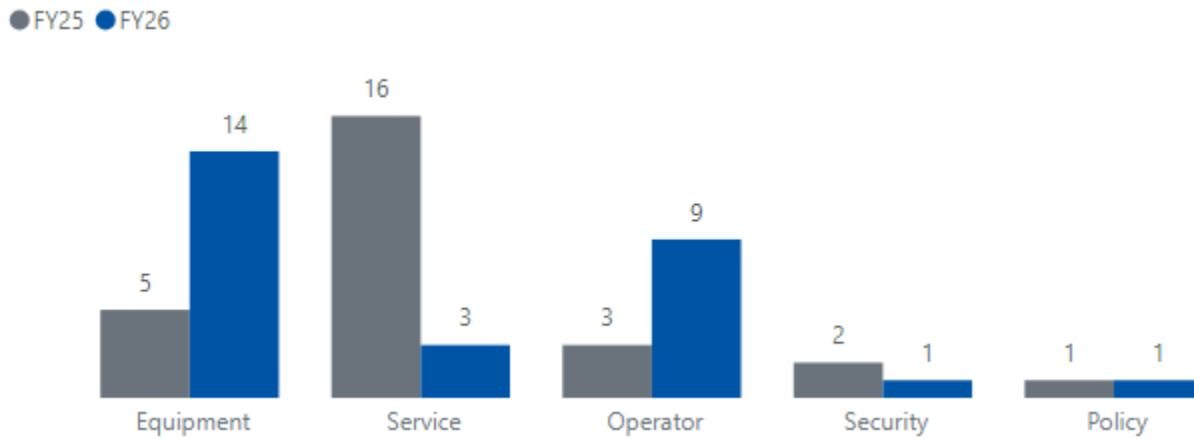
Feedback for FLEX is lower this quarter than when compared to Q3 last year because last fiscal year, NCTD+ feedback was included in the FLEX totals.

### FLEX feedback by Weighted Ridership



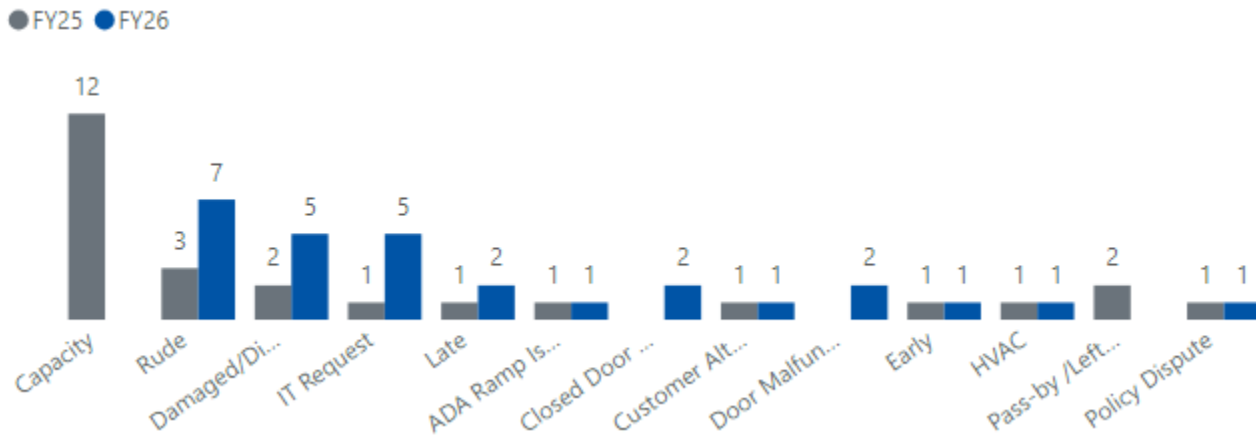
The FY26 goal for FLEX is a maximum of .5 feedback reports per every 1,000 rides. Q3 FY26 results are trending bellow the target goal.

### Q3 FY26 vs Q3 FY25 COASTER feedback by Core Category



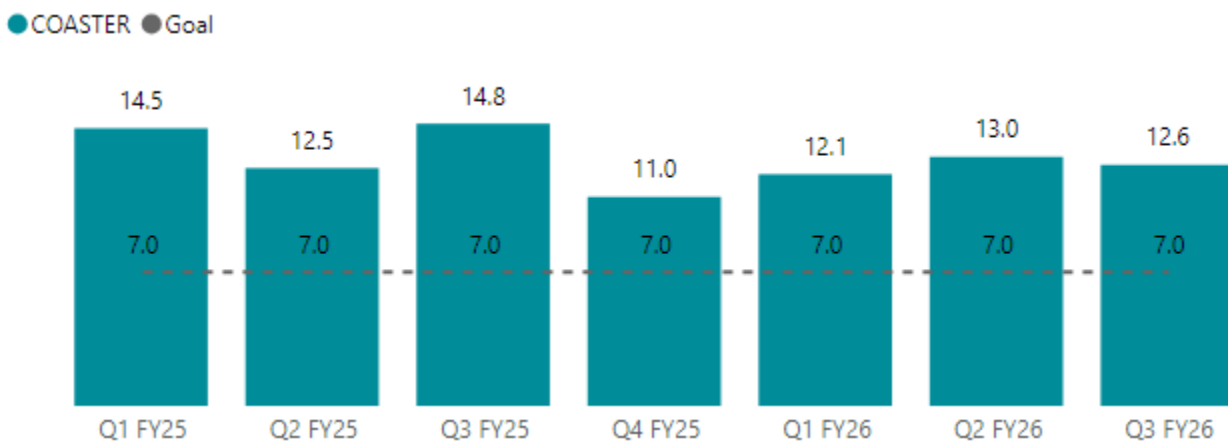
Feedback for COASTER is higher by one this quarter than when compared to Q3 last year (28 versus 27). The increase was due to receiving were more Equipment related concerns and Operator Behavior issues.

### Q3 FY26 vs Q3 FY25 COASTER feedback by top Sub-Codes



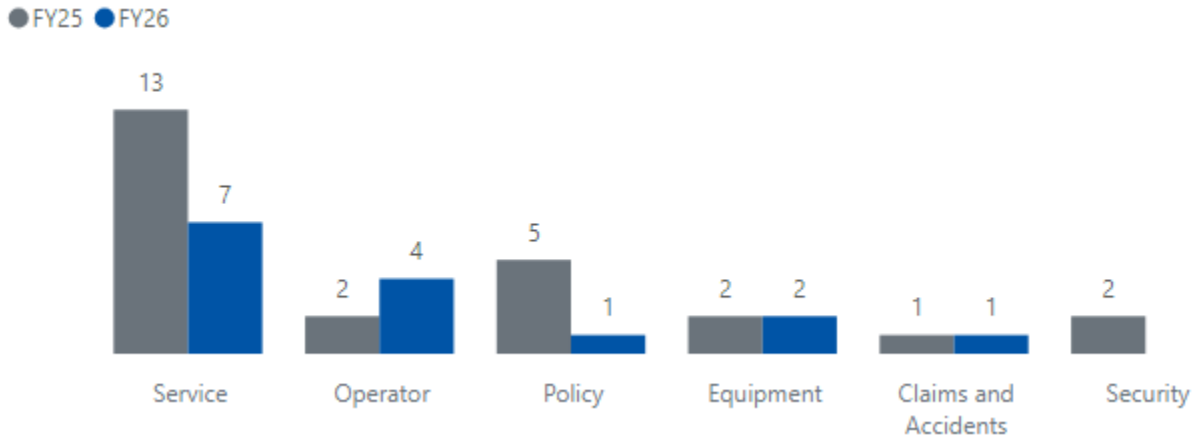
In Q3 FY26, COASTER saw increases in Rude Operator Behavior, Damaged and Dirty Vehicles, IT Requests, Service Late, Closed Door on Passenger, and Door Malfunction Issues. Decreases or no changes were noted in Capacity Concerns, ADA Ramp Issues, Service Early, HVAC Issues, Pass-by/Left passenger, and Policy Disputes.

### COASTER feedback by Weighted Ridership



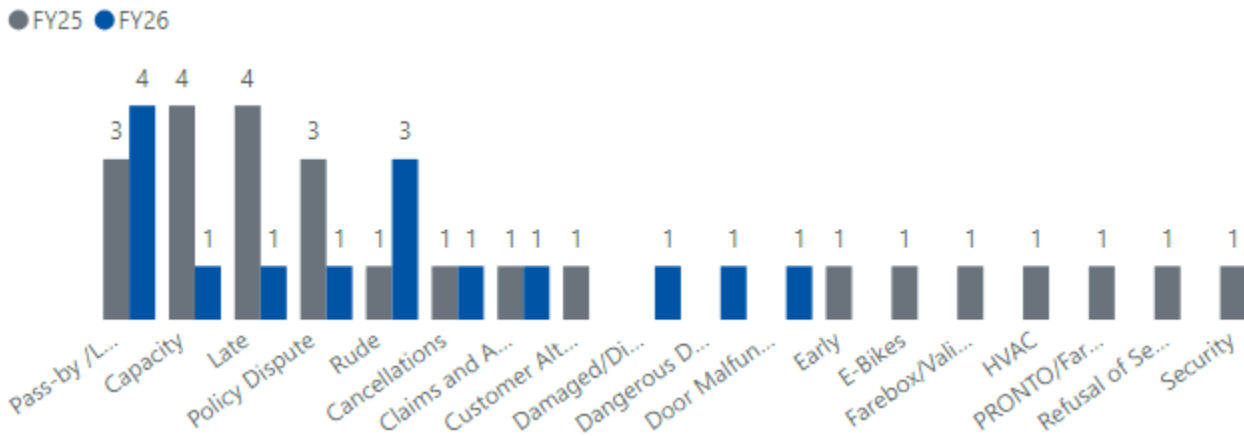
The FY26 goal for COASTER is a maximum of 7 feedback reports per every 100,000 rides. Q3 FY26 results are trending above our target goal.

### Q3 FY26 vs Q3 FY25 SPRINTER feedback by Core Category



Feedback for SPRINTER is less this quarter than when compared to Q3 last year (15 vs 25). This is due to decreases or no changes were seen in Service Issues, Policy Concerns, Equipment Issues, Claims and Accidents and Security Issues. Conversely, issues involving Operator Behavior slightly increased.

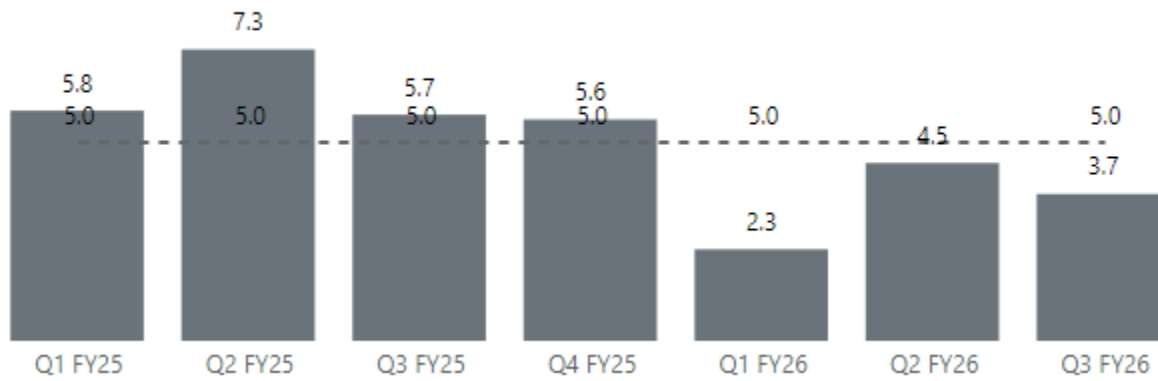
### Q3 FY26 vs Q3 FY25 SPRINTER feedback by top Sub-Codes



In Q3 FY26, SPRINTER experienced fewer concerns involving Capacity, Service Late, Policy Disputes, Customer Altercations, E-Bikes, Farebox/Validator Issues, HVAC Concerns, PRONTO/Farebox Concerns, Refusal of Service and Security Concerns. However, Pass-by/Left Passenger, Rude Operator, Cancellations, Claims and Accidents, Damaged and Dirty Vehicles, Dangerous Driving, Door Malfunction, Service Early Concerns increased or remained unchanged.

### SPRINTER feedback by Weighted Ridership

● SPRINTER ● Goal



The FY26 goal for SPRINTER is a maximum of 5 feedback reports per every 100,000 rides. Q3 FY26 results are trending below our target goal.

**STAFF REPORT**

**APPROVE TASK ORDER AGREEMENT NO. 05 TO AGREEMENT NO. 23026 WITH PARSONS TRANSPORTATION GROUP FOR THE DESIGN OF SAFETY IMPROVEMENTS AT THE CARLSBAD VILLAGE GRADE CROSSINGS**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Approve Task Order Agreement No. 05 to Agreement No. 23026 with Parsons Transportation Group for the Design of Safety Improvements at the Grand Avenue and Carlsbad Village Drive grade crossings in the City of Carlsbad in an amount not-to-exceed \$587,618.

**BACKGROUND  
INFORMATION:**

North County Transit – San Diego Railroad (NCTD) requires planning and engineering services to develop final design plans, specifications, and estimate (PS&E) for safety improvements at the Grand Avenue and Carlsbad Village Drive grade crossings. The design plans will incorporate the Federal Railroad Administration (FRA) and California Public Utilities Commission’s (CPUC) recommended enhancements and may include modifications to roadway medians, curbs, gutters and sidewalks, additional signage and street markings, fencing, modifications to railroad crossing warning device configurations, and pedestrian crossing and emergency exit swing gates. Development of the PS&E package will also require technical reports and memoranda to support analysis of site conditions and necessary permitting.

On December 15, 2022, the NCTD Board of Directors (Board) awarded Agreement Nos. 23024 through 23027 to four firms for On-Call Architecture & Engineering Services (Agenda Item No. 16).

On November 14, 2025, NCTD issued Request for Statement of Qualifications (RFSQ) No. 36832 for Design of Safety Improvements at the Carlsbad Village and Grand Avenue Grade Crossing on PlanetBids. Four responsive and responsible proposals were received by the December 30, 2025, deadline. The Source Selection Committee (SSC) reviewed the technical proposals in accordance with the evaluation factors, which included questions related to the technical approach, qualifications of the firm and project team members, and relevant project experience.

Based on the technical and qualification proposal evaluation, the SSC concluded that Parsons Transportation Group was the firm that was the most qualified and entered into negotiations, which resulted in cost savings of \$24,318 from the original proposal.

Parsons Transportation Group’s bid was over NCTD’s independent cost estimate (ICE) that was completed by staff prior to the solicitation. The variance between the ICE and the bid was primarily due to the original ICE excluding environmental scope and California Public Utilities Commission’s (CPUC) direction requiring separate design submittal packages for each crossing. Therefore, staff has deemed the proposal to be fair and reasonable.

Based on the foregoing, staff recommends that the NCTD Board award Task Order Agreement No. 05 to Agreement No. 23026 to Parsons Transportation Group for the Design of Safety Improvements at the Carlsbad Village Grade Crossing, in the amount not-to-exceed \$587,618.

**ATTACHMENT:** None

**FISCAL IMPACT:** The total fiscal impact of the proposed contract action is not-to-exceed \$587,618, which is funded by the Federal Transit Administration (FTA) and matching Transportation Development Act (TDA) funds programmed in Project No. 526003, which has a total budget of \$750,000. If the Board approves the execution of this Purchase Order, the budget available in Project No. 526003 will be reduced to \$162,382.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Tracey Foster, Chief Development Officer**  
E-mail: [tfoster@nctd.org](mailto:tfoster@nctd.org) Phone: 760-966-6674

**STAFF REPORT**

**RECEIVE THE QUARTERLY REPORT OF CONTRACT ACTIONS ISSUED UNDER THE CHIEF EXECUTIVE OFFICER'S AUTHORITY FOR THE THIRD QUARTER OF FY2026**

**Time Sensitive:**

**Consent:**

**STAFF  
RECOMMENDATION:**

Receive the quarterly report of contracts and/or contract modifications for the third quarter of FY2026 (January 1, 2026, to March 31, 2026) issued pursuant to the delegation of authority provided by the Board of Directors to the Chief Executive Officer in Board Policy No. 19 – *Delegation of Authority to the Chief Executive Officer*.

**BACKGROUND  
INFORMATION:**

Pursuant to North County Transit – San Diego Railroad's (NCTD) Board of Directors (Board) Policy No. 19 – *Delegation of Authority to the Chief Executive Officer*, the Chief Executive Officer or designee may:

- Award a contract if the initial contract value does not exceed \$500,000 and is within the Board-adopted budget.
- Amend a contract of any value within the Board-adopted budget if the amendment does not exceed \$250,000, singular or cumulative in value, and if the amendment does not involve a major change in scope, unless the amendment costs are reimbursable by a third-party and an agreement for reimbursement is in place, in which event, the amendment may be of any value.

The Chief Executive Officer must:

- Report contract actions and amendments made in accordance with this authority to the Board on a quarterly basis.

The Chief Executive Officer has delegated authority for the execution of contracts to the Chief Operating Officer – General Services, following review and approval by the Deputy Chief Executive Officer/Chief General Counsel.

Pursuant to Board Policy No. 19, the list of contract actions for the third quarter is included in Attachment 8A.

**ATTACHMENT:**

8A – Original Commitments \$500,000 in Value or Less and Change Order Commitments \$250,000 in Value or Less

**FISCAL IMPACT:**

This staff report has no fiscal impact.

**COMMITTEE REVIEW:**

None

**STAFF CONTACT:**

**Alex Denis, Chief Operating Officer – General Services**  
E-mail: adenis@nctd.org Phone: 760-966-6537

# REVISED

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less  
January 1, 2026 to March 31, 2026

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
603036	X		Amazon Capital Services, Inc.	GPS Antenna Adapter	\$ 10.86	N		
37669	X		Remarkable	Remarkable Connect Plan	\$ 12.88	N		
603079	X		Amazon Capital Services, Inc.	Office Supplies	\$ 21.63	N		
603044	X		Amazon Capital Services, Inc.	Flint Striker Lighters	\$ 37.60	N		
603002	X		Amazon Capital Services, Inc.	Office Supplies	\$ 38.41	N		
603049	X		ODP Business Solutions, LLC	Office Supplies	\$ 43.61	N		
603143	X		ODP Business Solutions, LLC	Office Supplies	\$ 43.63	N		
602979	X		Amazon Capital Services, Inc.	Office Supplies	\$ 44.37	N		
603022	X		Grainger, Inc	Personal Protective Equipment	\$ 46.31	N		
603120	X		ODP Business Solutions, LLC	Office Supplies	\$ 47.21	N		
603150	X		Amazon Capital Services, Inc.	Office Supplies	\$ 51.42	N		
602997	X		Amazon Capital Services, Inc.	Touch-Up Paint	\$ 56.53	N		
603080	X		Amazon Capital Services, Inc.	Office Supplies	\$ 58.03	N		
37703	X		ebay	Allen Bradley Interface	\$ 70.31	N		
603132	X		Amazon Capital Services, Inc.	Office Supplies	\$ 70.56	N		
603047	X		Traffic Supply, Inc.	Emergency Notice Sign	\$ 75.61	N		
603122	X		Amazon Capital Services, Inc.	Office Supplies	\$ 77.47	N		
37704	X		ebay	TeleCom Parts & Supplies	\$ 85.41	N		
602955	X		Amazon Capital Services, Inc.	Office Supplies	\$ 85.59	N		
603070	X		ODP Business Solutions, LLC	Business Cards	\$ 87.21	N		
603050	X		Amazon Capital Services, Inc.	Office Supplies	\$ 89.17	N		
603011	X		Hudson Printing	Office Supplies	\$ 91.59	N		
603017	X		B&H International, LLC	Miscellaneous Parts and Supplies-IT	\$ 95.22	N		
603154	X		Amazon Capital Services, Inc.	Roadeo Technician Shirts	\$ 96.99	N		
603125	X		Amazon Capital Services, Inc.	Boots and Uniforms	\$ 100.93	N		
602995	X		Amazon Capital Services, Inc.	Office Supplies	\$ 118.56	N		
603081	X		Amazon Capital Services, Inc.	Office Supplies	\$ 120.84	N		
603098	X		Amazon Capital Services, Inc.	Office Supplies	\$ 124.02	N		
602962	X		Amazon Capital Services, Inc.	Harmonic Balancer Kits	\$ 125.27	N		
37738	X		ebay	Fuel Injector Valve	\$ 126.65	N		
603124	X		Amazon Capital Services, Inc.	Office Supplies	\$ 128.72	N		
602974	X		Hudson Printing	Supervisor Academy Certificate	\$ 133.81	N		
603152	X		Amazon Capital Services, Inc.	Office Supplies	\$ 135.35	N		
603117	X		Amazon Capital Services, Inc.	Office Supplies	\$ 140.32	N		
602981	X		Amazon Capital Services, Inc.	Office Supplies	\$ 141.05	N		
603059	X		Hudson Printing	Non-Revenue Vehicle Accident Label	\$ 143.67	N		
603153	X		Dimensional Silk Screen, Inc.	GAO Front Door Decal	\$ 150.08	N		
603025	X		Amazon Capital Services, Inc.	SPRINTER CO-OP-Grainger Tools	\$ 157.03	N		

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
602973	X		Amazon Capital Services, Inc.	Office Supplies	\$ 158.49	N		
603087	X		B&H International, LLC	Miscellaneous Parts and Supplies-IT	\$ 159.41	N		
602956	X		ODP Business Solutions, LLC	Office Supplies	\$ 162.21	N		
603134	X		Amazon Capital Services, Inc.	Digital Cameras	\$ 162.98	N		
603094	X		LECIP, Inc	Farebox Lower Base Plate	\$ 164.69	N		
603102	X		Amazon Capital Services, Inc.	Field Materials	\$ 166.17	N		
603057	X		Amazon Capital Services, Inc.	Office Supplies - Amazon	\$ 166.39	N		
603128	X		Amazon Capital Services, Inc.	Kirkit Tension Gauge	\$ 167.42	N		
603071	X		Hudson Printing	Time Schedules	\$ 171.42	N		
603182	X		Ford Pro	Ford Telematics & Multimake	\$ 182.47	N		
603013	X		Amazon Capital Services, Inc.	Office Supplies	\$ 182.56	N		
603138	X		Amazon Capital Services, Inc.	GAO 3rd Floor - Door Plate Cover	\$ 190.16	N		
603034	X		Amazon Capital Services, Inc.	Office Supplies	\$ 196.32	N		
37747	X		ebay	Twinvision Sign Driver Circuitboard	\$ 196.84	N		
603031	X		Amazon Capital Services, Inc.	Office Supplies	\$ 200.73	N		
603061	X		Amazon Capital Services, Inc.	Office Supplies	\$ 206.61	N		
603127	X		Amazon Capital Services, Inc.	TPMS Programming Tool	\$ 216.41	N		
602985	X		Amazon Capital Services, Inc.	Office Supplies	\$ 226.16	N		
603086	X		Server Supply.com Inc	Miscellaneous Parts and Supplies-IT	\$ 226.25	N		
603051	X		Amazon Capital Services, Inc.	Office Supplies	\$ 234.32	N		
603118	X		Amazon Capital Services, Inc.	Office Supplies	\$ 237.46	N		
603048	X		Amazon Capital Services, Inc.	Office Supplies	\$ 257.12	N		
37665	X		Interpretation Services	Personal Interpreter Services	\$ 258.58	N		
37692	X		Aaron Ford of Escondido	Diagnosis for Bus 22120	\$ 260.00	N		
603072	X		Hudson Printing	Bus Decals	\$ 266.35	N		
602957	X		ODP Business Solutions, LLC	Office Supplies	\$ 275.74	N		
602983	X		Amazon Capital Services, Inc.	Office Supplies	\$ 282.10	N		
602984	X		Amazon Capital Services, Inc.	Office Supplies	\$ 282.10	N		
602980	X		Amazon Capital Services, Inc.	Office Supplies	\$ 303.08	N		
603063	X		Golden West Security Supply Co	MOS Parts and Supplies	\$ 306.68	N		
603060	X		Amazon Capital Services, Inc.	Locking Key Cabinets for Non-Revenue Vehicle Keys	\$ 310.23	N		
603114	X		Amazon Capital Services, Inc.	Office Supplies	\$ 319.35	N		
603115	X		Amazon Capital Services, Inc.	Office Supplies	\$ 322.87	N		
37717	X		Pacific Metrology	COASTER Tool Calibration	\$ 323.00	N		
37658	X		Pacific Metrology	SPRINTER Tool Calibration	\$ 326.00	N		
37672	X		ebay	CPU Processor Unit	\$ 340.22	N		
603052	X		Amazon Capital Services, Inc.	Office Supplies	\$ 367.47	N		
602965	X		ODP Business Solutions, LLC	Office Supplies	\$ 367.80	N		
37660	X		First Call Auto Glass	Glass Replacement-Ponto House Track	\$ 373.00	N		
603035	X		Hudson Printing	Proxy Bid Cards	\$ 386.53	N		
603093	X		ODP Business Solutions, LLC	Office Supplies	\$ 393.54	N		
603096	X		ODP Business Solutions, LLC	Office Supplies	\$ 394.98	N		

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
602982	X		Amazon Capital Services, Inc.	Office Supplies	\$ 398.47	N		
37716	X		Airgas USA, LLC	Gas Services - Argon 75	\$ 411.05	N		
602972	X		ODP Business Solutions, LLC	Office Supplies	\$ 411.14	N		
602986	X		Dimensional Silk Screen, Inc.	Restroom Hours Decals	\$ 413.25	N		
37733	X		ebay	TwinVision LED Sign System	\$ 446.09	N		
603085	X		Amazon Capital Services, Inc.	Office Supplies	\$ 446.79	N		
37711	X		First Call Auto Glass	Rear Glass Repair	\$ 447.59	N		
603028	X		Amazon Capital Services, Inc.	Office Supplies	\$ 452.51	N		
603111	X		Dimensional Silk Screen, Inc.	COASTER Padres 2026 A-Frames	\$ 478.93	N		
37736	X		First Call Auto Glass	Windshield Repair - Unit 22009	\$ 496.70	N		
37727	X		ebay	TeleCom Parts & Supplies	\$ 496.98	N		
603145	X		Amazon Capital Services, Inc.	GAO - Faucets	\$ 506.88	N		
603056	X		Office Depot Business Services	Office Supplies	\$ 533.51	N		
37661	X		Imprintnow.com	Employee Parking Permits	\$ 543.82	N		
37701	X		Pacific Metrology	SPRINTER Tool Calibration	\$ 560.00	N		
603148	X		Ferguson	Concrete Vault Covers	\$ 576.65	N		
603083	X		Dimensional Silk Screen, Inc.	GAO Logo Decal	\$ 587.25	N		
37699	X		First Call Auto Glass	Windshield Repair - Unit 92314	\$ 590.13	N		
603053	X		Amazon Capital Services, Inc.	SPRINTER Maintenance Materials	\$ 599.78	N		
37721	X		North County Ford	Unit 22107 Repair	\$ 616.08	N		
603026	X		Grainger, Inc	Smartwasher Pump and Windshield	\$ 623.91	N		
603097	X		Luminator Technology Group Glo	Front Destination Sign - 2135	\$ 647.06	N		
603067	X		Luminator Technology Group Glo	Luminator Board Unit 2627	\$ 660.81	N		
602987	X		Amazon Capital Services, Inc.	Office Supplies	\$ 679.75	N		
603136	X		Motion & Flow Control Products	COF-Hose for Oil Suction System	\$ 680.29	N		
603019	X		Dimensional Silk Screen, Inc.	Office Supplies	\$ 690.56	N		
37730	X		Western Pump Inc.	Repair Services	\$ 691.92	N		
603065	X		Uline, Inc.	Warehouse Safety Supplies	\$ 695.19	N		
37689	X		Asset Tiger	Asset Tiger Renewal	\$ 698.40	N		
603113	X		Uline, Inc.	BOW-Rolling Gate	\$ 737.67	N		
603064	X		Amazon Capital Services, Inc.	Office Supplies	\$ 742.11	N		
602999	X		Hudson Printing	AP/Payroll New Logo Envelopes	\$ 745.26	N		
603007	X		Dimensional Silk Screen, Inc.	Human Trafficking Decals	\$ 750.38	N		
602993	X		Amazon Capital Services, Inc.	Office Supplies	\$ 788.94	N		
603005	X		Amazon Capital Services, Inc.	BOW Cleaning Supplies	\$ 793.66	N		
37726	X		ehs International, Inc.	Defensive Driver Training	\$ 800.00	N		
37668	X		DirectTV	Direct TV Subscription	\$ 805.21	N		
602978	X		Dimensional Silk Screen, Inc.	Office Supplies	\$ 827.70	N		
603054	X		Graffiti Shield, Inc.	BUS Stop Flags/Signage	\$ 828.67	N		
603030	X		Amazon Capital Services, Inc.	Office Supplies	\$ 829.51	N		
603084	X		Amazon Capital Services, Inc.	Office Supplies	\$ 832.63	N		
603012	X		Amazon Capital Services, Inc.	Sweeper Scrubber Brushes	\$ 841.83	N		

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
37732	X		First Call Auto Glass	Windshield Repair - Unit 22104	\$ 852.27	N		
602996	X		ODP Business Solutions, LLC	Office Supplies	\$ 852.30	N		
37724	X		First Call Auto Glass	Windshield Repair - Unit 22119	\$ 857.15	N		
37725	X		First Call Auto Glass	Windshield Repair - Unit 22101	\$ 857.15	N		
37657	X		Allison Transmission	Allison HUB Subscription	\$ 858.00	N		
603116	X		Amazon Capital Services, Inc.	Office Supplies	\$ 858.16	N		
603024	X		Grainger, Inc	SPRINTER Gloves, Absorbent Pads, Windshield Fluid	\$ 865.76	N		
37659	X		Helm LLC	IDS/FDRS Software Subscription	\$ 880.00	N		
37684	X		United Rentals	Minor Maintenance/Repairs	\$ 892.51	N		
37743	X		Pacific Rigging Loft, Inc.	Load Testing - BOW	\$ 950.00	N		
37744	X		Pacific Rigging Loft, Inc.	Load Testing - BOE	\$ 950.00	N		
602990	X		Amazon Capital Services, Inc.	Telecom Parts and Supplies	\$ 972.86	N		
37705	X		First Call Auto Glass	Windshield Repair - Unit 92527	\$ 1,009.81	N		
602961	X		Amazon Capital Services, Inc.	Miscellaneous Tools	\$ 1,012.25	N		
37685	X		Graffiti Shield, Inc.	GAO Elevator Vinyl	\$ 1,053.28	N		
603105	X		Amazon Capital Services, Inc.	Office Supplies	\$ 1,033.07	N		
603032	X		Amazon Capital Services, Inc.	Office Supplies	\$ 1,042.21	N		
603015	X		Amazon Capital Services, Inc.	Office Supplies	\$ 1,063.34	N		
37663	X		United Rentals	Diesel Light Tower Repairs	\$ 1,064.42	N		
602998	X		Seon Systems Sales (Safe Fleet)	BOE Camera Adapter Plate	\$ 1,069.00	N		
603119	X		Elite Truck	Unit 92515 Truck Bed Cover	\$ 1,087.49	N		
603121	X		Amazon Capital Services, Inc.	Office Supplies	\$ 1,104.83	N		
603027	X		Amazon Capital Services, Inc.	COASTER-Personal Protection Equipment for Rail Operations	\$ 1,107.08	N		
37693	X		ebay	Cummins Flexible Hose	\$ 1,136.63	N		
603141	X		Amazon Capital Services, Inc.	Miscellaneous Parts and Supplies-IT	\$ 1,164.68	N		
37683	X		Safelite	Windshield Replacement - Unit 92518	\$ 1,183.87	N		
602967	X		Amazon Capital Services, Inc.	Office Supplies	\$ 1,195.60	N		
602968	X		Dimensional Silk Screen, Inc.	BREEZE Bus Decals	\$ 1,218.00	N		
602994	X		Hudson Printing	Outreach Event ValentinefCards	\$ 1,280.39	N		
602977	X		Safe Life Defense LLC	Boots and Uniforms	\$ 1,305.00	N		
602969	X		Graffiti Shield, Inc.	Bus Route / Texting Flags	\$ 1,338.55	N		
602964	X		Hudson Printing	Rider Alerts	\$ 1,342.20	N		
603139	X		Retailer Solutions dba Ceiling	GAO Board Room Flag Installation Materials	\$ 1,371.09	N		
603131	X		Dimensional Silk Screen, Inc.	GAO New Logo Street Sign	\$ 1,402.88	N		
603018	X		Hudson Printing	Transit Employee Appreciation Cards	\$ 1,408.56	N		
37694	X		Industrial Air Power	Valve	\$ 1,424.29	N		
603126	X		Elite Truck	Saddle Box Unit 510012	\$ 1,454.02	N		
37715	X		Dimensional Silk Screen, Inc.	Flag Wrap Repair	\$ 1,461.88	N		
37709	X		Big Rig World	Bushing Replacer Kits (2)	\$ 1,468.40	N		
603092	X		SSS Hot Off the Press	Blank Smart Cards for Badges	\$ 1,576.88	N		
603104	X		SSS Hot Off the Press	Blank Smart Cards for Badges	\$ 1,576.88	N		
603062	X		Amazon Capital Services, Inc.	Miscellaneous Tools	\$ 1,594.63	N		

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
603099	X		Hudson Printing	Rider Alerts	\$ 1,606.86	N		
603108	X		Amazon Capital Services, Inc.	Telecom Parts & Supplies	\$ 1,619.17	N		
37676	X		Procopio, Cory, Hargreaves & Savitch	Legal services	\$ 1,631.25	N		
37677	X		Procopio, Cory, Hargreaves & Savitch	Legal services	\$ 1,631.25	N		
603001	X		Amazon Capital Services, Inc.	Office Supplies	\$ 1,643.78	N		
37667	X		GoDaddy.com	GoDaddy Certificate Renewals	\$ 1,660.09	N		
603137	X		Zep Sales and Service	Zep Dz-7 and Formula 40	\$ 1,662.65	N		
602963	X		Datel Systems, Inc.	4006A NVR Hard Drive	\$ 1,683.45	N		
37737	X		ebay	Industrial Switch and Power Supply	\$ 1,766.61	N		
603073	X		ODP Business Solutions, LLC	Pallet -Paper	\$ 1,789.59	N		
603074	X		ODP Business Solutions, LLC	Pallet -Paper	\$ 1,789.59	N		
603076	X		ODP Business Solutions, LLC	Pallet -Paper	\$ 1,789.60	N		
603078	X		ODP Business Solutions, LLC	Pallet -Paper	\$ 1,789.60	N		
603144	X		Uline, Inc.	Hot Weather T-Shirts	\$ 1,813.83	N		
603045	X		Dimensional Silk Screen, Inc.	Human Trafficking Posters	\$ 1,829.43	N		
603004	X		Sunny Communications, Inc.	Telecom Parts and Supplies	\$ 1,873.14	N		
603016	X		Amazon Capital Services, Inc.	Parts and Supplies	\$ 1,875.18	N		
37706	X		Vortex Industries LLC	Minor Maintenance/Repairs	\$ 1,947.26	N		
602992	X		Bluebeam, Inc.	Bluebeam Core Subscription	\$ 1,980.00	N		
603058	X		Hudson Printing	Transit Employee Appreciation Postcards	\$ 2,007.37	N		
603046	X		Dimensional Silk Screen, Inc.	Transit Appreciation Backdrop	\$ 2,011.88	N		
602988	X		Attention Getters Design Inc.	Signs for Bus Stalls at Transit Centers	\$ 2,053.76	N		
603023	X		Grainger, Inc	SPRINTER Air Compressor/Filter Parts	\$ 2,076.34	N		
603133	X		Amazon Capital Services, Inc.	Office Supplies	\$ 2,155.90	N		
37688	X		Pinsource	Employee Appreciation Pins	\$ 2,233.36	N		
37670	X		Canva	Renewal-AutoCAD Licenses	\$ 2,391.98	N		
37691	X		Balco Holdings Inc. dba Bay Alarm	Minor Maintenance/Repairs	\$ 2,500.00	N		
37735	X		United Rentals	Minor Maintenance/Repairs	\$ 2,628.17	N		
37712	X		Autodesk	Renewal-AutoCAD Licenses	\$ 2,720.00	N		
37681	X		Graffiti Shield, Inc.	Minor Maintenance/Repairs	\$ 2,896.40	N		
37719	X		Vortex Industries LLC	Minor Maintenance/Repairs	\$ 3,298.00	N		
37723	X		Noble Glass Inc	Replacement Glass - ETC	\$ 3,540.01	N		
37728	X		Vortex Industries LLC	Repair Services at Mechanics' Bay	\$ 3,802.00	N		
37662	X		LML, LLC	Employee Appreciation Challenge Coins	\$ 3,901.26	N		
37740	X		Anthropic	Anthropic Claude Teams	\$ 4,080.00	N		
37729	X		Vortex Industries LLC	Wood Door for Dispatch	\$ 4,110.13	N		
37690	X		Coastal Occu. Med. Grp. DBA Akeso	Medical/Physical Exams	\$ 4,279.92	N		
37679	X		Nextsense GmbH	SPRINTER Calipri Calibration	\$ 4,433.38	N		
37680	X		Dri-Stick Decals Corp dba Rydin	SPRINTER/BREEZE Scratch Ticket	\$ 4,514.03	N		
37671	X		Canva	Canva Pro for Teams	\$ 4,549.00	N		
37686	X		Cal Systems, Inc.	Badge Access Repairs	\$ 4,950.00	N		
37700	X		North County Clean Truck Check	Clean Truck Check	\$ 4,970.00	N		

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
37718	X		Autozone, Inc. dba AllData, LLC	AllData Annual Renewal	\$ 4,995.00	N		
37673	X		Cal Systems, Inc.	Gate Motor Repair - BOW / BOE	\$ 4,999.99	N		
37678	X		Haaker Equipment Company	Walk Sweeper Repairs	\$ 4,999.99	N		
37702	X		Environmental Testing & Technology	Asbestos Testing	\$ 4,999.99	N		
37687	X		Pinsource	Employee Appreciation Butterfly Pins	\$ 5,000.00	N		
37710	X		Vortex Industries LLC	Door Repairs	\$ 5,000.00	N		
37713	X		EyeP Solutions, Inc.	45-day PoC/Analytic & Upgrade	\$ 5,000.00	N		
37666	X		MailChimp	MailChimp Monthly	\$ 5,202.00	N		
22056	X		Fastenal Company	First Aid Kits for Additional Locations	\$ 6,000.00	N		
37675	X		Fastenal Company	First Aid Kits	\$ 6,000.00	N		
37731	X		American Power Systems, LLC	TeleCom Parts & Supplies	\$ 7,159.96	N		
37698	X		PRISM	Employee Assistance Program	\$ 8,973.15	N	X	
37739	X		The Glass Company, Inc.	Glass Replacement - GAO	\$ 9,495.00	N		
37707	X		GovConnection, Inc dba Connect	OmniSSA and VMware Renewals	\$ 9,990.00	N		
26022	X		The Gordian Group, Inc.	Project Cost Estimating Tool	\$ 10,718.40	N		
37720	X		Raymond Allyn Business Supplies	GAO Furniture Wrap Up Order	\$ 11,208.21	N		
26015	X		Horizons Construction	ETC Storefront Demolition	\$ 14,120.00	N		
25048		X	Horizons Construction	ETC Sheriff Touchdown Facility	\$ 14,337.90	N		
37695	X		Miracle Software Systems	KnowBe4 Subscription	\$ 15,756.00	N		
37708	X		bkm OfficeWorks, LLC dba Hyphn	Chairs - ETC Sheriff, SOF & GAO	\$ 24,940.87	N		
26020	X		Western Pump Inc.	SOF Air Compressors Replacements	\$ 30,701.05	Y		
37741	X		Agile Occupational Medicine	Medical/Physical Exams	\$ 31,000.00	N	X	
26017	X		Industrial Power and Automation	BOW Cyclops Programmable Logic Controller	\$ 37,825.00	Y		
36953		X	Carahsoft	Smartsheet	\$ 40,398.54	N		
25065		X	Vincor Construction	GAO Plumbing Improvements	\$ 45,740.78	N		
23044		X	Datel Systems	COASTER Onboard Video Equipment	\$ 52,880.77	Y		
37642	X		MSC Industrial Supply	District Wide Facilities Supplies	\$ 55,283.79	N		
24053		X	United Site Services	As-Needed Site Services	\$ 71,861.20	N		X
37734	X		Silverstone Systems, LLC	FCEB HVAC Training Equipment	\$ 75,054.17	Y	X	
25053		X	Autolift Services	Vehicle Washer Maintenance-Addl Services	\$ 77,400.00	Y		X
37745	X		Snap-On Industrial	FCEB Training Equipment	\$ 78,484.80	Y	X	
20032/24058		X	Alstom Transportation	Additional Training	\$ 79,539.00	N		
26014	X		Siemens	Fire Detection Alarm	\$ 81,006.60	Y		
24031		X	Royal Entertainers	Holiday Express Character Actors	\$ 110,725.00	N		X
26024		X	Branson Industries LLC	Bus Stop Solar Lights Install	\$ 118,529.00	Y		
37696		X	LotusUSA, Inc.	ZEB Fall Protection Construction	\$ 156,113.46	N		
25067		X	DRS Contracting, Inc.	Miramar Rail Replacement	\$ 165,540.00	Y		
19044		X	Crowe	CRM Software and Support	\$ 184,610.00	N		X
23048		X	Bay City Equipment Industries	Generator Maintenance Services	\$ 194,599.38	Y		X
37746	X		Snap-On Industrial	FCEB Equipment	\$ 234,468.74	Y	X	
26025		X	Blue Bridge Building & Construction	BOE - Various Finish Improvements	\$258,000.00	Y		

Order Number	Original Order	Contract Modification	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source	Term Contract
26025		X	JNH Construction, Inc.	BOE - Various Finish Improvements	\$ 258,000.00	Y		
26012	X		Roma Engineering	Access Control/Security Systems Improvements	\$ 300,725.00	Y		X
37722	X		Advanced Technologies Consultants	FCEB PEM Training Equipment	\$ 305,123.19	Y	X	
26026	X		Blue Bridge Building & Construction	BOW - Various Finish Improveme	\$ 327,000.00	Y		
37664	X		Sunbelt Rentals, Inc.	Sunbelt CO-OP	\$ 355,000.00	N		X
26019	X		Liebert Cassidy Whitmore	General Legal Services	\$ 499,999.99	N		X
26021	X		Floyd Skeren Manukian Langevin	General Legal Services	\$ 499,999.99	N		X
26023	X		Hanson Bridgett LLP	General Legal Services	\$ 499,999.99	N		X
091422	X		MSC Industrial Supply	Marketplace CO-OP Agreement	\$ 499,999.99	N		

Marketplace Purchases 500K in Value or Less  
January 1, 2026 to March 31, 2026

Vendor	Service/Product Description	Total Value
Parts Authority	MRO Materials and Supplies	\$ 64.56
Luminator	MRO Materials and Supplies	\$ 158.00
Translite Enterprises	MRO Materials and Supplies	\$ 928.92
ABC Companies (Bus)	MRO Materials and Supplies	\$ 1,114.48
Factory Motor Parts	MRO Materials and Supplies	\$ 1,170.55
TESCO - Transportation Equipment Sales Corporation	MRO Materials and Supplies	\$ 1,184.92
Aaron Ford of Escondido	MRO Materials and Supplies	\$ 1,364.29
Graffiti Shield	MRO Materials and Supplies	\$ 1,393.52
Union County Seating	MRO Materials and Supplies	\$ 1,550.00
CDW-G	MRO Materials and Supplies	\$ 1,702.54
Parkhouse Tires	MRO Materials and Supplies	\$ 2,086.85
Home Depot	MRO Materials and Supplies	\$ 2,150.37
ODP Business Solutions	MRO Materials and Supplies	\$ 2,471.05
RWC Group	MRO Materials and Supplies	\$ 2,494.99
Kirks Transit Fleet Equipment	MRO Materials and Supplies	\$ 2,750.00
NAPA Auto Parts	MRO Materials and Supplies	\$ 2,785.71
Imperial Dade	MRO Materials and Supplies	\$ 2,951.36
Cameo Paper & Janitorial Supply	MRO Materials and Supplies	\$ 3,505.25
Fleetwatch (S&A Systems Inc)	MRO Materials and Supplies	\$ 3,613.99
Daniels Tire Service	MRO Materials and Supplies	\$ 4,692.47
San Diego Friction Products Inc.	MRO Materials and Supplies	\$ 4,784.15
Premier Chevrolet of Carlsbad	MRO Materials and Supplies	\$ 5,227.68
Mohawk Manufacturing & Supply	MRO Materials and Supplies	\$ 5,329.25
Martin Auto Color	MRO Materials and Supplies	\$ 5,790.72
Zavala's Upholstery	MRO Materials and Supplies	\$ 5,852.00
Fleetcharge	MRO Materials and Supplies	\$ 7,200.00
FleetPride	MRO Materials and Supplies	\$ 14,131.38
Zep	MRO Materials and Supplies	\$ 16,438.89
Romaine Electric	MRO Materials and Supplies	\$ 16,850.43
Motive Energy	MRO Materials and Supplies	\$ 22,104.10
North County Ford	MRO Materials and Supplies	\$ 25,955.99
Thermal Protection Services	MRO Materials and Supplies	\$ 27,600.00
Fastenal	MRO Materials and Supplies	\$ 30,001.66
Dartco Transmission Sales & Service, Inc.	MRO Materials and Supplies	\$ 32,274.82
North County Locksmith	MRO Materials and Supplies	\$ 37,815.00
Sonsray	MRO Materials and Supplies	\$ 53,961.03
Inland Kenworth	MRO Materials and Supplies	\$ 86,940.39
Grainger	MRO Materials and Supplies	\$ 92,234.42
Rush Truck Center	MRO Materials and Supplies	\$ 133,659.71
NFI Parts	MRO Materials and Supplies	\$ 192,583.13

**STAFF REPORT**

**APPROVE TASK ORDER AGREEMENT NO. 03 TO AGREEMENT NO. 23009 WITH PARSONS TRANSPORTATION GROUP FOR PARKING FACILITY IMPROVEMENTS AT BREEZE OPERATIONS WEST FACILITY**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Approve Task Order Agreement No. 03 to Agreement No. 23009 with Parsons Transportation Group for New Parking Facility Improvements at BREEZE Operations West Facility (BOW), in an amount not-to-exceed \$590,453.

**BACKGROUND  
INFORMATION:**

At the November 21, 2024 Regular Board Meeting, the North County Transit – San Diego Railroad (NCTD) Board of Directors (Board) authorized the acquisition of a 2.71-acre unimproved lot located at the intersection of Jones Road and Benet Road in Oceanside (Agenda Item No. 15).

This unimproved lot is intended to provide additional parking spaces for employees' vehicles and NCTD buses. A complete design for the lot improvements is necessary and would include plans for grading, drainage, paving and striping, new driveways, new fence and gates, parking lot lights, and CCTV cameras. The design will also include footings, a pad, and all the infrastructure required for a future modular building to accommodate staff. These improvements will enhance employee safety, along with improving site accessibility, circulation, operational efficiency, and overall capacity to support current and future transit operations.

On September 15, 2022, the NCTD Board awarded Agreement Nos. 23005 through 23009 with four consultants for on-call civil design services (Agenda Item No. 13).

On November 25, 2025, NCTD issued Request for Statement of Qualifications (RFSQ) No. 36863 for BREEZE Operations West Facility (BOW) Parking Lot Facility Improvement on PlanetBids. Three responsive and responsible proposals were received by the January 8, 2026 deadline. The Source Selection Committee (SSC) reviewed the technical proposals in accordance with the evaluation factors, which included questions related to the technical approach, qualifications of the firm and project team members, and relevant project experience.

Based on the technical and qualification proposal evaluation, the SSC concluded that Parsons Transportation Group was the firm that was the most qualified and entered into negotiations, which resulted in cost savings of \$77,447 from the original proposal. Parsons Transportation Group's final proposal was below NCTD's independent cost estimate (ICE) that was completed by staff prior to the solicitation. Therefore, staff have deemed the proposal to be fair and reasonable.

Based on the foregoing, staff recommends that the NCTD Board approve Task Order Agreement No. 03 to Agreement No. 23009 to Parsons Transportation Group for New Parking Facility Improvements at BOW, in an amount not-to-exceed \$590,453.

**ATTACHMENT:** None

**FISCAL IMPACT:** The fiscal impact of this proposed contract action is \$590,453. The project design costs associated with the 50%–100% design phase total \$328,018.74 and are funded through Federal Transit Administration (FTA) funds and matching State Transit Assistance (STA) funds programmed under Project No. 126007, which has a total project budget of \$421,111.00. If approved, execution of this Purchase Order will reduce the remaining available budget within Project No. 126007 to \$93,092.26.

The project assessments, evaluations, and testing costs total \$262,434.26 and are programmed within the FY27 operating budget utilizing FTA Preventative Maintenance funds and matching local operating funds programmed under account number 356.50311X.042.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Tracey Foster, Chief Development Officer**  
E-mail: [tfoster@nctd.org](mailto:tfoster@nctd.org) Phone: 760-966-6674

**STAFF REPORT** | **ADOPT A PROCLAMATION RECOGNIZING SEPTEMBER 2026 AS RAIL SAFETY MONTH**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:  
BACKGROUND  
INFORMATION:**

Adopt a Proclamation recognizing September 2026 as Rail Safety Month.

North County Transit - San Diego Railroad (NCTD) holds safety as a core value in the provision and operation of public transit services throughout its service area. NCTD takes every opportunity to incorporate the fundamental principles of safety in all of its operational plans, procedures, and processes. NCTD also takes steps to proactively communicate the concept of public safety awareness and education to members of the community about rail grade crossings and rail right-of-way. This is done through public outreach and educational efforts throughout the year.

According to statistics kept by the Federal Railroad Administration and California Operation Lifesaver, Inc., the State of California continues to be identified as having the highest number of railroad trespasser fatalities of all states in the nation. There were 234 tragic rail incidents (directly related to trespassing) recorded statewide in calendar year 2025 (CY2025) of which 81 resulted in an injury and 153 were fatal.

During CY2025, NCTD had 17 rail incidents on the NCTD railroad right-of-way related to trespassing, which resulted in 5 injuries and 12 fatalities. To date in CY 2026, NCTD and/or its tenant railroads (Amtrak and BNSF) have experienced 10 rail incidents on the NCTD railroad right-of-way, which has resulted in 5 injuries and 5 fatalities.

In an effort to reduce these tragedies, state legislators passed a bill in 2009 that designated September as "Railroad Safety Month." Each year, passenger and freight rail operators team up to remind pedestrians and motorists to exercise caution when near tracks, to heed the warning signals when crossing railroad tracks, and to always "See Tracks, Think Train".

To promote Rail Safety Month, NCTD will be engaging in a variety of activities, including outreach to local communities through participation at various farmers' markets and schools, pop up events at transit centers/rail stations, partnering with NCTD's Transit Enforcement Services Unit for direct outreach to businesses near NCTD's railroad tracks and stations, and online campaigns.

NCTD is affirming its commitment to safety and saving lives through the prevention of needless tragedy by this proclamation recognizing September 2026 as Rail Safety Month.

**ATTACHMENT:** 11A – 2026 California Rail Safety Month Proclamation

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** | **Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel**  
E-mail: [lwinfree@nctd.org](mailto:lwinfree@nctd.org) Phone: 760-966-6532

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

**PROCLAMATION OF NORTH COUNTY TRANSIT -SAN DIEGO RAILROAD (NCTD)  
BOARD OF DIRECTORS DESIGNATING SEPTEMBER 2026 AS *RAIL SAFETY*  
*MONTH***

**WHEREAS**, there is a train-involved incident every three hours in the United States, and California ranks first in the nation in trespass and highway-rail grade crossing fatalities; and

**WHEREAS**, during the last calendar year in California, there were a total of 234 trespasser-related rail incidents, including 153 trespasser fatalities and 81 injuries; and

**WHEREAS**, during the last calendar year on railroad right-of-way owned and/or operated by NCTD, there were five injuries, and 12 fatalities related to trespassing; and

**WHEREAS**, there are more than 10,000 highway rail-grade crossings located within 52 counties and more than 400 cities in California, including 70 grade crossings on the Escondido Subdivision and 60 grade crossings on the San Diego Subdivision; and

**WHEREAS**, COASTER, SPRINTER, Metrolink, and Amtrak passenger rail operations and BNSF Railway freight train services operate on railroad infrastructure owned and operated by NCTD; and

**WHEREAS**, NCTD and its railroad service partners place the highest priority on safety by improving at-grade crossings with features such as flashing warning devices, gates, raised center medians, striping, signage, pavement markings and Positive Train Control; and

**WHEREAS**, California Operation Lifesaver, the Federal Railroad Administration, the California Department of Transportation, the California Public Utilities Commission, and the passenger and freight railroads are working together to improve railroad safety and to educate the public of the dangers of not obeying the signs and signals around railroad property; and

**WHEREAS**, railroad operators and the San Diego County communities they serve will benefit from the combined effort by local, state, and federal governments, the rail industry, and citizens to promote safety around railroad tracks and crossings and reduce the likelihood of train-related incidents; and

**WHEREAS**, September is designated as *Rail Safety Month* in the State of California; and

**WHEREAS**, California Operation Lifesaver supports the ***See Tracks? Think Train!*** campaign and educational efforts by conducting on-the-ground law enforcement trainings, safety presentations, and public awareness activities to help reduce train-related incidents.

**NOW, THEREFORE, BE IT PROCLAIMED AND RESOLVED** that the NCTD Board of Directors hereby proclaims September 2026 as ***“Rail Safety Month”*** and commends the efforts being made to improve railroad crossing safety. NCTD’s Board of Directors urges the public to be cautious and safe around railroad tracks and railroad property and to remember **SEE TRACKS? THINK TRAIN!**

**PASSED, APPROVED, AND ADOPTED** at the regular meeting of the Board of Directors of the North County Transit – San Diego Railroad this 18<sup>th</sup> day of June 2026.

\_\_\_\_\_  
BOARD CHAIR  
North County Transit – San Diego Railroad

CERTIFICATION

I, Suheil Rodriguez, duly appointed and qualified, Clerk of the Board of the North County Transit – San Diego Railroad, do hereby certify that the above is a true and correct copy of a proclamation passed and approved by the Board of Directors of the North County Transit – San Diego Railroad adopted at a legally convened meeting of the Board of Directors of the North County Transit -San Diego Railroad held on the 18<sup>th</sup> day of June 2026.

\_\_\_\_\_  
CLERK OF THE BOARD  
North County Transit – San Diego Railroad

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

Agenda  
Item #  
**12**

**STAFF REPORT**

**AUTHORIZE AWARD OF SPECIFIED AGREEMENTS DURING THE PERIOD BETWEEN JUNE 19, 2026 AND SEPTEMBER 16, 2026**

Time Sensitive:  Consent:

**STAFF RECOMMENDATION:**

Authorize the award of specified agreements as identified herein during the period of June 19, 2026 through September 16, 2026, as necessary to ensure business needs are timely advanced within the parameters of the approved FY2026 or FY2027 Operating and Capital Budgets (as applicable), subject to the concurrence of the Deputy Chief Executive Officer/Chief General Counsel.

**BACKGROUND INFORMATION:**

The North County Transit District, operating as North County Transit – San Diego Railroad’s (NCTD) Board of Directors (Board) Policy No. 19 - *Delegation of Authority to Chief Executive Officer* (Board Policy No. 19) requires Board approval to award an initial contract with a value greater than \$500,000 or an increase to a contract if the value is greater than \$250,000 (contracting limitations).

After its meeting on June 18, 2026, the Board will meet on July 16, 2026 for the Board Workshop (no actionable agenda items are anticipated) and is not scheduled to meet again until September 17, 2026. To ensure business transactions/initiatives are timely advanced, staff recommends that the Board expressly waive the provisions related to contracting limitations provided in Board Policy No. 19 and authorize the award of the agreements specified in Attachment 12A during the period between June 19, 2026 and the next regularly scheduled Board meeting on September 17, 2026.

Based on the foregoing, staff recommends that the Board authorize the award of the agreements specified in Attachment 13A within the parameters of the approved FY2026 or FY2027 Operating and Capital Budgets (as applicable) subject to the concurrence of the Deputy Chief Executive Officer/Chief General Counsel. If this authority is exercised, a report of the contract action(s) taken during this period will be submitted to the Board at the September 17, 2026 Regular Board meeting.

**ATTACHMENT:**

12A – Specified Agreements – Project Descriptions

**FISCAL IMPACT:**

There is no immediate fiscal impact from the requested authority. The authority would only be exercised if funding has been approved or can be identified from the FY2026 or FY2027 Operating and Capital Budgets (as applicable) approved by the Board of Directors.

**COMMITTEE REVIEW:**

None

**STAFF CONTACT:**

**Alex Denis, Chief Operating Officer – General Services**  
E-mail: [adenis@nctd.org](mailto:adenis@nctd.org) Phone: 760-966-6537

**NORTH COUNTY TRANSIT****SAN DIEGO RAILROAD****Specified Agreements - Project Descriptions**

**Axle Gearbox Replacement** – The scope of work under Task Order No. 18 through the Siemens agreement includes replacing one axle gearbox and procuring two additional spare units. Due to extended lead times for procurement, NCTD must maintain sufficient inventory, as axle gearboxes are critical components of the SPRINTER's drive system and their availability is essential to ongoing operations. The approximate cost is \$510,000.

**Electric Utility Golf Carts** – The procurement activity involves the purchase and delivery of fully electric utility golf carts to support operations and maintenance activities throughout the district. It also includes the establishment of unit pricing for optional future purchases during the contract term. The approximate cost is \$530,000.

**Electrical Systems Maintenance and Repair Services** – The procurement activity involves the purchase of four (4) new Toyota Camry Hybrid sedans to support NCTD's non-revenue fleet operations and replacement needs. It also includes the establishment of firm unit pricing for the future purchase of additional optional vehicles. The approximate cost is \$510,000.

**Plumbing and Backflow Testing, Repair, and Maintenance Services** – The procurement activity involves providing inspection, testing, certification, maintenance, and repair services for backflow prevention assemblies and plumbing systems across NCTD facilities. These services are required to maintain regulatory compliance, ensure system reliability, and support continued facility operations. The approximate cost is \$1,620,000.

**Fire Alarm and Methane Detection System Monitoring, Inspection, Testing, and Maintenance Services** – The procurement activity involves providing monitoring, inspection, testing, maintenance, and repair services for fire alarm, carbon dioxide alarm, and methane detection systems at NCTD facilities. These services are required to maintain compliance with applicable fire and life safety codes and ensure the continued reliability of critical facility safety systems. The approximate cost is \$1,280,000.

**Temporary Staffing Services** – The procurement activity involves the renewal of as-needed temporary staffing services to support NCTD programs, projects, and services. The procurement is currently in the bidding phase. The approximate cost over the term of the contract is approximately \$1,162,300.

**Other Urgent Agreements Relating to Maintenance, Repair and Operations (MRO)** – This report includes procurements that are expected to be finalized between June 18, 2026 and the next regularly scheduled board meeting on September 17, 2026. However, from time to time it may be necessary to expedite other procurements for MRO goods or services to meet operational needs. Only contracts within the parameters of the approved FY2026 or FY2027 Operating and Capital Budgets will be considered. Any contract approved under this authority will be reported to the Board at its September 2026 meeting.

**STAFF REPORT**

**ADOPT RESOLUTION NO. 26-09 AUTHORIZING STAFF TO SUBMIT AN APPLICATION TO THE SAN DIEGO ASSOCIATION OF GOVERNMENTS FLEXIBLE FLEETS PILOT GRANT PROGRAM**

Time Sensitive:  Consent:

**STAFF  
RECOMMENDATION:**

Adopt Resolution No. 26-09 authorizing staff to submit an application to the San Diego Association of Governments Flexible Fleets pilot grant program and accept the grant funding and execute a grant agreement if an award is made.

**BACKGROUND  
INFORMATION:**

The San Diego Association of Governments (SANDAG) is soliciting applications for its Flexible Fleets Pilot grant program. This program will plan, deploy, and monitor Flexible Fleets pilots aimed at expanding shared mobility travel choices, enhancing transit connections, filling transit gaps, improving air quality, and advancing the goals of the Regional Plan.

For this program, \$4.5 million is available in Federal Highway Administration Surface Transportation Block Grant (STBG) funding. Eligible applicants include federal, state, and local governments, tribal governments, transit districts, and military institutions.

North County Transit – San Diego Railroad (NCTD) is preparing an application to the Flexible Fleets Pilot grant program for the NCTD+ Microtransit On-demand Pilot: Phase 3. This funding request will implement a new on-demand microtransit service in a 9.3 square mile zone that connects the rural community of Fallbrook and the Pala Reservation. The proposed service will provide a new mobility option to several key destinations for residents that currently lack access to traditional modes of transportation. The Fallbrook-Pala Zone was also identified as a high priority zone by NCTD's Microtransit Pilot Program Suitability Analysis.

SANDAG requires Flexible Fleets Pilot grant program applicants to submit a resolution from its authorized governing body within 30 days of the grant application deadline that:

- Commits to providing the minimum matching funds percentage outlined in the Call for Projects
- Authorizes the applicant's staff to accept the grant funding and execute a grant agreement if an award is made by SANDAG.

Accordingly, staff recommends that the NCTD Board of Directors adopt Resolution No. 26-09 authorizing staff to submit an application to SANDAG's Flexible Fleets Pilot grant program, and to accept the grant funding and execute a grant agreement if an award is made by SANDAG.

**ATTACHMENT:**

13A – Resolution No. 26-09

**FISCAL IMPACT:**

If awarded, NCTD will provide matching funds equal to \$114,700 through staff time, including planning and project oversight, for this application.

**COMMITTEE REVIEW:** | None

**STAFF CONTACT:** | **Tyler Mosher, Government Affairs Officer**  
E-mail: tmosher@nctd.org Phone: 760-435-9147

**NORTH COUNTY TRANSIT**  
**SAN DIEGO RAILROAD**

RESOLUTION NO. 26-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH COUNTY TRANSIT DISTRICT AUTHORIZING THE FILING OF AN APPLICATION FOR GRANT FUNDS FROM THE SAN DIEGO ASSOCIATION OF GOVERNMENTS AND ACCEPTING THE TERMS OF THE GRANT AGREEMENT**

**WHEREAS**, the San Diego Association of Governments (“SANDAG”) has created a new Flexible Fleet Pilot Grant Program (“FFGP”); and

**WHEREAS**, up to \$4.5 million of *Surface Transportation Block Grant* funding is available for FFGP projects; and

**WHEREAS**, federal, state, and local governments, tribal governments, transit districts, and military institutions are eligible applicants; and

**WHEREAS**, North County Transit District, operating under and pursuant to California Public Utilities Code sections 125000, et seq., and referred to as North County Transit – San Diego Railroad (“NCTD”), wishes to apply for FFGP grant funding from SANDAG; and

**NOW, THEREFORE, BE IT RESOLVED** by the NCTD Board of Directors (“Board”) that NCTD is authorized to submit a grant application to SANDAG for FFGP funding; and

**BE IT FURTHER RESOLVED** that, if a grant award is made by SANDAG to fund the application, NCTD commits to providing the matching fund amounts listed in the grant application; and

**BE IT FURTHER RESOLVED** that, if a grant award is made by SANDAG, NCTD authorizes staff to accept the grant funds, execute the grant agreement with no exceptions in substantially the same form as provided with the FFGP Call for Projects, and complete the project as described in the application.

**PASSED, APPROVED AND ADOPTED** at the Regular Meeting of the Board of NCTD this 18<sup>th</sup> day of June 2026.

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BOARD CHAIR  
North County Transit - San Diego Railroad

## CERTIFICATION

I, Suheil Rodriguez, duly appointed and qualified, Clerk of the Board of the North County Transit - San Diego Railroad, do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Board NCTD adopted at a legally convened meeting of the Board of Directors of NCTD held on the 18<sup>th</sup> day of June 2026.

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CLERK OF THE BOARD  
North County Transit - San Diego Railroad

**STAFF REPORT**

**PUBLIC HEARING TO RECEIVE A PRESENTATION ON THE STATUS OF JOB VACANCIES AND RECRUITMENT AND RETENTION EFFORTS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION § 3502.3**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Staff recommends that North County Transit – San Diego Railroad’s (NCTD) Board of Directors (Board) conduct a public hearing for the Board to receive a presentation on the status of job vacancies and NCTD’s recruitment and retention efforts, in accordance with California Government Code Section § 3502.3.

**BACKGROUND  
INFORMATION:**

Assembly Bill (AB) 2561 was signed into law on September 22, 2024, and created § 3502.3 to the California Government Code effective January 1, 2025. This legislation requires a public agency to present the status of vacancies and related recruitment and retention efforts at a public hearing at least once per fiscal year prior to the adoption of the agency’s final budget.

If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the legislation requires the public agency, upon request of the affected bargaining unit, to include specified information during the public hearing. However, the foregoing is not applicable as NCTD’s vacancy rate is below the legislative threshold.

At the May 18, 2026, Board meeting, the Board approved setting a public hearing for the June 18, 2026 Board meeting, pursuant to the requirements of California Government Code Section § 3502.3. At the public hearing on June 18, 2026, the Board will receive a presentation on the status of job vacancies and NCTD’s recruitment and retention efforts.

Staff recommends that the Board conduct the public hearing required by Government Code section 3502.3, receive the presentation regarding NCTD’s status of job vacancies and recruitment and retention efforts, receive public comment and any presentation from a recognized employee organization, as applicable, and receive and file the staff report.

**ATTACHMENT:**

14A – Status of Vacancies and Recruitment and Retention Efforts Presentation

**FISCAL IMPACT:**

This staff report has no fiscal impact.

**COMMITTEE REVIEW:**

None

**STAFF CONTACT:**

**Adrienne L. Johnson, Deputy Chief People Officer**  
E-mail: [ajohnson@nctd.org](mailto:ajohnson@nctd.org) Phone: 760-547-4088

# Public Hearing to Receive Presentation on the Status of Job Vacancies and Recruitment and Retention Efforts Pursuant to CA Government Code Section § 3502.3.

Board Meeting  
June 18, 2026

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

# Background Information

- California Government Code Section 3502.3 became effective January 1, 2025.
- Requires a public agency to present the status of vacancies and related recruitment and retention efforts at a public hearing at least once per fiscal year prior to the adoption of the agency's final budget.
- If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the legislation requires the public agency, upon request of the affected bargaining unit, to include specified information during the public hearing.

# Current Vacancy Status

- **Current Vacancy Status.** The following represents NCTD's vacancies as of May 1, 2026:
  - Agency total authorized full-time positions: 873
  - Current vacant positions: 53
  - Overall agency vacancy rate: 6.1%
  - The number of bargaining units with a 20% or higher vacancy rate: 0

# Recruitment and Retention

- **Recruitment Efforts.** There have been 92 recruitments completed between July 1, 2025 through May 1, 2026.
- **Retention Efforts.** To ensure retention, NCTD has a robust employee benefits package that is comparable to other transit and public sector agencies. NCTD also provides extensive training opportunities and is about to implement an apprenticeship program with Palomar College.
- **Obstacles to Recruiting.** Generally, NCTD is fortunate to receive a robust applicant response to its posted vacancies, which helps to expedite recruitment efforts. Nonetheless, in the public sector, positions usually take longer to fill than in the private sector due to additional transparency, oversight, compliance, and onboarding processes. Some positions, particularly entry-level positions, do have a higher attrition rate and, therefore, vacancies occur more frequently in those classifications.

# Recommended Action

Staff recommends that NCTD's Board of Directors conduct the public hearing required by Government Code Section 3502.3, receive public comment, and receive and file the staff report and presentation.

**Questions?**

**STAFF REPORT**

**CONDUCT PUBLIC HEARING AND ADOPT THE FY2027 OPERATING BUDGET AND FY2027-FY2031 CAPITAL IMPROVEMENT PROGRAM AND RELATED DOCUMENTS, AND APPROVE THE FY2027-FY2031 SERVICE IMPLEMENTATION PLAN**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Following receipt and consideration of public comment, staff recommends that the North County Transit – San Diego Railroad Board of Directors (Board):

- Close the Public Hearing on the Proposed FY2027 Operating Budget and FY2027–2031 Capital Improvement Program; and
- Take the following actions related to the Budget:
  - Adopt the Proposed FY2027 Operating Budget and FY2027-2031 Capital Improvement Program;
  - Approve the Proposed FY2027 Classification and Compensation Schedules for Represented and Non-Represented Employees;
  - Approve the Proposed FY2027 Cost Recovery Fee Schedule; and
  - Approve the Proposed FY2027-FY2031 Service Implementation Plan

**BACKGROUND  
INFORMATION:**

The North County Transit District, operating under and pursuant to California Public Utilities Code sections 125000, et seq., and referred to as North County Transit – San Diego Railroad (NCTD), has developed the proposed FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program in accordance with NCTD Board Policy No. 17 – *Budget Development* and Board Policy No. 3 - *Committees and External Appointments*.

**Key Milestones**

The following key milestones have been completed in support of the overall development of the FY2027 Proposed Budget:

- On December 18, 2025 (Agenda Item No. 3), the Board approved the proposed FY2027-FY2031 Capital Improvement Program (CIP) and the projects were programmed in the 2026 Regional Transportation Improvement Program (RTIP);
- On March 19, 2026 (Agenda Item No. 3), the Marketing, Service Planning, and Business Development (MSPBD) Committee received an overview on the development of the proposed FY2027 Service Implementation Plan (SIP) and key assumptions;
- On May 21, 2026 (Agenda Item No. 9), the Board authorized staff to publish a public notice no later than May 31, 2026, related to the consideration and adoption of the capital and operating budget on June 18, 2026, and to release the budget documents for public review and comment no later than June 3, 2026;
- On May 21, 2026, staff presented the Proposed FY2027 Operating and Capital Budget to the Performance, Administration, and Finance

Committee (Agenda Item No. 1) and to the full Board (Agenda Item No. 12);

- On May 19, 2026, the Clerk of the Board published notice of the Public Hearing indicating that the budget documents would be made available for public review and comment at least 15 days prior to the public hearing;
- On June 3, 2026, NCTD posted the budget document for public review and comment at the following locations: NCTD's General Administrative Offices (GAO), 810 Mission Avenue, Oceanside, CA; Customer Service Offices at Oceanside, Escondido, and Vista Transit Centers, and on NCTD's website at: [GoNCTD.com/about-nctd/accountability/](https://www.nctd.com/about-nctd/accountability/). To date, NCTD has received two public comments.

### **Proposed FY2027 Operating Budget and FY2027 Capital Improvement Program (CIP)**

Consistent with the Board presentation on May 21, 2026, NCTD staff is proposing a balanced FY2027 Operating Budget where total revenues and expenses total \$180,890,377 and the constrained FY2027-FY2028 CIP totals \$57,003,910 (FY2027 CIP of \$49,190,885).

Attachment 15A summarizes the proposed FY2027 Operating Budget and Attachment 15B provides the proposed FY2027-FY2031 Constrained CIP. The complete budget document is in Attachment 15C.

### **Proposed FY2027-FY2031 Service Implementation Plan (SIP)**

The Service Implementation Plan (SIP) outlines NCTD's plans to provide multimodal transit services over the next five years. The SIP is a requirement under the Master Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) and is used to inform NCTD's annual operating budget.

The SIP development process consists of the compilation and review of historic service levels, ridership, and studies that outline capital and operating investments for NCTD. Planning coordinates with Finance, Bus Operations, and Rail Operations to review and develop the assumptions. Finance staff calculates the cost associated with the proposed services. The costs are then included in the proposed NCTD annual operating budget for Board approval.

Details of the 5-Year SIP and FY2027 service levels are included as Attachment 15G to this staff report.

### **Proposed FY2027 Cost Recovery Fee Schedule**

The Cost Recovery Fee Schedule is approved annually by the Board with the operating budget. NCTD Board Policy No. 11 – *Real Estate*, indicates that incidental use of real property, including right-of-way permitting, shall be at fair market value and/or charged the appropriate fees as approved by the Board through the NCTD fee schedule established annually with the budget.

The proposed Cost Recovery Fee Schedule is included as attachment 15F to this staff report and will be effective on July 1, 2026.

### **Proposed Employee Classification and Compensation Schedule**

The Employee Classification and Compensation Schedules for FY2027 are included as attachments 15D and 15E to this staff report. The schedules have

been separated between represented and non-represented employee positions for ease of administrative management.

### **Updated 5-Year Forecast**

In May 2026, SANDAG provided updated Federal Transit Administration apportionments for Sections 5307, 5337, and 5339. NCTD also recently executed an agreement with SANDAG to extend the Youth Opportunity Program, which will be funded with capital Federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds through FY2029.

In May 2026, the California Air Resources Board (CARB) voted to approve proposed amendments to the Cap-and-Invest program, despite significant pushbacks from legislators, transit agencies, housing stakeholders, and environmental organizations. The updates to the program will significantly reduce the number of Cap-and-Invest allowances to be dedicated to the Greenhouse Gas Reduction Fund (GGRF). CARB's estimates suggest revenues for the GGRF would decrease by roughly \$2 billion per year, effectively ending "Tier 3" programs that support public transit, which include Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP). FY2028-FY2031 LCTOP funds have been removed from the forecast.

For presentation purposes, certain grants were also reclassified among state and local funds for FY2028-FY2031. The 5-Year projected deficit decreased from \$78.8 million to \$74 million as shown on Attachment 15H.

### **Staff Recommendation:**

Following receipt and consideration of public comment, staff further recommends that the NCTD Board of Directors:

- Close the Public Hearing on the Proposed FY2027 Operating Budget and FY2027-2031 Capital Improvement Program; and
- Take the following actions:
  - Adopt the Proposed FY2027 Operating Budget and FY2027–2031 Capital Improvement Program;
  - Approve the Proposed FY2027 Classification and Compensation Schedules for Represented and Non-Represented Employees;
  - Approve the Proposed FY2027 Cost Recovery Fee Schedule; and
  - Approve the Proposed FY2027-FY2031 Service Implementation Plan

**ATTACHMENT:** Documents in support of the staff recommendation are available at the following web link: <https://www.gonctd.com/about-nctd/accountability/>

- 15A - Proposed FY2027 Operating Budget - Summary
- 15B - Proposed FY2027-2031 Constrained Baseline Capital Improvement Program
- 15C - Proposed FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program
- 15D - Proposed FY2027 Represented Employee Classification and Compensation Schedule
- 15E - Proposed FY2027 Non-Represented Employee Classification and Compensation Schedule
- 15F - Proposed FY2027 Cost Recovery Fee Schedule
- 15G - Proposed FY2027-FY2031 Service Implementation Plan
- 15H - FY2027-FY2031 5-Year Forecast

**FISCAL IMPACT:** The fiscal impact of adopting the Proposed FY2027 Operating Budget is the acceptance and allocation of revenues in the amount of \$180,890,377 and the authorization of \$180,890,377 in expenditures. The fiscal impact of adopting the FY2027 Proposed Capital Improvement Program is the acceptance and allocation of \$49,190,885 in revenues and the authorization of \$49,190,885 in expenditures.

**COMMITTEE REVIEW:** Marketing, Service Planning, and Business Development Committee  
**Date:** March 19, 2026

Performance, Administration, and Finance Committee  
May 21, 2026

**STAFF CONTACT:** **Eun Park-Lynch, Chief Financial Officer**  
E-mail: [eparklynch@nctd.org](mailto:eparklynch@nctd.org) Phone: 760-967-2858

## FY2027 OPERATING BUDGET - SUMMARY

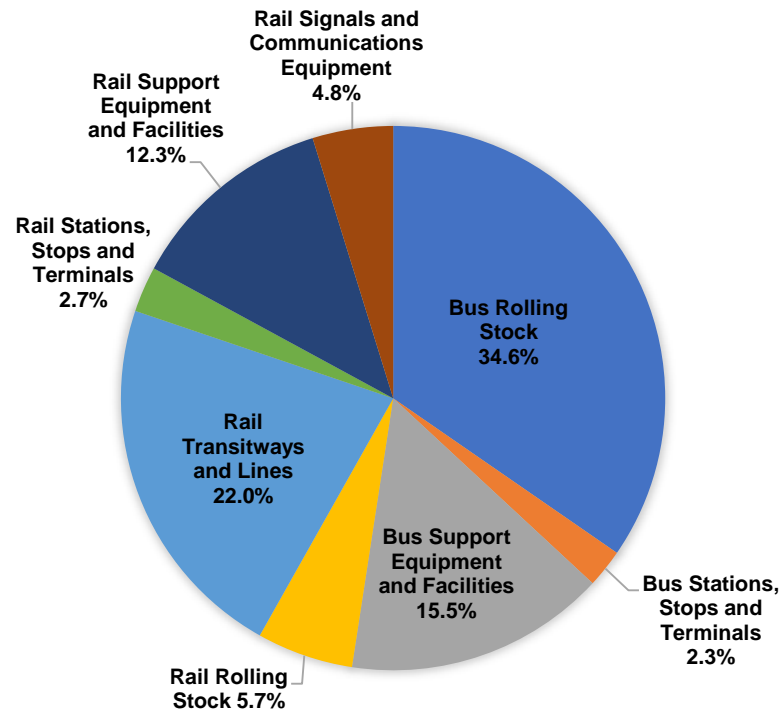
	FY2025 Actual *	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
<b>Operating Revenues</b>								
Passenger Fares	\$ 11,669,967	\$ 12,492,298	\$ 12,493,703	\$ 12,763,545	\$ 271,247	2.17%	\$ 269,842	2.16%
Non-Transportation Revenues	8,157,718	4,731,200	5,951,011	4,557,736	(173,464)	-3.67%	(1,393,275)	-23.41%
Auxiliary Revenues	11,781,017	11,199,184	11,352,783	11,600,386	401,202	3.58%	247,603	2.18%
Federal Grants	53,229,807	37,254,595	37,283,786	37,962,816	708,221	1.90%	679,030	1.82%
State Grants	18,611,475	33,654,670	26,241,500	30,968,107	(2,686,563)	-7.98%	4,726,607	18.01%
Local Grants	77,784,109	79,473,630	81,460,337	83,037,787	3,564,157	4.48%	1,577,450	1.94%
	<b>181,234,093</b>	<b>178,805,577</b>	<b>174,783,120</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>	<b>\$ 6,107,257</b>	<b>3.49%</b>
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 34,024,199	\$ 70,118,247	\$ 67,522,992	\$ 74,915,208	\$ 4,796,961	6.84%	\$ 7,392,216	10.95%
Employee Benefits	16,003,094	22,748,554	26,854,113	21,000,506	(1,748,048)	-7.68%	(5,853,607)	-21.80%
Professional Services	39,354,982	43,190,410	39,807,650	38,206,981	(4,983,429)	-11.54%	(1,600,669)	-4.02%
Fuel, Materials, and Supplies	12,663,395	22,700,459	20,312,433	25,232,595	2,532,136	11.15%	4,920,162	24.22%
Utilities	3,330,396	3,867,188	3,667,324	4,083,591	216,403	5.60%	416,267	11.35%
Casualty and Liability	7,302,406	9,709,267	10,569,851	11,750,000	2,040,733	21.02%	1,180,149	11.17%
Fuel Taxes	1,105,672	1,270,553	1,251,589	1,433,547	162,994	12.83%	181,958	14.54%
Purchased Transportation	56,080,643	1,033,000	1,443,613	913,000	(120,000)	-11.62%	(530,613)	-36.76%
Miscellaneous Expenses	1,585,328	1,847,204	1,213,347	1,676,190	(171,014)	-9.26%	462,843	38.15%
Debt-Related Expense	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Leases and Rentals	795,367	1,146,395	883,834	656,759	(489,636)	-42.71%	(227,075)	-25.69%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>172,801,112</b>	<b>178,805,577</b>	<b>174,057,870</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>
	<b>\$ 8,432,981</b>	<b>\$ -</b>	<b>\$ 725,250</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ (725,250)</b>	

\* Excludes non-budgeted expenses (GASB68, GASB75, GASB87, GASB96, Pension Unfunded Accrued Liability payment) and will differ with amounts reported in the Annual Comprehensive Financial Report.

\*\* As originally adopted and does not reflect budget transfers made during the fiscal year

**NORTH COUNTY TRANSIT DISTRICT  
CAPITAL IMPROVEMENT PROGRAM  
FY2027 - FY2031  
CONSTRAINED BASELINE**

FTA Scope	FTA Scope Description	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year
111	Bus Rolling Stock	\$ 19,734,360	\$ -	\$ -	\$ -	\$ -	\$ 19,734,360
113	Bus Stations, Stops and Terminals	950,000	350,000	-	-	-	1,300,000
114	Bus Support Equipment and Facilities	8,020,000	825,000	-	-	-	8,845,000
121	Rail Rolling Stock	3,270,000	-	-	-	-	3,270,000
122	Rail Transitways and Lines	7,060,025	5,500,025	-	-	-	12,560,050
123	Rail Stations, Stops and Terminals	1,560,000	-	-	-	-	1,560,000
124	Rail Support Equipment and Facilities	5,876,500	1,138,000	-	-	-	7,014,500
126	Rail Signals and Communications Equipment	2,720,000	-	-	-	-	2,720,000
<b>Total Constrained CIP</b>		<b>\$ 49,190,885</b>	<b>\$ 7,813,025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,003,910</b>





# Proposed FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program

For the Fiscal Year Ending June 30, 2027

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**Board of Directors**

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Mayor Pro Tempore, City of Carlsbad  
**Board Chair**  
**Executive Committee, Chair**  
**Performance, Administration, and Finance**  
**Committee, Member**  
SANDAG Board of Directors, 1<sup>st</sup> Alternate  
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Member



**Mike Sannella**  
Deputy Mayor, City of San Marcos  
**Board Vice-Chair**  
**Performance, Administration, and Finance**  
**Committee, Chair**  
SANDAG Board of Directors, 2<sup>nd</sup> Alternate



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**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
LOSSAN Corridor Board of Directors,  
Alternate



**Jim O'Hara**  
Deputy Mayor, City of Encinitas  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
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Deputy Mayor, City of Escondido  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
SANDAG Regional Planning Committee,  
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Deputy Mayor, City of Oceanside  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
SANDAG Transportation Committee,  
2<sup>nd</sup> Alternate



**Jim Desmond**  
District 5 Supervisor,  
County of San Diego



**Jewel Edson**  
Council Member, City of Solana Beach  
**Performance, Administration, and Finance**  
**Committee, Member**  
SANDAG Board of Directors, Advisory Member  
SANDAG Transportation Committee,  
1<sup>st</sup> Alternate  
LOSSAN Corridor Board of Directors, Member



**Corinna Contreras**  
Council Member, City of Vista  
**Performance, Administration, and Finance**  
**Committee, Member**



**Kent Lee**  
Council Member, District 6,  
City of San Diego  
**Non-Voting Board Member**

**Board of Directors (continued)**



**Shawn Donaghy**  
Chief Executive Officer  
North County Transit -  
San Diego Railroad

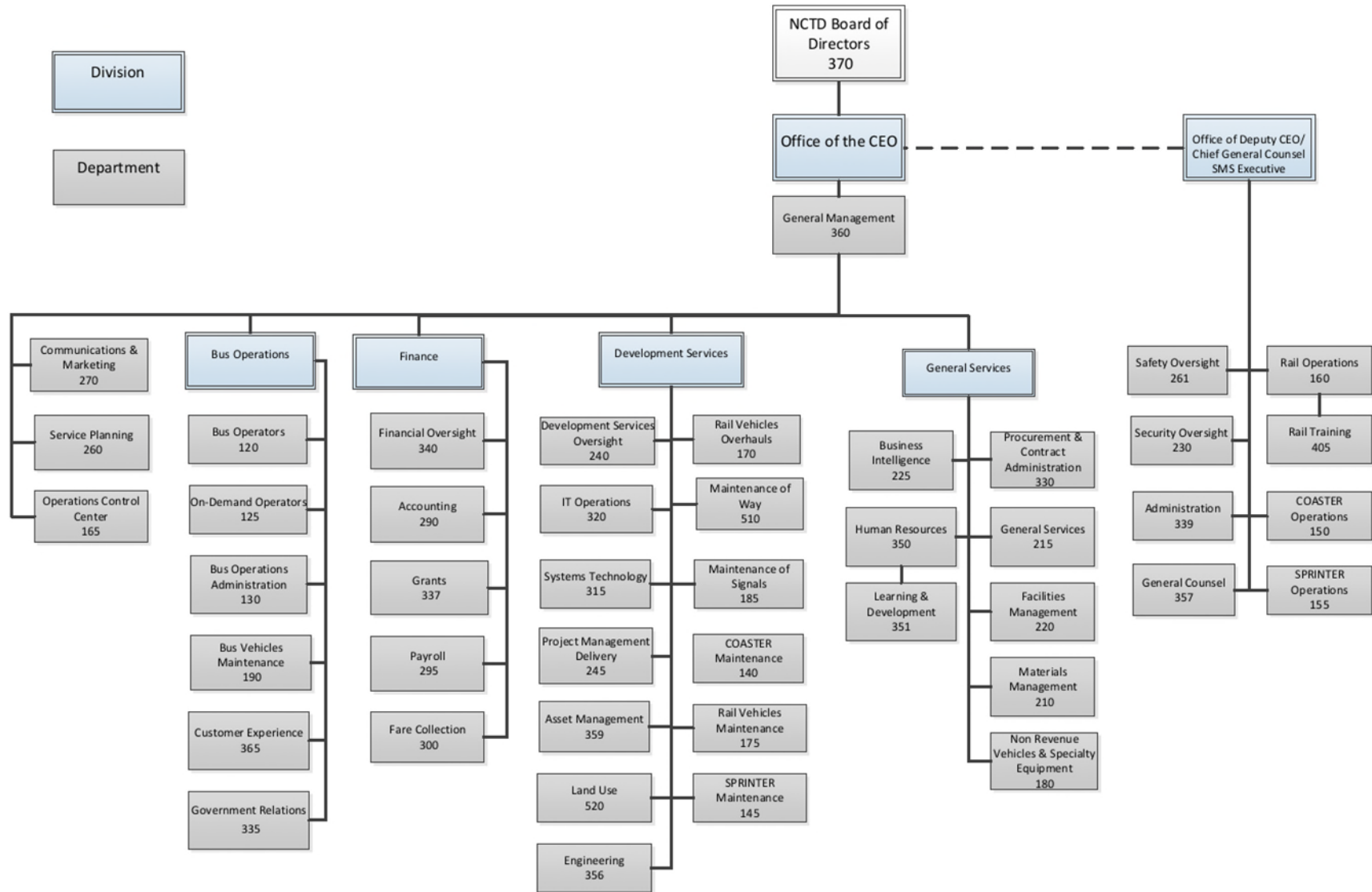


**Lori A. Winfree**  
Deputy Chief Executive Officer/  
Chief General Counsel  
North County Transit -  
San Diego Railroad



**Suheil Rodriguez**  
Director of Administration/  
Clerk of the Board  
North County Transit -  
San Diego Railroad

**Organizational Chart**



## **Message from the Chief Executive Officer**

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June 3, 2026

On behalf of the Board of Directors (Board) and staff of North County Transit - San Diego Railroad (NCTD), I am pleased to present the Fiscal Year 2027 (FY2027) Operating Budget and the FY2027 - FY2031 Capital Improvement Program (CIP). The FY2027 Operating Budget and Capital Improvement Program continues progress made in FY2026 to advance the goals of NCTD's "North Star" – providing a world-class customer experience, supporting and fostering growth in our employees, ensuring the safety and security of employees and riders, and advocating for the needs of partner agencies and the communities we serve – all while maintaining fiscal responsibility.

The FY2026 Operating Budget represented the first full year of 100 percent direct operations of all NCTD transit services. NCTD now directly employs over 850 employees, including bus operators, train engineers, facilities maintenance personnel, code compliance inspectors, administrative staff, and many more who work tirelessly to provide the best transit services possible. As a result, outcomes have improved for our customers, divisions and departments work together seamlessly, and NCTD is able to be more efficient with its resources.

Efficiency is increasingly important as the national transit industry faces a challenging financial outlook. Sales tax revenues are projected to grow nominally over the coming years and at a slower pace compared to higher than anticipated inflation. Formula and discretionary grant programs are under review at the federal and state level, leading to uncertainty surrounding the advancement of capital needs. Fuel and liability insurance costs continue to increase, placing a strain on already oversubscribed operations funding. Costs associated with transitioning NCTD's fleet to zero-emission technologies often do not have dedicated funding sources and require the reallocation of existing resources.

Identifying long-term sustainable sources of revenue is critical to ensuring the viability of transit services in San Diego County. NCTD, in partnership with the San Diego Metropolitan Transit System (MTS) and the San Diego Association of Governments (SANDAG), began the process in FY2026 to increase revenues from passenger fares. While this will not generate significant additional revenues for NCTD, passenger fares can be used to cover a wide array of expenses and are an integral source of funding to maintain operations. NCTD is working with state and federal partners to advocate for new streams of funding to support transit and allow for flexibility in existing sources to better align with increased operating costs.

Furthermore, NCTD staff is continuing to analyze our transit system and ensure the services we provide align with travel patterns of the communities we serve. Staff is conducting a comprehensive review of the BREEZE bus and FLEX deviated fixed route system to reduce redundancy, improve efficiency, and enhance service reliability. In FY2026, NCTD changed the COASTER schedule to fill midday gaps, improve consistency in service throughout the day, and utilize staff resources more efficiently. Additionally, NCTD is actively seeking funding to replace the SPRINTER vehicles to provide a reliable customer experience.

NCTD is also continuing to explore new and innovative transit services, like on-demand microtransit, to improve the convenience of taking transit, contingent upon receiving additional funding. The NCTD+ microtransit service is now operating in the cities of San Marcos and Vista with great success. Microtransit improves accessibility to fixed-route transit services and allows riders to complete short, local trips within a defined zone.

The FY2027 Operating Budget and Capital Improvement Program continue the progress made in FY2026 toward advancing the agency’s “North Star” initiatives, which provide the strategic framework to further NCTD’s Mission and Vision. A complete description of NCTD’s key Strategic Areas of Focus and other organizational goals are included within this budget document. NCTD’s FY2027-FY2031 Service Implementation Plan is also included. The Budget and supporting documents are the blueprint for NCTD to achieve this Five-Year Plan. NCTD staff continue to work to ensure that this budget is successfully executed and our communities continue to thrive.

Sincerely,



Shawn Donaghy  
Chief Executive Officer



Eun Park-Lynch  
Chief Financial Officer

## **Overview of North County Transit - San Diego Railroad**

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North County Transit District, operating under and pursuant to California Public Utilities Code sections 125000, et seq., and referred to as North County Transit - San Diego Railroad (NCTD), provides vital services to San Diego's regional transportation network. NCTD has projected that it will move approximately 8.5 million passengers in Fiscal Year 2026 by providing public transportation for North San Diego County. The family of transit services includes:

- BREEZE Fixed-route bus
- LIFT ADA paratransit
- FLEX On-demand, deviated fixed-route and point-deviated fixed-route
- COASTER Commuter rail
- SPRINTER Hybrid rail
- NCTD+ On-demand microtransit

### **Mission**

North County Transit - San Diego Railroad's mission is to operate an environmentally sustainable and fiscally responsible transit network that provides seamless mobility for all while achieving organizational and operational excellence.

### **Vision**

North County Transit - San Diego Railroad envisions a comprehensive transit and mobility system that connects all North County San Diego residents and visitors to a healthy, economically vibrant, and thriving region.

We will achieve this by:

- Placing service to our customers first
- Ensuring the safety and security of our employees and customers
- Delivering high-quality transit services
- Developing and maintaining facilities that sustain and promote current and future transportation services
- Securing adequate revenue, protecting our assets, and getting the maximum return on the public investment
- Working in partnership with our communities and other stakeholders
- Encouraging innovation, creativity, and leadership

**History**

The North San Diego County Transit Development Board (NSDCTDB) was established by an act of the California State Legislature (Senate Bill 802) on September 20, 1975, to plan, construct and operate public transit systems in the northern region of San Diego County. The NSDCTDB acquired the municipal transit systems operated by the cities of Escondido and Oceanside and commenced operations in July 1976 by providing bus services to the region.



In 1992, NCTD was designated by the San Diego Association of Governments (SANDAG) as the lead agency for providing commuter rail service in San Diego County. Rail services between Oceanside and San Diego (called the COASTER) began in February 1995. On January 1, 2003, a state law was enacted (Senate Bill 1703) that essentially transferred future transit planning, programming, development, and capacity enhancing construction projects to SANDAG, San Diego County’s Regional Planning Agency. In 2003, NCTD began the construction of a hybrid rail system between Escondido and Oceanside (called the SPRINTER), which consisted of the reconstruction of 22 miles of railroad in the existing east-west corridor. Project management for the SPRINTER project was subsequently transitioned to SANDAG. The SPRINTER hybrid rail service commenced operations in March 2008. In January 2006, the North San Diego County Transit Development Board was renamed as the North County Transit District, now known as the North County Transit - San Diego Railroad.

NCTD provides integrated public transit service primarily within North San Diego County with its BREEZE buses, FLEX deviated fixed-route, LIFT ADA-certified paratransit, COASTER commuter rail, SPRINTER hybrid rail, and NCTD+ on-demand microtransit modes of transportation. NCTD is unique within the transit industry given the size of its annual operating budget and its operations of multimodal services that are typically operated by larger transit systems. There are 30 commuter rail agencies in the United States that operate service like the COASTER and six agencies that operate diesel multiple units like the SPRINTER. Moreover, NCTD is responsible for maintenance of railroad tracks that support commuter, intercity, and freight operations.

**Service Area**

NCTD provides bus, van, and train service in San Diego County - from the rural areas of Fallbrook, Ramona, and the Camp Pendleton Marine Corps Base, to the cities of Carlsbad, Del Mar, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista, and the unincorporated parts of north San Diego County, with COASTER service extending to downtown San Diego. The total population of NCTD’s 340 square mile service area (1,029 jurisdiction area) is estimated to be 959,885 (SANDAG Open Data Portal 2024 estimate).



NCTD provides connecting service to other transit agencies including the Metropolitan Transit Service (MTS) in San Diego via the Trolley, MTS buses and ACCESS; Metrolink commuter rail service at Oceanside; Amtrak trains connecting at Oceanside, Solana Beach, and San Diego; and Greyhound buses connecting at Oceanside and Escondido. BREEZE buses, SPRINTER trains, and LIFT vehicles also connect at each of the NCTD transit centers located in Oceanside, Vista, and Escondido.

### **BREEZE Fixed-Route Bus**

The BREEZE currently operates 34 routes in the North County service area, from early morning to late at night, seven days a week. The active BREEZE fleet in May 2026 consisted of 152 buses, comprised of compressed natural gas, diesel, battery electric, and hydrogen fuel cell buses.



All BREEZE buses in the fleet are equipped with bicycle racks giving passengers the ability to bike and ride to their destinations and are accessible with low floors, ramps, or wheelchair lifts to assist the elderly and passengers with disabilities to board and ride with ease. BREEZE buses are equipped with fareboxes and PRONTO validators that allow passengers to use a regional transit card for seamless travel throughout San Diego County on all public transportation. Customers can utilize stored (prepaid) value, day passes, and monthly passes to ride transit throughout the San Diego region.

NCTD is designated as a large transit agency under the California Innovative Clean Transit (ICT) regulation, which requires that all public transit agencies gradually transition their bus fleets to zero-emission technologies. Starting in 2029, 100% of all transit agencies' new bus purchases must be ZEBs, with a goal of complete transition to ZEBs (all buses in the fleet) by 2040. NCTD's current zero emission BREEZE fleet includes six battery electric and 35 hydrogen fuel cell buses.

### **LIFT ADA Paratransit**

NCTD maintains a fleet of 30 vans and small buses known as "cut-aways" that support LIFT services. The use of LIFT services requires the assessment and determination that the customer has a functional limitation that prevents the use of some or all parts of fixed-route service.



LIFT is provided to areas that are within  $\frac{3}{4}$  of a mile of an NCTD BREEZE bus route and/or SPRINTER rail station. LIFT provides curb-to-curb service for customers; however, assistance is available beyond the curb (for example to a front door) as necessitated by a rider's disability. ADARide is responsible for determining eligibility and certification, while NCTD is responsible for providing reservations, dispatching, and transportation.

People who are certified to use LIFT and obtain an NCTD paratransit photo ID can ride the BREEZE buses, COASTER commuter rail, and SPRINTER free of charge. A personal care attendant (PCA) that accompanies a LIFT customer can also travel fare free on BREEZE, SPRINTER, COASTER, and LIFT services.

### FLEX Deviated Fixed-Route and Point-Deviated Fixed-Route

The NCTD FLEX has two different service models: deviated fixed-route and point-deviated fixed-route. FLEX deviated fixed-route service has a set schedule and route but can deviate from the route up to 3/4 of a mile to pick-up or drop-off customers. FLEX point-deviated fixed-route has a set schedule and can deviate to certain points along the route.



FLEX 371 is a point-deviated fixed-route between Escondido and Ramona and deviates to designated areas along the route. FLEX 392 and 395 provide deviated fixed-route service to Camp Pendleton, serving Camp Del Mar, Camp Las Flores, Camp Las Pulgas, Camp Horno, Camp San Onofre, the Naval Hospital, 22 Area, and Mainside. Reservations are required for any trip not starting or ending at a designated stop. Reservations may be scheduled up to 7 days in advance.

Additionally, NCTD operates the COASTER Connection service in the Sorrento Valley area, providing connectivity from the Sorrento Valley COASTER station to major employment centers, University of California, San Diego, and healthcare facilities.

The FLEX fleet is comprised of 14 vehicles that are equipped with bicycle racks giving passengers the ability to bike and ride to their destinations and are accessible with wheelchair lifts to assist the elderly and passengers with disabilities to board and ride with ease. FLEX buses are also equipped with fareboxes and PRONTO validators that allow passengers to use a transit card for seamless travel.

### COASTER Commuter Rail

The COASTER began in 1995 as a means of added connectivity within San Diego County providing train service north and south between Oceanside and downtown San Diego. The COASTER is an alternative to congested highways and connects passengers to popular tourist and commuter destinations. The COASTER provides 41 directional miles of commuter rail service paralleling the busy Interstate 5 corridor between Oceanside and San Diego. More than 190 trains operate each week taking passengers along the coastal corridor.



COASTER trains run year-round 30 daily trips Monday through Thursday (modified schedule for holidays), 32 trips on Friday (modified schedule for holidays), 22 trips on Saturday, and 20 trips on Sunday. Additional trains also run for special events and for select Padres baseball games. Since October 25, 2021, additional service on COASTER has been supported with TransNet 8.1% funds. The increase in service allowed commuters and recreational travelers an affordable and more flexible transportation option and helps reduce congestion along the Interstate-5 corridor.

It takes approximately an hour to travel the entire COASTER route; 8 stations provide service points along the route, and travelers can connect to the MTS trolley and buses at both the San Diego Old Town and Santa Fe stations in downtown San Diego, and the Sorrento Valley COASTER Connection at the Sorrento Valley station. Passengers can connect with Metrolink and Amtrak train service north to Orange County and Los Angeles from NCTD's Oceanside Transit Center. NCTD and Amtrak have an agreement (Rail 2 Rail) to accept certain tickets and passes issued from each agency to be used on its trains at no additional cost for the passenger (with some blackout periods) for stops at Oceanside Transit Center, Solana Beach, Old Town, and Santa Fe Depot. This agreement increases the number of trains available to riders throughout the day.

The COASTER fleet consists of nine state-of-the-art Siemens Tier-4 locomotives and 34 bi-level passenger coaches. The Siemens Tier-4 locomotives are among the cleanest passenger locomotives in the nation and reduce emissions by nearly 90% compared to Tier-0 locomotives.

### **SPRINTER Hybrid Rail**

The SPRINTER hybrid rail extends 22 miles, roughly paralleling State Route 78, and provides connections at Oceanside, Vista, San Marcos, and Escondido by serving 15 stations along the corridor. SPRINTER service is operated with twelve diesel multiple units (DMUs). Passenger service runs seven days a week from 4:03 AM to 9:26 PM with Friday and Saturday service extended to 12:26 AM. Weekday service operates every 30 minutes throughout the day. On weekends, trains operate every 30 minutes from 10:03 AM to 6:03 PM, with hourly service during the early morning and late evening periods outside those hours.



The SPRINTER offers easy connections to the COASTER commuter rail, BREEZE bus service, Amtrak, Metrolink, Greyhound and MTS' Rapid and Rapid Express bus service in Escondido. The SPRINTER carries passengers comprised primarily of workers, students, and tourists.

### **NCTD+ Microtransit Services**

Microtransit is one of several mobility solutions included in a category frequently referenced in the San Diego region as "Flexible Fleets." Microtransit utilizes smaller capacity buses and vans to provide on-demand trips within defined service zones. On-demand trips are scheduled through a mobile application or via telephone with typical wait times of less than 20 minutes. All trips must start and end within the same service zone.



Microtransit is a context sensitive solution that can meet a variety of mobility needs such as providing service where fixed route bus is unable to operate efficiently or where a lack of sidewalks and other infrastructure makes traditional fixed route service less safe; offering convenient first and last mile connections from existing fixed route service (bus and rail), particularly where connecting services are limited or operate infrequently (30+ minutes); and supplying local circulation to connect community scale destinations, particularly when there is inadequate pedestrian or bicycle infrastructure. As a demand response service, microtransit has a higher cost on a per passenger basis when compared to fixed routes.

NCTD+ was first introduced on June 10, 2024, with the launch of the San Marcos pilot zone. NCTD launched the second NCTD+ service zone in Vista on May 19, 2025. The FY2027 budget reflects operating costs for both the Vista and San Marcos zones. Implementation of future NCTD+ zones is contingent upon operational capacity and receipt of external funding.

### **Bus Operations and Vehicle Maintenance**

Effective June 29, 2025, NCTD assumed direct management and operations of all aspects of bus operations and vehicle maintenance for its BREEZE, FLEX, LIFT, and NCTD+ services.

Bus operations and maintenance activities are conducted by NCTD staff at two primary facilities: the West Division in Oceanside and the East Division in Escondido. These facilities operate 24 hours a day, seven days a week, to ensure the fleet remains in a state of good repair and service interruptions are minimized.



Each bus yard is equipped with comprehensive infrastructure for fueling and charging the fleet, maintenance and administrative buildings, parking for buses and service vehicles, and accommodations for bus operators. Inside the maintenance facilities, NCTD personnel utilize bus repair bays, servicing pits, bus lifts, hoists, engine repair benches, a body shop, a parts inventory storeroom, and a paint shop.

In addition to servicing the transit fleet, NCTD maintenance staff are also responsible for the upkeep of support vehicles, including administrative automobiles, forklifts, and ride-on sweepers.

### **Rail Operations and Vehicle Maintenance**

Rail equipment is maintained by NCTD staff. The COASTER facility is located at Stuart Mesa inside the Camp Pendleton Marine Corps Base. The Stuart Mesa facility houses massive and specialized equipment, primarily booms, cranes, and lifts to assist with replacement of heavy parts. Dedicated mechanics and service workers perform daily train-washing and exterior and interior maintenance and repair, considering that trains regularly arrive for repairs and routine maintenance and are subject to substantial amounts of dirt, dust, and salt air, in addition to weather changes, during a single day.

The SPRINTER operations facility is in the City of Escondido. The 40,000 square foot SPRINTER facility was constructed specifically to house the operations center and to maintain the SPRINTER DMU trains. The operations area is the home of the operations control center and security monitoring center. The facility includes storage, training rooms, lockers, and office areas for employees. The maintenance area can house up to four train sets. Two structurally supported tracks allow maintenance employees access underneath and on top of trains to fully service the vehicles via pits, suspended platforms, and overhead bridge cranes. The pits are fully functional with integrated electrical service, compressed air, and lube oil systems.

### **Facilities Maintenance**

NCTD has 2 administrative buildings in Oceanside; one maintenance-of-way and signals housing facility in Oceanside; 2 bus operations and maintenance facilities in Oceanside and Escondido; 3 transit centers in Oceanside, Vista, and Escondido; 8 multi-modal train stations along the coastal railroad; 15 train stations along the inland railroad; 2 train maintenance facilities in Camp Pendleton and Escondido; and significant adjacent land and parking lots. To support bus and rail operations, facilities maintenance also includes maintenance of equipment such as fueling stations, vehicle lifts, and bus and train washes.

NCTD performs routine maintenance and improvement projects such as roof replacements, parking lot paving and striping, bus shelter replacements and repairs, heating and air-conditioning repair and replacement, and painting and repair of the administration buildings. NCTD also maintains various specialty contracts, such as landscaping, electrical, and plumbing, which further supports the maintenance of its facilities and equipment.

NCTD staff is responsible for the janitorial and structural maintenance of rail operations facilities, administration facilities, bus operations facilities, transit centers, COASTER stations, and SPRINTER stations. Facilities maintenance staff maintain, clean, and repair most of the facilities using specialized equipment to keep the buildings in a state of good repair condition.

**Rail Maintenance-of-Way (MOW) and Maintenance of Signal (MOS)**

NCTD owns the north-south railroad right-of-way between the Orange County border and the northern border of the City of San Diego, which is 41 directional route miles of track. MTS owns the north-south railroad right-of-way from the northern border of the City of San Diego to downtown San Diego, which is 21 directional route miles of track. NCTD also owns the east-west railroad right-of-way between Escondido and Oceanside, which is 22 directional route miles of track. The COASTER operates on the north-south railroad tracks and the SPRINTER operates on the east-west railroad tracks. NCTD maintains both railroad tracks, including the MTS portion.



NCTD is responsible for the maintenance for all signals and communications, including Positive Train Control (PTC) along with numerous railroad bridges, railroad bed, sidings, grade crossings, turnouts, culverts and signals, land alongside the track, and NCTD property located within the right-of-way. Specialty equipment is used to maintain the railroad right-of-way including, but not limited to, clearing vegetation away from the tracks and replacing rail ties. Track maintenance and signal equipment and personnel are housed in a facility located in Oceanside.

**Safety and Security**



Fostering and maintaining safe and secure operations is one of NCTD's top priorities. NCTD provides a safe, secure, and healthy environment for all employees and passengers while maintaining compliance with all federal and state laws, rules, and guidelines.

Security at train stations, parking lots, and bus transfer centers is provided by deputies from the San Diego County Sheriff's Department and on-call contracted security. Video security cameras at the COASTER and SPRINTER stations are monitored by NCTD staff who contact the Sheriff in case of incidents.

## Debt Overview

### **SPRINTER Certificates of Participation**

In 2003, the Federal Transit Administration grant agreement for the SPRINTER project included a local match requirement of state and local funds. Of the local match, \$80 million was to be provided by the State of California Traffic Congestion Relief Program (TCRP). However, allocations to the TCRP were suspended at that time, and NCTD did not receive the TCRP funding as scheduled. Due to the delay in the receipt of the \$80 million of TCRP funds, in July 2004, NCTD completed a \$114 million financing transaction through the California Transit Finance Corporation (CTFC) to finance a portion of the design, acquisition, and construction of the SPRINTER hybrid rail project. This financing provided an additional \$34 million to cover additional project costs of approximately \$24 million, to fund the debt service reserve fund of approximately \$8 million, and to cover costs of issuance of approximately \$2 million. NCTD received the proceeds of \$114 million of Certificates of Participation, 2004 Series A Auction Rate Certificates issued as Auction Rate Securities by CTFC. In conjunction with this financing, NCTD entered into a lease agreement with CTFC whereby NCTD agreed to make lease payments to CTFC to retire the Certificates. The Certificates represent the proportionate interest of the registered owners in the lease payments NCTD is obligated to make from all funds legally available to NCTD. NCTD has granted a security interest in such funds to CTFC. The Certificates mature in 2035.

In August 2005, the California Transportation Commission approved an allocation of \$80 million from the TCRP for the SPRINTER project. NCTD used these funds as they became available to retire \$69.2 million of the related debt and retired an additional \$10.8 million in September 2006. In February 2006, NCTD entered into an interest rate swap agreement for \$34 million of the SPRINTER-related debt. Essentially, per the synthetic fixed-rate swap agreement, NCTD paid the counterparty, UBS, a fixed interest rate, in exchange for UBS paying the variable interest rate for the outstanding debt. In addition, NCTD had insurance from the bond insurer MBIA for the \$34 million of outstanding debt.

During late 2007, subprime mortgage losses caused significant financial stress on bond insurers, who guaranteed the payment of municipal bonds in the event of default. NCTD had secured insurance from the bond insurer MBIA for the \$34 million of outstanding debt. Stresses on the bond insurers, along with other aspects of the national credit crunch, created dislocations in the municipal bond market and in the market for auction rate securities. The market for auction rate securities was large, estimated between \$325 and \$350 billion. However, during February 2008, widespread failures were reported in the auction rate market. NCTD's debt was affected by the disruptions in the overall market, and NCTD was notified in February 2008 that there were failures in the auctions for NCTD's debt. It is important to note that the disruptions in the auction rate securities market generally had nothing to do with the creditworthiness of individual issuers. In fact, the rating on NCTD's outstanding debt was upgraded by Moody's on February 22, 2008.

In May 2008, the Board of Directors for NCTD and for SANDAG approved to restructure NCTD's outstanding debt, involving SANDAG's commercial paper program. SANDAG issued \$34 million of commercial paper, which was then used by SANDAG to purchase the NCTD auction rate securities, effectively making SANDAG the holder of NCTD's outstanding debt. The interest rate that NCTD pays SANDAG (as the holder of the \$34 million of debt) is equal to the actual interest rate that SANDAG pays on the commercial paper. This results in no net cost to SANDAG but allowed NCTD to effectively reduce its current interest rate down to the commercial paper rate. This arrangement allowed NCTD to reduce its borrowing costs, to retain the current interest rate swap structure, and to preserve the existing bond insurance. NCTD also paid its share of administrative costs associated with the commercial paper program (including letter of credit fees, trustee fees, rating agency fees, etc.) as well as legal and financial advisor fees related to the transaction. However, these transaction costs were substantially lower than the costs that would have been associated with other alternatives, such as a new issuance of fixed-rate debt or variable-rate demand notes. If market conditions merit in the future, NCTD can consider such

alternatives as refinancing at a fixed rate or move back into the auction rate security market. If this were to occur, NCTD would pay down the outstanding commercial paper and the agreement with SANDAG would be terminated.

The Certificates mature on September 1, 2034. Estimated future debt payments are as follows:

Year Ending June 30,	Principal	Estimated Interest and Support Costs (1)	Total Payments
2027	1,500,000	487,760	1,987,760
2028	1,550,000	431,340	1,981,340
2029	1,600,000	373,100	1,973,100
2030	1,600,000	314,860	1,914,860
2031	1,650,000	254,800	1,904,800
2032-2035	7,000,000	387,660	7,387,660
Total	<u>\$ 14,900,000</u>	<u>\$ 2,249,520</u>	<u>\$ 17,149,520</u>

*(1) Based on a 3.64% fixed rate that includes interest and support costs*

**COASTER Commercial Paper Program with SANDAG**

On September 27, 2019, the San Diego Association of Governments (SANDAG) Board of Directors approved an amendment to the FY2020 Program Budget: Capital Improvement Program, which allocated \$58.8 million to NCTD over four years, from FY2021 through FY2024, for the purchase of two additional train sets to provide more frequent COASTER commuter rail service.

In order to take advantage of existing contracts and execute the procurement of the two train sets, in July 2020, NCTD entered into a debt financing agreement through the TransNet program with SANDAG that provided for advanced funding. The agreement provided up to \$46 million in a revolving amount and repayment of the principal amount would commence within five years of the receipt of the proceeds and was due within ten years from the first receipt. NCTD had not made any draws from the COASTER Commercial Paper Program, and it was terminated in March 2026 as the two train sets had been paid in full by NCTD.

### Investment Policy

Board Policy No. 9 - *Investment Policy*, provides guidance and direction for the prudent investment of NCTD funds. The investment policies and practices of NCTD are based upon state law and prudent money management. All funds are invested in accordance with the Investment Policy and the California Government Code. The primary objectives of this policy are:

- a) Safety. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- b) Liquidity. The investment portfolio will remain sufficiently liquid to enable NCTD to meet its cash flow requirements.
- c) Return on Investment. The investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

All NCTD investments are made in accordance with California Government Code Section 53600 et seq. The portfolio is diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. At least annually, NCTD staff may review and suggest revisions to existing Board policies as appropriate and bring to the Board for consideration and approval. The Investment Policy was last updated in October 2024.

## **San Diego County Profile and Economic Indicators**

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### **County Population**

San Diego County (County) is the southernmost major metropolitan area in the state of California and is the second most populous county in the state. According to the State of California Department of Finance, the County's population estimate was 3.33 million as of January 1, 2025, reflecting a 0.4% increase from the 2024 population of 3.31 million. San Diego County's population has grown an average of 0.5% annually since 2010, despite a constant decline in net migration since 2020. The slight increase in population is primarily driven by natural increase (numbers of local births minus deaths) and a continued influx of international immigration, which has more than offset the decline in net domestic migration. The San Diego region accounts for 8.4% of the State's population.

Population estimates from SANDAG for the year 2040 indicate that the regional population will grow to approximately 3.43 million, a 22% increase from calendar year 2000 and an increase of 3.3% compared to 2024. SANDAG projects that in 2040, the region's population will continue to grow in its diversity with: 38.7% White; 34.3% Hispanic; 16.3% Asian and Pacific Islander (API); 4.1% Black; and 6.6% all other groups including American Indian. A significant growth in the region's Asian and Pacific Islander population and a decline in the region's White population is seen in this projection.

North San Diego County (North County) includes nine incorporated cities, Carlsbad, Encinitas, Escondido, Del Mar, Oceanside, San Marcos, Solana Beach, Poway, and Vista, as well as unincorporated communities such as Bonsall, Fallbrook, Julian, Ramona, and Rancho Santa Fe. North County's population is estimated at 1.2 million and has grown 1% since 2020. The combination of high housing prices and an aging population has affected population gains. Demographic forecasts predict that North County will have flat population growth over the coming decades. Stagnant population growth impacts local government as much of its funding comes from sources that are driven by population growth, such as sales taxes revenues.

The demographic of North County's population has significant implications for its future economic growth. An older population creates more demand for healthcare services, specialized housing, long-term care, and other aging-related services. Some school districts may experience declines in students enrollment. The labor workforce will not expand significantly, which will create pressure on employment recruitment and retention and impede business growth.

North County is more than half of the entire San Diego County territory. The area enjoys a wide variety of educational institutions, open spaces, beaches, lakes, parks, walking trails, mountain and canyon trails, nature preserves, and historic landmarks. North County's median household income is higher than the rest of San Diego County. This higher median income creates demand for more goods and services; however, it has also created a higher cost of living, stressing the budgets of the region's less affluent households. A persistent regional challenge lies in fostering equitable prosperity, particularly between affluent coastal communities and working-class neighborhoods in the inland areas.

North County residents work both locally and in the broader San Diego region with approximately half working locally and the other half commuting. The average commute time for North County workers was approximately 27 minutes in 2023 and 18.8% of North County workers work from home 3 or more days a week.

## Economic Environment

For 2025, Gross domestic product (GDP), a key measure of the nation's economic health, expanded 2.1%, down from 2.8% in 2024, with growth primarily driven by consumer and private investment. At the end of 2025, real GDP grew 0.7% at an annual rate in the fourth quarter (revised down from the initial 1.4% estimate) following a strong 4.4% increase in the third quarter. The slowdown reflected weaker government spending and exports, alongside slower consumer outlays, though a modest drop in imports partially offset the decline (*Bureau of Economic Analysis, GDP (Second Estimate), 4th Quarter and Year 2025*).

U.S. inflation remains elevated but is trending toward the Federal Reserve's 2% target. In February 2026, the Consumer Price Index for urban consumers (CPI-U) rose 0.3% month-over-month and 2.4% year-over-year, while core CPI (excluding food and energy) was up 0.2% monthly and 2.5% annually (*Bureau of Labor Statistics, Consumer Price Index News Release*). The main contributors were shelter costs, food prices, and energy. These increases were partly offset by lower prices in used vehicles and communications. For January 2026, the Federal Reserve (Fed) preferred gauge, the Personal Consumption Expenditures (PCE) index, increased 0.3% month-over-month and 2.8% year-over-year, with core PCE up 0.4% for the month and 3.1% annually (*U.S. Bureau of Economic Analysis, Personal Income and Outlays, January 2026*). This persistence in core inflation is driven by service-sector inflation, especially higher prices for healthcare, insurance, and professional services. These trends suggest that while overall inflation is showing signs of moderation, underlying pressures in housing, food, energy, and services keep inflation above the Fed's comfort zone.

Inflation remains elevated in San Diego and continues to burden consumers. The U.S. Bureau of Labor Statistics reports that the CPI-U for San Diego-Carlsbad rose 2.6% over the 12 months ending January 2026. Core inflation (excluding food and energy) also rose by 2.5% over the same year, reflecting persistent price pressures. Energy markets have remained highly volatile, largely due to ongoing geopolitical tensions and supply uncertainties. Brent crude trading over \$90 per barrel in March 2026 reflects tight global supply conditions and concerns about potential disruptions in major producing regions (*U.S. Energy Information Administration (EIA), February Short-Term Energy Outlook*). This price level is roughly 50% higher than at the start of the year.

The San Diego region is one of the largest local economies in the United States, with real GDP rising to approximately \$267 billion in 2024, placing the county among the top ten by output nationwide and larger than many U.S. states and mid-sized countries. The region's innovation capacity, anchored by research institutions and highly skilled firms, continues to be an advantage.

Consumer spending in San Diego County showed mixed results in the third quarter of FY2026. Countywide taxable sales grew 3.1%, outpacing the Southern California region. Several sectors performed well, including restaurants, hotels, and home furnishings. Other categories struggled: state-county pool revenues dropped sharply, service stations faced continued declines from lower fuel prices, and construction-related sales weakened amid concerns over tariff impacts. Grocery stores and automotive supply shops also saw reduced activity as consumers sought lower-cost options and delayed vehicle maintenance. SANDAG forecasts that long-term annual sales tax growth will average 2.28%.

San Diego County's unemployment was at 4.6% in December 2025 (unadjusted), down from 4.7% in November but slightly above the 4.3% recorded a year earlier in the same month. Year-over-year gains concentrated in health care and social assistance and in state/local government, while professional and business services and several goods-producing categories posted declines.

Housing affordability continues to limit both talent attraction and household stability. In March 2026, the median price for detached homes reached \$1.1 million, even as monthly sales slowed. The Case-Shiller Index for San Diego ended December 2025 near 450, indicating that local home prices are roughly 4.5 times higher than they were in 2000 and remain highly sensitive to interest-rate movements. These

conditions, combined with persistent gaps between wages and living costs, are increasing pressure on first-time buyers and contributing to longer commutes and tighter household budgets across the county.

North County has a strong and diversified economy. Several sectors drive growth, including life sciences, technology, software, defense, advanced manufacturing, and tourism. A robust healthcare, education, and military presence further strengthen the region. Unemployment remains low and employers face ongoing difficulty recruiting and retaining key talent.

Over the coming years, NCTD will face economic uncertainty as cost increases due to inflation and unfunded federal and state mandates are outpacing projected revenue growth. In the absence of additional funding from the federal and state level, NCTD will need to consider additional cost reduction measures such as adjusting service levels.

## State of Public Transit

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### Public Transportation Funding

The federal Bipartisan Infrastructure Law (BIL), which authorized historic levels of funding for transit, expires on September 30, 2026. Initial draft legislative packages from Congress indicate that programs providing funding for transit could see reduced funding levels, particularly in discretionary programs intended to fund major rail capital projects. If Congress does not pass new surface transportation authorization legislation, it must pass an extension of the BIL or funding for transit agencies could lapse.

NCTD and the American Public Transportation Association (APTA) are working with members of Congress and staff of authorizing committees to convey the benefits of transit to the economy, providing jobs and transportation options for communities. According to APTA's 2026 economic impact report, long-term investment in public transit generates a 5-to-1 economic return and every \$1 billion invested in public transit generates \$251 million in tax revenue. Additionally, 87% of trips on transit directly benefit the local economy, with 50% representing trips to or from work and 37% representing trips to shopping and recreational areas.

At the state-level, the California Legislature reauthorized the Cap-and-Invest program in 2025, which generates revenues for the Greenhouse Gas Reduction Fund (GGRF) and distributes those revenues to programs intended to reduce greenhouse gas emissions. Several transit programs are funded through Cap-and-Invest, including the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP). Historically, NCTD has received approximately \$3 million annually from LCTOP and has received \$138.5 million from TIRCP in the past three years. In May 2026, the California Air Resources Board (CARB) voted to approve proposed amendments to the Cap-and-Invest program, despite significant pushbacks from legislators, transit agencies, housing stakeholders, and environmental organizations. The updates to the program will significantly reduce the number of Cap-and-Invest allowances to be dedicated to the GGRF. CARB's estimates suggest revenues for the GGRF would decrease by roughly \$2 billion per year, effectively ending "Tier 3" programs that support public transit, which include TIRCP, LCTOP, and the Affordable Housing and Sustainable Communities (AHSC) program.

Additionally, as the national economy faces continued high levels of inflation resulting in reduced consumer spending, growth of local sales taxes is projected to be lower than anticipated levels of inflation. Over the next five years, NCTD will receive approximately \$20 million less in local TransNet sales tax revenue than previously projected by SANDAG.

In light of uncertainty surrounding transit funding at all levels, NCTD is employing a variety of strategies to manage existing and sustainable sources of revenue. In 2023, the California Legislature authorized \$5.1 billion through SB125 for transit operations and capital projects, providing approximately \$113 million to NCTD. NCTD initially programmed this funding for preventive maintenance and major capital projects but is now requesting that the funding be reprogrammed for operating expenses. Major capital projects will instead be funded by project savings in other areas and discretionary grants.

### National Ridership Picture

According to an April 2026 report published by APTA, national public transit ridership grew 5% in 2025 compared to 2024 and 10% in 2024 compared to 2023. Transit agencies continue to attract a wide range of commute and non-commute trips and indicators in several metro regions point to public transit recovery being led by trips to and from residential and commercial areas as opposed to office/work centers. Commuters still make up a substantial portion of public transit riders with 6.1 million Americans traveling to and from work on transit.

Bus ridership recovery has been the consistent leader compared to other transit modes largely due to bus rider demographics. According to APTA's Who Rides Public Transportation, 22% of bus riders are under the age of 25, twice the percentage of younger rail riders. Bus and demand response have led the way followed by heavy/light rail and commuter rail trailing. In general, bus modes have been able to retain more riders than rail modes because they generally serve more essential workers, while rail modes serve more office commuters.

### **NCTD Mobility Trends**

Following several years of post-pandemic ridership recovery, systemwide ridership growth stabilized during FY2026. Total ridership is currently estimated to increase 0.1% over FY2025 levels. Ridership trends varied by mode, with COASTER continuing to experience strong growth while bus ridership remained relatively stable.

NCTD continues to see notable increases in the proportion of leisure riders. COASTER provides access to recreational activities along the coast, including events such as Padres baseball games, Comic Con, parades, and music festivals. In October 2025, NCTD changed the COASTER schedule to provide more consistent service throughout the day and fill the midday gap in service to better align with traveler patterns. Through April 2026, COASTER ridership increased approximately 15% compared to the same period in 2025. Since this service change, the COASTER has seen consistent monthly increases in ridership. Across all day types, special events consistently generate ridership increase of approximately 40% to 60% above typical service levels, reflecting the growing role of leisure and discretionary travel in driving COASTER ridership.

Weekend productivity also continues to outperform weekday service, with Saturday boardings per revenue hour averaging nearly 109 in FY2026 compared to approximately 78 on weekdays. This shift is not limited to rail services. BREEZE routes also experienced improved weekend productivity during FY2026, with Saturday and Sunday boardings per revenue hour increasing approximately 9% and 8%, respectively, compared to FY2025 levels.

The economy is also impacting ridership. Rising transportation costs, gas prices and parking fees have contributed to a shift in consumer travel choices. Transit provides a cost-effective alternative to driving. Regionally, several initiatives are changing the transit landscape within San Diego County, including the introduction of innovative new services and the activation of land near transit stations to generate organic ridership and create new housing opportunities.

NCTD continued the expansion of the NCTD+ microtransit service, now providing on-demand connections within a defined zone in the cities of Vista and San Marcos. Microtransit connects riders with fixed route transit services and provides a solution for first- and last-mile trips. Microtransit is also effective in areas where providing traditional transit services is infeasible. Following the launch of the Vista zone in May 2025, ridership across the NCTD+ network continued to grow and has established a stable customer base. Average weekday ridership increased from approximately 123 passengers per day in July 2025 to nearly 170 passengers per day by April 2026, while productivity improved from 3.3 to 4.0 boardings per revenue hour. NCTD is seeking grant funding to establish a third NCTD+ zone in the communities of Fallbrook and Pala, connecting residents and visitors to the new Palomar College campus, the Pala Reservation, and the downtown area in Fallbrook. If funding is secured, this third zone is anticipated to launch in FY2028.

NCTD is also advancing several Transit-Oriented Development (TOD) projects at its rail transit centers to provide convenient access to transit and activate underutilized areas. In FY2026, the City of Oceanside approved the redevelopment of the Oceanside Transit Center, which will construct over 500 new housing units, a hotel, and new retail spaces and make necessary improvements to improve the public transit experience. These efforts contribute to a more multimodal transportation system that is welcome to all types of users.

## **Regional Transportation Plan (RTP)**

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Every four years, SANDAG, the Metropolitan Planning Organization (MPO) and Regional Transportation Planning Agency (RTPA) for San Diego County, prepares and updates a Regional Plan in collaboration with 18 cities and the County of San Diego along with regional, state, and federal partners. The Regional Plan combines three planning documents that SANDAG must complete per state and federal laws: the Regional Transportation Plan (RTP), Sustainable Communities Strategy, and Regional Comprehensive Plan.

The RTP is a federal-mandated and state-mandated planning document prepared by MPOs and RTPAs. The RTP describes existing and projected transportation needs, conditions, and financing affecting all modes of transportation over a planning period of at least 20 years. The financial plan required by the RTP outlines estimated revenues and expenses for the projects, programs, and policies that the Regional Plan proposes. The financial plan is based on reasonably expected revenues based on past experience and current information. It is not a commitment or guarantee of these revenues. It also includes strategies aimed at maximizing the benefits of the region's investment in transportation infrastructure.

### **2025 Regional Plan**

The most recent 2025 Regional Plan, which was adopted by the SANDAG Board of Directors on December 12, 2025, envisions a sustainable and resilient future for the San Diego region and economy supported by a transportation network that is convenient, equitable, healthy, and safe. To ensure convenient and reliable movement, the Regional Plan invests in a multimodal transportation system that reduces travel times and improves access to essential destinations. More residents will be able to reach parks or retail stores within 15 minutes and access medical facilities within 30 minutes, enhancing quality of life and regional connectivity. The Regional Plan promotes equitable access to opportunities by expanding transit connections to major employment centers and higher education institutions. As a result, more adults can reach these destinations within 30 to 45 minutes by transit, creating more pathways to economic and educational advancement. To support healthy communities and a cleaner environment, the Plan reduces greenhouse gas (GHG) emissions by providing options for people to shift to lower-emission travel modes. Additionally, the Regional Plan promotes safer transportation options by building more infrastructure for people who walk and bike. These improvements increase transportation-related physical activity, contributing to healthier communities.

The transportation system is categorized into several types of transportation projects:

- Active Transportation refers to walking, biking, or using a personal mobility device.
- Complete Corridors accommodate multiple modes of travel including driving, transit, walking, and biking. They include managed lanes that are supported by technology and provide reliable travel times for Rapid Bus. The goal of a Complete Corridor is to provide safe, accessible, convenient, and flexible travel options along commonly traveled routes.
- Transit includes the region's two transit operators: Metropolitan Transit System (MTS) and North County Transit - San Diego Railroad (NCTD).
- Flexible Fleets are on-demand, shared transportation services that help people reach their destinations or connect to transit. Rides are typically reserved through a mobile application.
- Transportation System Management use advanced technology and tools such as freeway ramp meters, dynamic message signs and traffic signal timing to provide real-time information on traffic conditions and coordinate operations at local traffic centers. These systems connect the transportation system and help people move around the region more easily and safely.

To assess how well the transportation network will perform under the Regional plan, SANDAG uses an advanced activity-based travel demand model. This model simulates future travel behaviors, such as mode choice and trip patterns, and helps forecast outcomes for travel time, access, and emissions. The results are evaluated using a structured set of performance measures.

Implementation of the plan is structured around two types of actions:

- Near-term actions focus on high-priority improvements and are intended to be started before the next Regional Plan update.
- Continuing actions provide sustained support for longer-term investments, planning, and program delivery.

The most immediate mechanism for near-term implementation is the Regional Transportation Improvement Program (RTIP), a federally required, five-year capital improvement program. To support delivery, the Regional Plan's implementation actions are incorporated into SANDAG's annual budget as funding becomes available, aligning resources and staff capacity with projects and programs.

### **Regional Transportation Improvement Program (RTIP)**

The Regional Transportation Improvement Program (RTIP) is a five-year investment plan that identifies projects and programs the San Diego region proposes to fund. Projects funded with federal, state, or TransNet must be included in an approved RTIP. The RTIP is fiscally constrained, meaning that sufficient revenue is committed or reasonably assumed to be available from local, state, and/or federal sources for each phase of the project that is included in the RTIP. For SANDAG projects to be incorporated in the RTIP, projects must first be included in the SANDAG Program Budget approved by the SANDAG Board of Directors.

Transportation projects and improvements are outlined by four distinct subregions, including rural areas:

1. North County
2. East County and rural areas
3. Central County
4. South County

### **North County Subregion**

The North County Subregion extends from Oceanside down the coast to Del Mar, east to Poway and Escondido, and north to the communities of Fallbrook and Pala. Major transportation routes serving the area include Interstate 15 (I-15), State Route 78 (SR-78), State Route 76 (SR-76), State Route 56 (SR-56), and Interstate 5 (I-5). The I-15 connects North County to inland communities and extends north to Riverside County's Inland Empire. The I-5 links North County's coastal communities, extending north to Orange County and south to central San Diego, while also providing access to the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Corridor, which supports the COASTER regional rail, interregional Amtrak services, and freight traffic. The SPRINTER and SR-78 provide east-west connectivity, with the SPRINTER offering transit options and SR-78 serving as a highway route. SR-56 connects Carmel Valley with Sorrento Valley, the region's largest employment center.

To provide more convenient and reliable transit options, the plan includes enhancements to the SPRINTER and COASTER, including additional double-tracking and grade separations to allow for double the frequencies on both routes during the peak and midday time periods. Several improvements are set to be addressed by 2035, while other enhancements, like a COASTER extension to Camp Pendleton, will come by 2050. A total of 16 Rapid routes are identified for North County, including Rapid 483 connecting San Marcos to Riverside County. Connections between rural communities will be

improved by establishing Rapid 277 between Sabre Springs and Ramona and upgrading existing rural routes to have more trips throughout the week.

Several Flexible Fleet services have been identified to enhance transit options and connectivity. These services include 15 Flexible Fleet services, such as microtransit in Oceanside, eastern Oceanside (covering the eastern core and El Corazon), Carlsbad Village, Encinitas, Solana Beach, and Del Mar. Additionally, services will serve employment and educational centers along Carlsbad Palomar Airport Road and Poinsettia, along with microtransit in Vista, Buena Creek, San Marcos, and Escondido. Further expansion includes microtransit in unincorporated North County (Fallbrook-Pala and Ramona). All these services are phased for completion by 2035.

### **NCTD Capital Improvement Program**

The Capital Improvement Program (CIP) is a financial plan of adopted capital projects. The CIP is designed to meet NCTD's ongoing operational and infrastructure needs in a responsive and efficient manner. NCTD Board Policy No. 29 - *Capitalization and Asset Management*, and Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contain guidelines for defining a capital asset, generally described as a unit of rolling stock, land, a facility, a unit of equipment, an element of infrastructure, and intellectual property (including software) that has an individual unit value of \$10,000 or greater, has an expected useful life of more than one year, and can be capitalized in accordance with Generally Accepted Accounting Principles. To aid in developing the CIP, NCTD Project Managers are directed to clearly identify projects that represent the ongoing operational and infrastructure needs that are in line with NCTD's business plan and proactively identify projects that can mitigate any potential service and safety issue.

Project Managers also rely on the Transit Asset Management (TAM) Plan, which identifies the assets owned, operated and/or maintained by NCTD, their condition, and how NCTD prioritizes funding to keep the transit network in a state of good repair. Key benefits of the TAM include reduced total costs of ownership by performing cost-effective activities at the right time, improved reliability of assets by predicting the condition and conducting preventative maintenance, and improved customer experience with reliable transit infrastructure.

Three Federal Transit Administration (FTA) formula programs: Section 5307 Urbanized Area Formula Program, Section 5337 State of Good Repair Program, and Section 5339(a) Bus and Bus Facilities Program, are the primary source of funding for NCTD's CIP and generally provide 80% of the cost of eligible activities. Additional state and local funding sources supplement the FTA programs.

Budget preparation takes approximately nine months. The Project Management Delivery department, in coordination with the Finance Division, is responsible for distributing instructions, materials, and the schedule for the annual CIP. Work typically begins in July/August with Project Managers submitting projects to be considered in the 5-Year CIP budget. Because projects needs always exceed available funding, NCTD has implemented the Capital Projects Steering Committee (CPSC) and a project evaluation and ranking tool to ensure that the most critical projects are funded. To meet regional deadlines, NCTD's CIP is approved by the Board in December and submitted to SANDAG to be incorporated into the Regional Transportation Improvement Program (RTIP) and, subsequently, in the State of California Transportation Improvement Plan. NCTD has the opportunity to make adjustments to the proposed CIP, which is reauthorized with the approval of the annual operating budget. All years beyond the current year are subject to change and require specific approval of the Board upon adoption of the annual operating budget.

Below are the criteria considered by the CPSC during project evaluation for advancement in the CIP:

<b>Criteria</b>	<b>Description</b>
Project Benefits	What are the benefits provided by the execution of the project?
TAM Plan Consistency	Is the project included in the Transit Asset Management Plan?
Useful Life	Has the asset reached or about to reach the end of its useful life?
Previously Funded by Contract	Is this a previously funded project and is NCTD obligated under contract?
Mandated by Regulation	Is the project required to meet legal obligations set forth by the state and/or federal government?
North Star Strategic Alignment	How does the project align with the North Star objectives?
Project, Funding and Procurement Alignment	Can the project advance within the proposed fiscal year based on funding availability, procurement requirements, and the anticipated project timeline?

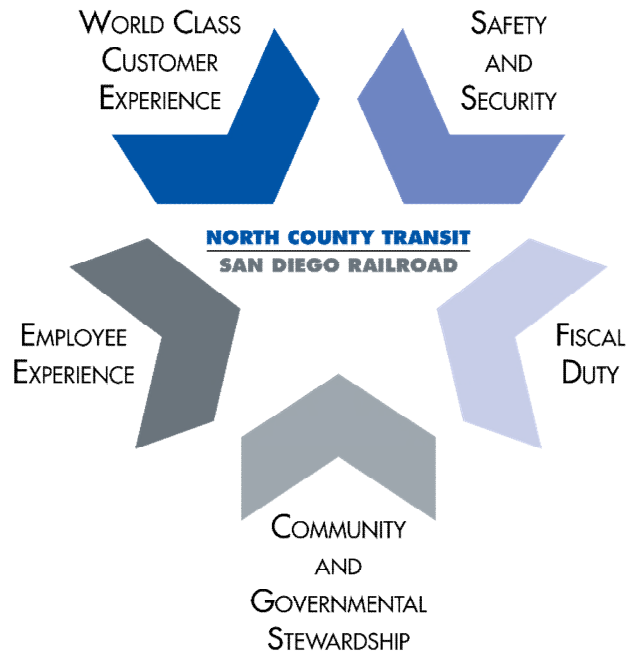
During the CIP evaluation, NCTD implements a process to identify high priority capital projects for funding through the CPSC. This process includes reviewing and ranking submitted capital projects based on the aforementioned strategic value criteria. As capital projects require significant investments, projects are evaluated individually during the CIP evaluation process leading to the NCTD Board approval. Division Chiefs rank their Division projects based on importance and priority. Once projects are prioritized through the evaluation process, the projects that will be advanced for funding will be based on financial constraints from federal, state, and local funds.

After the Board approves the CIP in December, Project Managers are required to develop the scope of work (SOW) for their respective projects by April before the start of the new fiscal year. Capital projects that do not have a preliminary SOW submitted by April undergo further evaluation by the CPSC, which depending on the project readiness, may be deferred to the next fiscal year’s CIP or be removed entirely from the CIP. This ensures that only capital projects that are ready for execution in the coming fiscal year are funded and can achieve their project milestones in a timely manner.

NCTD’s Capital Improvement Program is highly contingent on receiving discretionary grant awards. Each year, NCTD develops a Discretionary Grants Program Strategy to support its goal of increased discretionary grant awards. The award of discretionary grants is critical in achieving a state of good repair as current dedicated funding sources are insufficient to meet NCTD’s annual needs for capital investment.

## Strategic Framework

NCTD’s Strategic Framework is built upon NCTD’s “North Star”, which provides the framework on how NCTD prioritizes business initiatives and projects. NCTD’s North Star guides NCTD’s focus and commitment to the communities it serves, its customers, the environment, and its employees.



## Strategic Areas of Focus

Each year, NCTD staff, its Board of Directors, customers, and key stakeholders identify Areas of Focus for NCTD. NCTD aligns its key business activities and initiatives with these identified objectives to ensure that budget, personnel, and business activities support the strategic direction and goals of NCTD. Below are the strategic areas of focus for FY2027:

### **World-Class Customer Experience**

- Enhance Service Reliability
- Improve Customer Communications During Service Disruptions
- Improve Real-Time Information
- Maintain Service Needs for Essential Workers
- Ensure Optimization of Resources to Best Service Customers and Communities

**Safety and Security**

- Upgrade of Positive Train Control System
- Prioritize Capital Improvements to Increase Safety
- Ensure Front Line Employee Safety and Security

**Fiscal Duty**

- Manage Expenses Under Direct Management of All Operations
- Pursue Additional Operating Funding Sources
- Actively and Aggressively Find Grant Opportunities for Priority Projects
- Manage Work Conducted In-House vs. Externally
- Understand the Impacts of Alternative Fuels on Agency Expenses
- Identify Sustainable Revenue Source for Youth Opportunity Pass
- Expand Fare Enforcement Strategies

**Community and Governmental Stewardship**

- Ensure North County Communities Benefit from Project Opportunities
- Continue Forging Partnerships Creating Short and Long-Term Successful Outcomes for Communities
- Support City and County Projects Outside of the Transit Realm
- Build on Relationships with Business Communities
- Attend Community Events and Expand Involvement at City / County Planning Levels
- Continue Advocacy through Federal Surface Transportation Reauthorization Process
- Explore Opportunities to Find Efficiencies in LOSSAN Corridor Governance Structure

**Employee Experience**

- Promote Succession Planning for Future Leaders
- Provide Learning and Development Opportunities While Maintaining Compliance with Training
- Manage Organizational Structure Effectively

## Goals and Performance Metrics

### **Goals and Objectives**

NCTD develops key performance indicators to measure progress against the Strategic Areas of Focus and goals previously outlined. Each “North Star” objective and underlying goal is assigned measurable metrics to track performance. NCTD’s Business Intelligence department is in the process of developing dashboards to provide Executive Management with visibility into the performance tied to each metric. This allows NCTD to be nimble in managing processes and policies to work toward achieving the goals outlined in this budget document.

Business Intelligence works with each Division and Department within NCTD to gather data, streamline processes, and track progress toward goals. In FY2026, the Business Intelligence department gathered data from multiple departments to develop dashboard for Transit Operations Performance, replacing the monthly report given to NCTD’s Board of Directors.

The Transit Operations Performance Dashboard outlines key performance indicators tied to the “World-Class Customer Experience” objective and goals specified herein. These metrics include ridership, on-time performance, and boardings per revenue hour. NCTD’s systemwide metrics are tracked and historical trends are available to the public, NCTD’s Board, and internal stakeholders. The dashboards are publicly available and utilized by NCTD management to ensure compliance with this budget and track the progress against goals outlined herein. The dashboard can be found on NCTD’s website at [GoNCTD.com/TOPR](http://GoNCTD.com/TOPR).

Figure 1 shows a sample dashboard that provides information on systemwide metrics. Each NCTD mode of service is also assigned a separate page to provide greater granularity into some of the most critical performance metrics. The data informing these metrics is updated on the 20<sup>th</sup> day following the close of the “Current Month” to allow NCTD staff to ensure the validity of the data and perform a cleanse process. Figure 2 provides a sample overview of the COASTER dashboard.

Figure 1. Sample Systemwide Dashboard

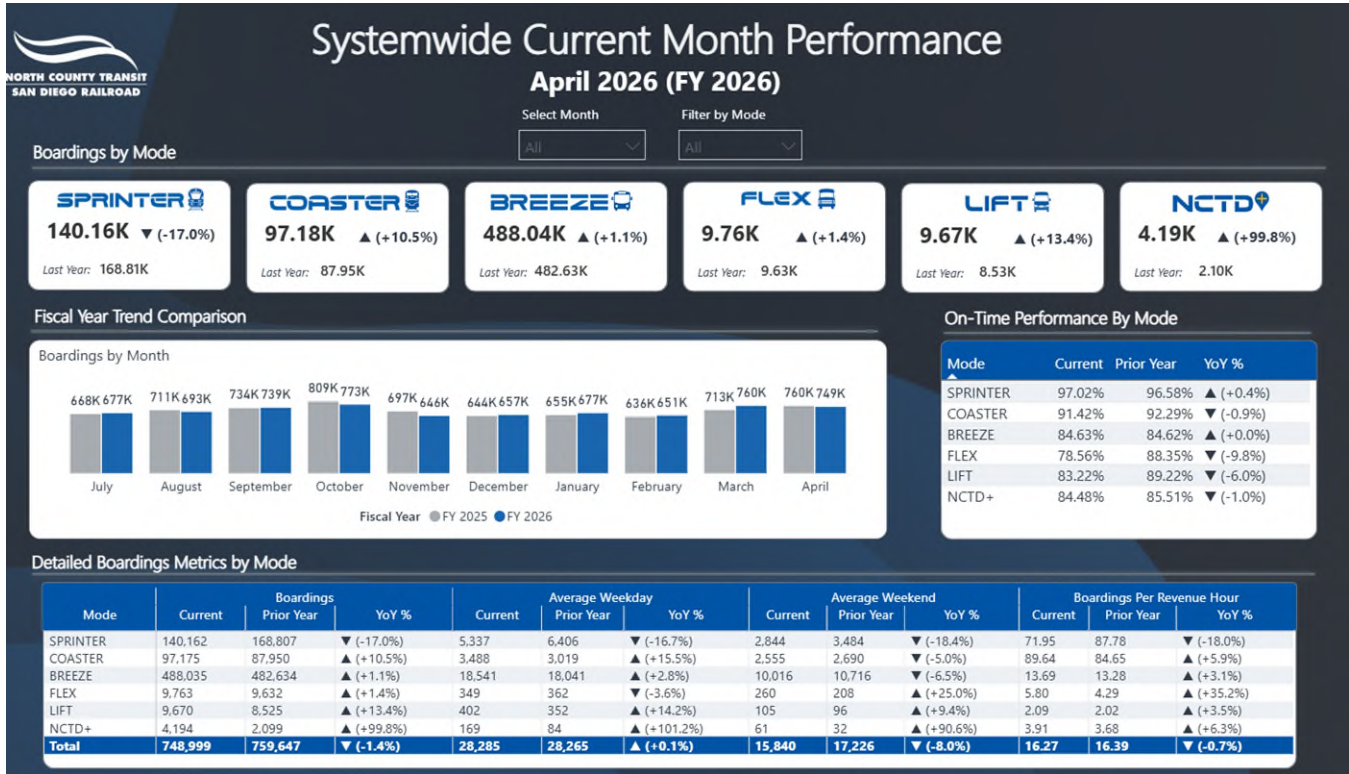
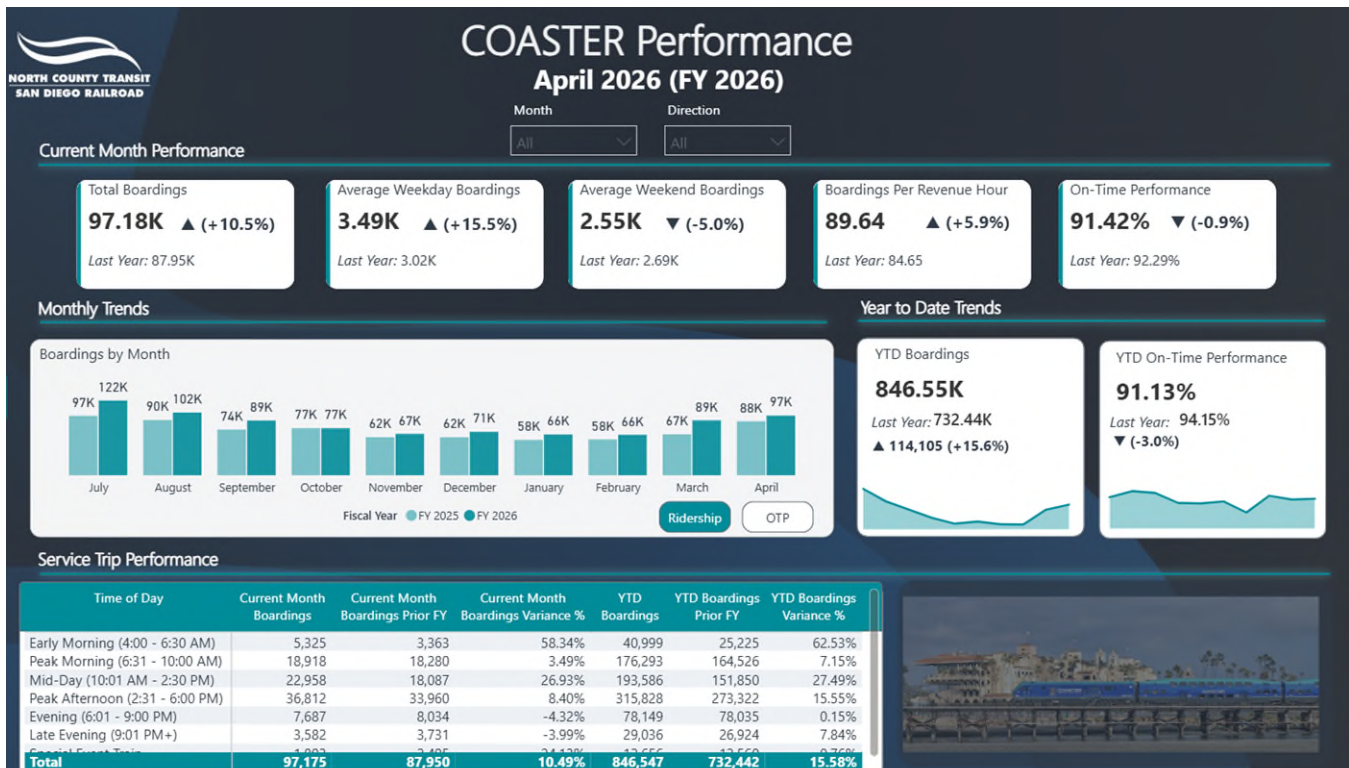


Figure 2. Sample COASTER Dashboard



**Government Finance Officers Association Distinguished Budget Award**

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For the Fiscal Year Beginning

**July 01, 2025**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association (GFOA) presented a Distinguished Budget Presentation Award (Award) to the North County Transit District, California, for its annual budget for the fiscal year beginning July 1, 2025. The award represents a significant achievement for NCTD. It reflects the commitment of NCTD's governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the Award, a governmental unit has to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well a budget serves as a policy document, financial plan, operations guide, and communications device. In addition to receiving the Award, NCTD received special recognition for its Long-Range Operating Financial Plans. The Award is valid for a period of one year.

## **Budget Development Policy**

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NCTD's budget policies are governed by NCTD Board Policy No. 17 - *Budget Development*. This policy ensures that proper procedures and controls are followed in the development and implementation of the annual operating budget and capital improvement program. This policy covers the basis of accounting and financial principles, budget development guidelines and conditions, budget development procedures, budget monitoring, and budget controls.

### **Balanced Budget**

NCTD adopts an annual balanced budget in which total revenues equal or exceed total expenses to support service, operations, and capital decisions by engaging staff and Board members to identify significant budget issues, conservatively estimate anticipated revenues, constrain expenses, and integrate business capital needs to focus on maintaining an adequate level of capital investment into the Capital Improvement Program. Additionally, NCTD coordinates its long-range financial planning with the San Diego Association of Governments (SANDAG).

### **Basis of Accounting**

NCTD accounting records are maintained in accordance with generally accepted accounting principles (GAAP) as established by the Government Accounting Standards Board (GASB). NCTD uses the accrual basis of accounting for its audited financial statements. The budget for the enterprise fund is also prepared on the accrual basis except for depreciation expense, which is not budgeted. Accrual accounting records financial events based on economic rather than cash activity. Revenues are recognized when they are earned and realized, regardless of when actual payment is received. Expenses are recognized when incurred, regardless of when such expenses are paid.

### **Finance Division Role**

The Finance Division is responsible for maintaining the records in accordance with GAAP, maintaining an effective capital assets financial record system, producing regular financial reports to management and the Board, overseeing the annual external audit, and adopting an investment policy that emphasizes safety, compliance, and liquidity before yield.

### **Conservative Estimates of Revenues**

Revenues are estimated conservatively bearing in mind federal, state, and local conditions, considering new sources, and assessing fare and route changes as needed. One-time revenues generally should be used for one-time expenses or capital investments.

### **Expenses**

Expenses are planned to support effective transportation by identifying priority services, establishing service levels, delivering efficient service, and ensuring fiscal stability.

### **Capital Improvement Program**

NCTD adopts an annual Capital Improvement Program (CIP) based on needs and in accordance with the long-term capital program. NCTD CIP has received scrutiny for cost, value, and priority to NCTD, and relevant details for each item have been reviewed for conformance to CIP requirements. Projects are funded only when revenues are already committed, or where budget savings or one-time revenues can pay for such items, and for which consideration has been given to all funding sources and grants where applicable.

Capital project expense differs from operating expense as capital expenses ordinarily result in the addition of a capital asset. NCTD Board Policy No. 29 - *Capitalization and Asset Management*, and Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contain guidelines for defining a capital

asset. Once funding for a capital project is secured, the Grants department sets up each project with an expense and funding source budget.

Some projects may not be capital but instead may be “operating projects”. This usually occurs when a grant is available to fund planning projects or other studies or operating activities that do not result in the creation of a capital asset. The expense that is charged to that project will ultimately be recorded as an expense in the operating accounts and must be budgeted in the operating budget. These operating expenses are set up as projects to facilitate grant reporting requirements and/or to track costs on special projects.

### **Intergovernmental Relations**

NCTD maintains constructive relations with other government bodies that encourage shared use of facilities, joint purchases, and shared cost-of-service delivery to the end that transit services, connections, and accessibility will be improved. The NCTD Board of Directors adopted the calendar year 2026 Legislative Agenda on January 15, 2026. The priorities for calendar year 2026 include; advocating for NCTD’s priorities within Federal Surface Transportation Reauthorization legislation, preserving and expanding public transportation funding options, supporting proposals to reform state and local funding mechanisms, exploring opportunities to maintain NCTD’s enabling legislation, and advancing efforts to streamline public transportation processes.

### **Debt**

Short-term and long-term debt may be used for valid business reasons including temporary cash flow, emergency shortfalls, and urgent unfunded capital improvements, provided the Board reviews an analysis of the fiscal effect of the debt on NCTD operations and adopts the debt by resolution.

### **Fund Balance**

NCTD utilizes a single enterprise fund for operating and capital purposes; NCTD elected to have the enterprise fund as allowed under GASB Statement No. 20. Accordingly, NCTD does not have traditional fund balances as typically found at other government agencies. The enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the expenses, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered through user charges and grants. Although NCTD does budget for capital improvement projects, the related capital outlays are recorded as increases in “capital assets” and “net position - invested in capital assets” on the statement of net position of the enterprise fund.

The FY2027 Operating Budget shows a balanced budget where total revenues equal total expenses; therefore, no changes are forecast for unrestricted net assets.

### **Functional Level Budgeting**

The budget is prepared at the functional level by department to allow for accountability and control. After the initial functional budgets are prepared by department managers, budgets are reviewed by the Division Chiefs and executive staff.

### **Cash Reserve Policy**

NCTD demonstrates prudence by maintaining reserves to adequately provide for unforeseen or special events. Board Policy No. 10 - *Cash Reserve Funds*, requires NCTD to maintain a minimum working capital balance of the lower of \$15 million or 15% of the annually budgeted operating expenditures. In the event of unanticipated and unusual financial circumstances, including but not limited to spikes in the cost of fuel or other materials; urgent, high-priority needs; and unforeseen withdrawal or cutback of a revenue source, NCTD will propose an operating budget amendment per Board Policy No. 17.

## **Budget Management**

NCTD maintains budget control through the formal adoption of an operating budget and CIP. Following approval, the budget is incorporated into the accounting system, at which point the budget is compared with actual performance throughout the fiscal year. Any unexpended appropriations from the operating budget automatically lapse at the end of the fiscal year.

The budget is an evolving document that may change as economic and business conditions warrant. Changes to the budget take the form of budget transfers or Board-approved amendments. Budget transfers do not change the total appropriated amount and do not require Board action. Depending on the budget category affected by the transfer, approval may be granted as follows:

- Division Chiefs have the discretion to reappropriation funds between line items within their department or between departments in their division, except for salaries and wages, unless it is an adjustment to fund temporary staffing due to vacancies. Division Chiefs may not exceed the total appropriated amounts within their division.
- The Chief Executive Officer may transfer funds between divisions but may not exceed the total appropriated amount for NCTD.

An increase in the total appropriated amount for NCTD requires a budget amendment. Budget amendments require formal action by the Board of Directors.

## **Budget Monitoring and Controls**

NCTD uses JD Edwards EnterpriseOne, an Enterprise Resource System (ERP), to process and record all its financial, accounting and procurement activities. The NCTD structure for operating revenue and expense accounts is driven by the Federal Transit Administration (FTA) National Transit Database (NTD) system of accounts. NTD is the primary repository for information and statistics on the transit systems of the United States. Recipients or beneficiaries of FTA grant funds are required to submit data in a standardized format to the NTD.

The adopted budget becomes the main internal control document used to monitor and manage NCTD's financial transactions. Project or Department Managers must complete all the required documentation to support a request for procurement. These documents are reviewed by the department Management Analyst (MA) and, when complete, a requisition with the supporting documentation is routed through the ERP system for the required approvals. Once fully approved, the requisition is routed for processing by the Procurement and Contract Administration department. Special procurement requirements apply to purchases that use federal funds and may extend the time required for procurement.

The Finance Division produces monthly budget to actual expenditures reports that are distributed to Division Chiefs and Department Managers intended to help staff control expenditures. The Finance Division also produces quarterly financial statements for the Board, which include the statement of changes and statement of net position compared to prior periods and budget, and explanations for significant variances.

## **Budget Process**

Every year, NCTD develops its personnel, operating, and capital plans for the following fiscal year. This effort results in a Board-approved fiscal year budget. The budget outlines the expected funding sources and expenses that represent NCTD commitment to providing transit services and projects to serve the needs of our stakeholders and to maintain a state of good repair.

Budget preparation takes approximately nine months. The Finance Division is responsible for distributing budget instructions and materials to each division and department for the operating budget. The Project Management Delivery department distributes budget instructions and materials for the Capital Improvement Program (CIP). Work typically begins in July/August with project managers submitting projects to be considered in the 5-Year CIP budget. The operating budget cycle begins in January with departmental operating requirements and application of revised revenue projections and culminates by June with a public hearing and Board adoption of the budget.

The operating budget is prepared from the bottom up to arrive at a functional level and then an organization level budget. Functional budgets are prepared first by Department Managers in collaboration with the Finance Division. The Finance Division then compiles the budget at the Division and organization level. Additionally, the Finance Division is responsible for ensuring that the following critical documents for the upcoming fiscal year are submitted with the budget:

1. Classification and Compensation Schedule
2. Cost Recovery Fee Schedule
3. Service Implementation Plan

The proposed budget is typically first reviewed at the policy level by the Performance, Administration, and Finance (PAF) Committee of the Board to ensure the appropriateness of programs and expenses and to ensure that they meet NCTD goals and objectives for the upcoming budget year. The Chief Executive Officer and Chief Financial Officer will present the draft operating budget to the NCTD Board for consideration and adoption on June 18, 2026.

## **Stakeholders**

For the development of the FY2027 Operating Budget and FY2027-FY2031 CIP, responsibilities were assigned as follows:

- The Chief Financial Officer (CFO) had the overall responsibility for planning, coordinating, analyzing, preparing, and issuing the budget, drafted the overall budget document, and presented the budget to the NCTD PAF Committee and the Board of Directors.
- The Manager of Project Delivery has oversight of the Capital Improvement Program and leads the Capital Project Steering Committee (CPSC).
- The Director of Service Planning was responsible for overseeing the development of the Service Implementation Plan (SIP) for the upcoming year, which includes service levels and ridership forecasts by mode of transportation.
- Division Chiefs were responsible for preparing and submitting their Division budgets in accordance with the budget instructions.
- Department Managers were responsible for preparing their departmental budgets in accordance with the budget instructions.

- The Deputy Chief People Officer and Chief Executive Officer (CEO) reviewed staffing levels and requests for increased staffing or salary adjustments.
- The Capital Project Steering Committee (CPSC) evaluated and ranked capital projects to ensure that the most critical projects were funded.
- Management Analysts coordinated the budget development process for their respective departments and divisions.
- The Chief Executive Officer (CEO), in close consultation with the Division Chiefs and the Chief Financial Officer, made the final determination of the proposed budget to be submitted for approval to the Board of Directors.
- The public reviews the proposed budget during the public hearing period conducted fifteen (15) days prior to the budget submission to the Board of Directors for approval.
- The Board of Directors (Board) is responsible for adopting the annual operating budget and supplemental schedules, the annual CIP, and the 5-Year CIP.
- Finance staff uploads the approved budget into the NCTD Enterprise Resource Planning (ERP) system.

**Budget Calendar**

NCTD Fiscal Year begins on July 1 and ends on June 30.

Below is the detailed summary of actions taken during the development process of the Fiscal Year 2027 Operating Budget and FY2027-FY2031 Capital Improvement Program (CIP).

<b>Month(s)</b>	<b>Description of Action</b>
September 2025	The Manager of Project Delivery presented the kick-off meeting for the Capital Improvement Program (CIP) to include an overview of the CIP process, projects evaluation criteria, strategic priorities, roles and responsibilities, and timeline.
September 2025	Project Managers updated and added project information, funding requests, and project delivery schedules in NCTD's project management software for consideration in the 5-Year CIP. Project Managers reviewed previously approved capital projects to ensure that they were advancing as planned and reallocated funding from projects that had anticipated savings or were no longer advocated for various reasons.
October 2025	Division Chiefs ranked projects within their divisions based on criticality (high, medium, low). The Capital Projects Steering Committee (CPSC) evaluated, ranked, and scored projects according to established criteria and prioritized on how well the respective project meets NCTD goals and objectives. State of good repair, regulatory requirements, and safety and security were the highest priorities.
October 2025	The CFO calculated the preliminary revenue estimates to determine the funding availability for the constrained CIP. Division Chiefs narrowed the list of their Division's priority projects based on funding availability.

Month(s)	Description of Action
November 2025 - December 2025	The CPSC proposed the list of projects eligible for advancement in the constrained CIP based on established criteria and available capital funding. The CEO approved the proposed constrained CIP based on preliminary revenue estimates.
December 2025	NCTD's Board approved the proposed FY2027-FY2031 Capital Improvement Program.
January 2026	The CFO launched the kick-off for the development of the FY2027 Operating Budget with a presentation that included budget considerations, budget process, roles and responsibilities, and key dates.
January 2026	The California State Controller Officer published the FY2027 allocations for State Transit Assistance and State of Good Repair funds.
February 2026	SANDAG's Board approved the apportionments of Transportation Development Act (TDA), Federal Transit Administration (FTA), and Transnet Funds for FY2027, as well as SANDAG staff provided projections for the next four fiscal years to plan for capital projects and determine operating subsidies.
February 2026	The FY2027-FY2031 CIP was programmed in SANDAG's ProjectTrak system for inclusion in the Regional Transportation Improvement Program (RTIP).
March 2026	The Marketing, Service Planning, and Business Development (MSPBD) Committee received a presentation on the FY2027 Service Implementation Plan (SIP) key assumptions.
March 2026 - April 2026	Management Analysts collaborated with Division Chiefs and Department Managers with budget responsibilities and completed the budget worksheets based on operating needs for the upcoming fiscal year.
March 2026 - April 2026	Constrained capital projects were re-evaluated, including considerations for funding needs and project readiness to determine whether these projects continued to be eligible for ratification by NCTD's Board. The Chief Executive Officer approved the re-evaluated constrained CIP based on the current revenue estimates.
April 2026	The staffing plan, which included the freeze of 22 vacant positions, was completed and incorporated in the budget assumptions.
April 2026	The Planning Department completed the proposed FY2027 Service Implementation Plan, which includes ridership projections and operating statistics for all modes. Service level assumptions were incorporated in the projected costs for FY2027.
April 2026 - May 2026	The CEO, CFO, and Division Chiefs held multiple rounds of budget discussions to achieve a balanced FY2027 Operating Budget.

Month(s)	Description of Action
May 2026	The CFO presented the proposed FY2027 Operating Budget to the Performance, Administration, and Finance Committee and full Board along with the key assumptions used and primary drivers for revenues and expenses. Revisions to the constrained FY2027 Capital Improvement Program were also provided to the Board.
May 2026	NCTD's Board set a public hearing date for June 18, 2026, for consideration of adoption of the proposed FY2027 Operating Budget and ratification of the FY2027-FY2031 Capital Improvement Plan.
June 2026	The FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Plan documents were released for public review and comment.
June 2026	The Board receives and considers public comments, closes the public hearing, adopts the Operating Budget and Capital Improvement Program, and approves the Service Implementation Plan, Employee Classification and Compensation Schedules, and Cost Recovery Fee Schedule.
June 2026	The approved budget is entered into NCTD financial system. NCTD staff submits applications as needed to funding agencies.

## **Service Implementation Plan (SIP)**

The Service Implementation Plan (SIP) outlines NCTD's plans to provide multimodal transit services over the next five (5) years. The SIP is a requirement under the Master Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) and is used to inform NCTD's annual operating budget.

The SIP development process consists of the compilation and review of historic service levels, ridership, and studies that outline capital and operating investments for NCTD. Planning coordinates with Finance, Bus Operations, and Rail Operations to review and develop the assumptions. Finance staff calculates the cost associated with the proposed services. The costs are then included in the proposed NCTD annual operating budget for Board approval.

### **SIP Key Assumptions**

NCTD uses conservative estimates to forecast ridership. The conservative projection is consistent with Board Policy No. 17 - *Budget Development*, which requires staff to conservatively estimate revenues and expenses. The conservative forecast allows NCTD to stress test and confirm that the budget for the upcoming fiscal year will be balanced under the assumed worst-case scenario.

Ridership estimates for the FY2027 SIP are based on observed mode-specific ridership trends. Both year-over-year (YOY) ridership changes and anticipated service levels for each mode factor into projections. Miles and hours projections are based primarily on scheduled daily service, while service statistics for on-demand modes, such as LIFT and NCTD+, are based on projected ridership. Absolute work windows, holidays, and special events are also considered in both service and ridership projections. Other factors, such as uncertain funding projections, changing travel patterns, station redevelopment efforts, and evolving land use and development patterns, influence the phasing of proposed service changes.

### **Strategic Priorities**

Uncertain funding projections at all levels of government, coupled with decreasing sales tax revenues, pose significant challenges in projecting future service levels. Should the current forecast continue without the introduction of a new funding source, NCTD will likely need to reduce service levels in future years. This service reduction may impact all NCTD modes. With this uncertainty in mind, the FY2027 Service Implementation Plan has been developed to support strategic investments that can be implemented over a five-year period. These strategic investments aim to increase ridership and address capital priority needs while being mindful of the constrained resource environment. Key strategic service priorities that are relevant to the five-year horizon of the Service Implementation Plan include:

- Maintain existing service levels across all modes during the FY2027-FY2031 planning horizon
- Continue monitoring system performance and evaluating opportunities for service adjustments that improve customer experience and system efficiency in a cost-effective manner
- Implement future NCTD+ zones contingent upon operational conditions and available funding
- Complete the planned Convention Center COASTER Station in FY2029 without increasing total daily COASTER trips

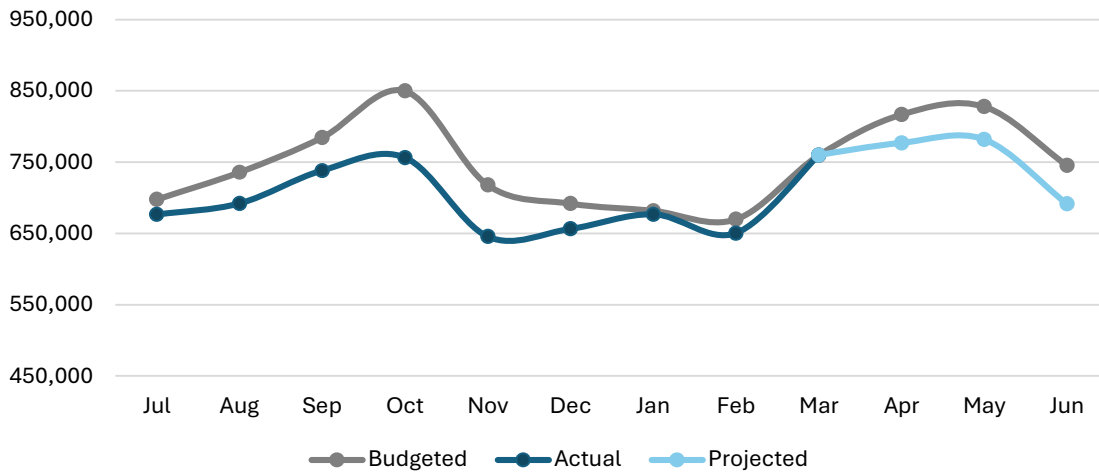
**System Summary**

Service statistics and ridership projections are reviewed each budget cycle to reflect actual performance and assess the accuracy of previous forecasts. The FY2026 Service Implementation Plan (SIP), developed in the spring of 2025, projected a 4.9% increase in systemwide ridership driven by the transition to in-house bus operations, continued benefits from the Youth Opportunity Pass program and special event service, and planned service initiatives, including the implementation of the Fallbrook-Pala NCTD+ zone.

During FY2026, NCTD implemented several service adjustments to improve system efficiency and align service levels with demand, including the discontinuation of FLEX Routes 471, 472, and 478, as well as BREEZE Route 323 due to low performance. In addition, implementation of the Fallbrook-Pala NCTD+ zone was deferred due to operational capacity constraints and fiscal considerations and remains contingent upon receipt of external funding through SANDAG’s Flexible Fleets program.

As shown in Figure 3 below, systemwide ridership throughout FY2026 has generally remained below budgeted projections, and total FY2026 ridership is currently estimated to be approximately 5.3% lower than originally budgeted for the year. While ridership continued to recover in FY2026, growth was lower than initially projected, with systemwide ridership currently estimated to increase approximately 0.1% over FY2025 levels.

*Figure 3. FY2026 Systemwide Monthly Ridership*



**Service Levels and Ridership Projections**

FY2027 service levels and ridership forecasts by mode are summarized in Table 1. Detailed information on all modes of service is provided in the next sections. For FY2027, NCTD anticipates systemwide ridership growth to stabilize, with a projected increase of approximately 1.5%.

*Table 1. FY2027 Projected Ridership and Operating Statistics*

<b>Mode/Metric</b>	<b>Ridership</b>	<b>Revenue Miles</b>	<b>Total Miles</b>	<b>Revenue Hours</b>	<b>Total Hours</b>
<b>BREEZE</b>	5,603,693	4,875,785	5,755,046	421,175	457,592
<b>LIFT</b>	115,147	871,853	939,038	49,558	54,044
<b>FLEX</b>	111,682	344,416	441,931	20,104	24,023
<b>COASTER</b>	1,080,628	407,220	424,586	12,737	13,645
<b>SPRINTER</b>	1,671,683	518,926	521,147	23,588	23,742
<b>NCTD+</b>	46,897	134,527	180,977	12,695	16,628
<b>System Total</b>	<b>8,629,730</b>	<b>7,152,727</b>	<b>8,262,725</b>	<b>539,857</b>	<b>589,674</b>

Table 2 summarizes the FY2027 projected ridership and operating statistics for all modes of service compared to the FY2026 Budget and FY2026 Projections.

*Table 2. Ridership and Operating Statistics FY2025-FY2027*

	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Projected</b>	<b>FY2027 Proposed</b>	<b>Change from FY2026 Budget</b>	<b>Change from FY2026 Projected</b>
<b>BREEZE</b>						
Ridership	5,458,166	5,735,171	5,543,623	5,603,693	-2.3%	1.1%
Revenue Miles	5,050,027	5,062,584	5,009,050	4,875,785	-3.7%	-2.7%
Total Miles	5,866,238	5,759,795	5,812,044	5,755,046	-0.1%	-1.0%
Revenue Hours	430,969	429,066	428,537	421,175	-1.8%	-1.7%
Total Hours	465,290	465,347	460,445	457,592	-1.7%	-0.6%
<b>LIFT</b>						
Ridership	111,204	118,861	113,610	115,147	-3.1%	1.4%
Revenue Miles	938,401	1,186,922	826,398	871,853	-26.5%	5.5%
Total Miles	1,019,494	1,282,687	890,147	939,038	-26.8%	5.5%
Revenue Hours	54,739	66,037	46,971	49,558	-25.0%	5.5%
Total Hours	61,558	78,884	51,225	54,044	-31.5%	5.5%
<b>FLEX</b>						
Ridership	100,309	130,517	110,017	111,682	-14.4%	1.5%
Revenue Miles	381,383	373,196	362,496	344,416	-7.7%	-5.0%
Total Miles	473,179	466,507	454,565	441,931	-5.3%	-2.8%
Revenue Hours	26,562	26,542	24,207	20,104	-24.3%	-16.9%
Total Hours	30,750	30,772	28,359	24,023	-21.9%	-15.3%

*Table 2. Ridership and Operating Statistics FY2025-FY2027  
(continued)*

	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Projected</b>	<b>FY2027 Proposed</b>	<b>Change from FY2026 Budget</b>	<b>Change from FY2026 Projected</b>
<b>COASTER</b>						
Ridership	927,557	919,746	1,037,616	1,080,628	17.5%	4.1%
Revenue Miles	397,260	401,139	403,087	407,220	1.5%	1.0%
Total Miles	422,669	426,825	422,056	424,586	-0.5%	0.6%
Revenue Hours *	12,199	12,302	12,577	12,737	3.5%	1.3%
Total Hours	13,588	13,708	13,579	13,645	-0.5%	0.5%
<b>SPRINTER</b>						
Ridership	1,876,403	1,998,260	1,652,666	1,671,683	-16.3%	1.2%
Revenue Miles	501,642	518,850	518,835	518,926	0.0%	0.0%
Total Miles	504,792	521,083	514,299	521,147	0.0%	1.3%
Revenue Hours	22,808	23,585	23,308	23,588	0.0%	1.2%
Total Hours	22,984	23,738	23,461	23,742	0.0%	1.2%
<b>NCTD+</b>						
Ridership	22,459	77,514	46,360	46,897	-39.5%	1.2%
Revenue Miles	79,177	230,635	133,277	134,527	-41.7%	0.9%
Total Miles	121,163	312,883	178,983	180,977	-42.2%	1.1%
Revenue Hours	7,221	23,546	12,553	12,695	-46.1%	1.1%
Total Hours	11,025	31,464	16,446	16,628	-47.2%	1.1%
<b>SYSTEM</b>						
Ridership	8,496,098	8,980,069	8,503,892	8,629,730	-3.9%	1.5%
Revenue Miles	7,347,890	7,773,326	7,253,143	7,152,727	-8.0%	-1.4%
Total Miles	8,407,535	8,769,780	8,272,093	8,262,725	-5.8%	-0.1%
Revenue Hours	554,498	581,078	548,153	539,857	-7.1%	-1.5%
Total Hours	605,195	643,913	593,515	589,674	-8.4%	-0.6%

\* Includes in-service hours and adjusted layover hours

**BREEZE**

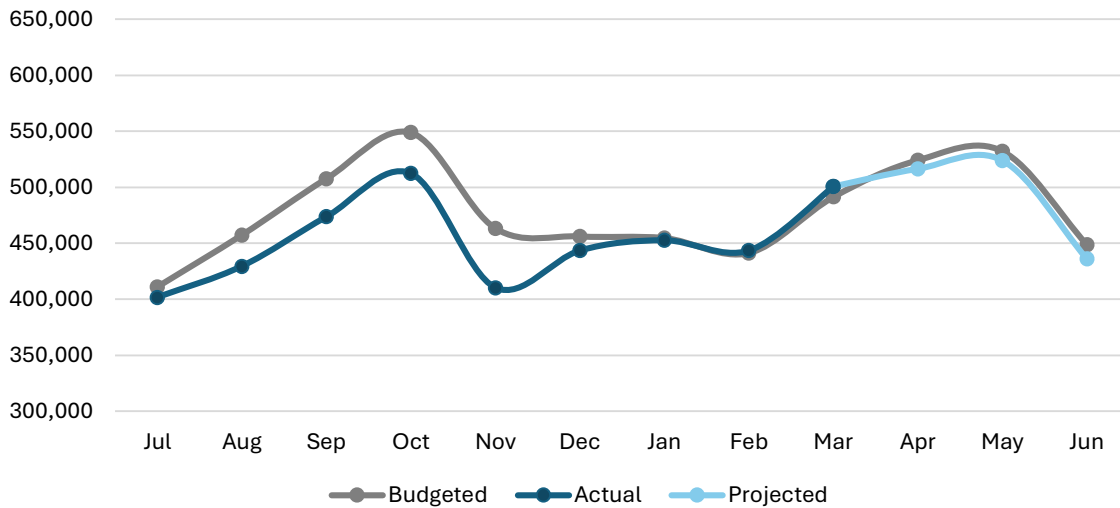
BREEZE service changes outlined in the FY2026 SIP included the planned reintroduction of BREEZE 408 special event service and continued ridership growth associated with customer-focused service improvements. The FY2026 SIP projected a 4.4% increase in ridership, from approximately 5.5 million boardings in FY2025 to 5.7 million boardings in FY2026. However, the reintroduction of BREEZE 408 was deferred due to operational and fiscal constraints. At the end of FY2025, NCTD discontinued BREEZE Routes 334 and 444 due to low performance and replaced Route 334 with NCTD+ service in Vista. During FY2026, NCTD also discontinued BREEZE Route 323 and rerouted BREEZE Routes 311, 313, and 325 to serve portions of the former Route 323 corridor and provide new connections within the region.



As shown in Figure 4, actual FY2026 ridership growth has been lower than originally anticipated, with the FY2026 ridership projected to be 3.3% below the budgeted ridership for the year.

As detailed in Table 3, BREEZE FY2027 ridership is projected to increase modestly by approximately 1.1% to 5.6 million boardings, reflecting stabilized service levels and anticipated year-over-year transit ridership growth trends. Given ongoing fiscal uncertainty, no major BREEZE service expansions are currently planned for FY2027.

*Figure 4. FY2026 BREEZE Monthly Ridership*



*Table 3. BREEZE Ridership and Operating Statistics FY2025-FY2027*

<b>BREEZE</b>	<b>FY25 Actual</b>	<b>FY26 Actual &amp; Projected</b>	<b>FY27 Proposed</b>	<b>Change from FY25 to FY27</b>	<b>Change from FY26 to FY27</b>
Total Ridership	5,458,166	5,543,623	5,603,693	2.7%	1.1%
Total Revenue Miles	5,050,027	5,009,050	4,875,785	-3.5%	-2.7%
Total Miles	5,866,238	5,812,044	5,755,046	-1.9%	-1.0%
Total Revenue Hours	430,969	428,537	421,175	-2.3%	-1.7%
Total Hours	465,290	460,445	457,592	-1.7%	-0.6%

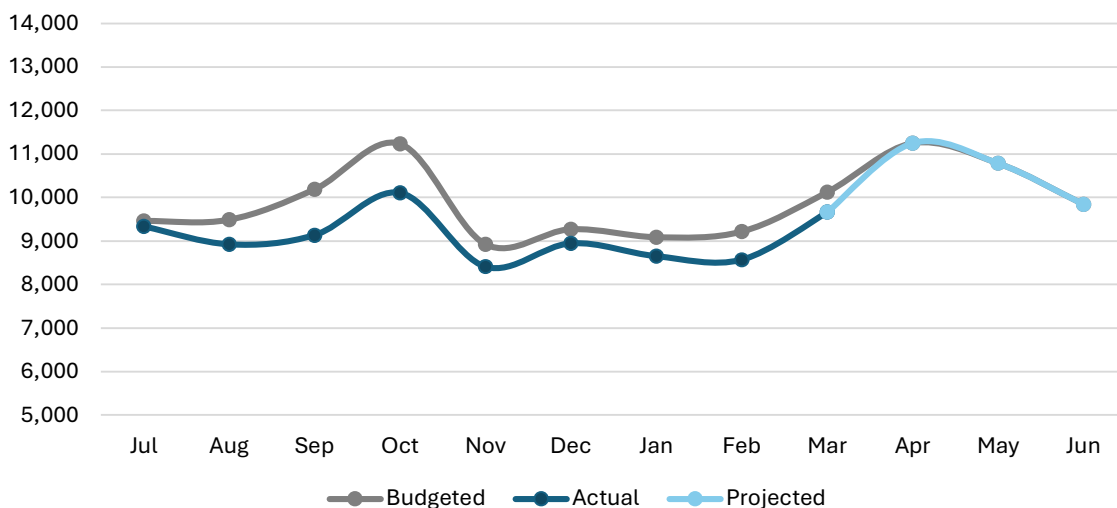
**LIFT**

The FY2026 SIP projected a 2.7% increase in LIFT ridership based on the significant ridership growth experienced between FY2024 and FY2025, during which ridership increased approximately 9.9% year-over-year. As shown in Figure 5, actual FY2026 ridership growth has been lower than originally anticipated, and monthly ridership has generally remained below budgeted goals throughout the year. FY2026 ridership is currently projected to increase approximately 2.2% over FY2025 levels, reaching an estimated 113,000 boardings.



As detailed in Table 4, LIFT ridership growth is expected to stabilize in FY2027, with boardings projected to increase approximately 1.4%, from a projected 113,000 boardings in FY2026 to 115,000 boardings in FY2027.

*Figure 5. FY2026 LIFT Monthly Ridership*



*Table 4. LIFT Ridership and Operating Statistics FY2025-FY2027*

LIFT	FY25 Actual	FY26 Actual & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
Total Ridership	111,204	113,610	115,147	3.5%	1.4%
Total Revenue Miles	938,401	826,398	871,853	-7.1%	5.5%
Total Miles	1,019,494	890,147	939,038	-7.9%	5.5%
Total Revenue Hours	54,739	46,971	49,558	-9.5%	5.5%
Total Hours	61,558	51,225	54,044	-12.2%	5.5%

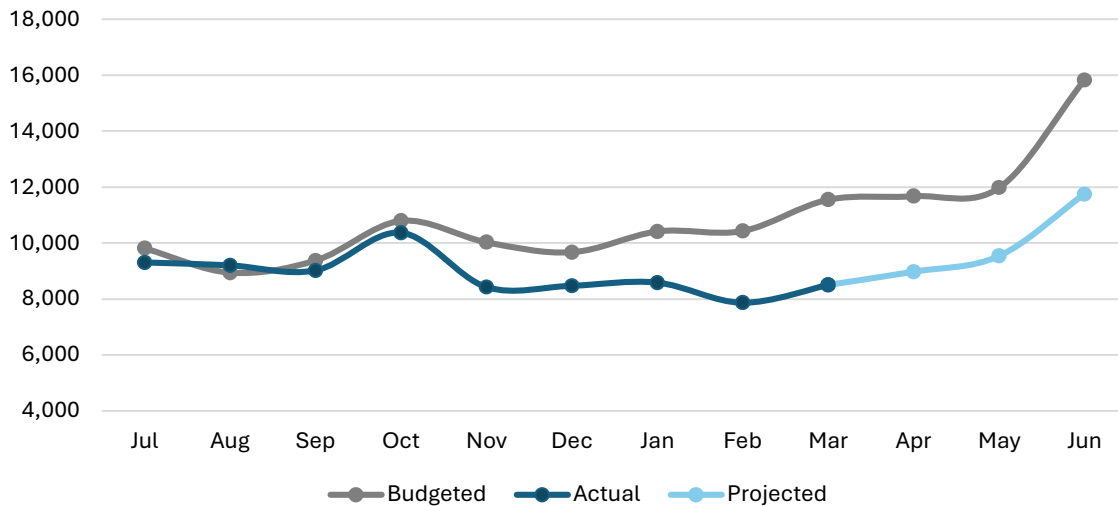
**FLEX**

The FY2026 SIP projected continued strong growth in FLEX ridership, including a projected 29.4% increase in FY2026 associated with the inclusion of COASTER and FLEX services in the University of California, San Diego (UCSD) U-Pass Program and continued demand for COASTER Connection services. As shown in Figure 6, actual FY2026 ridership growth has been lower than originally anticipated, and monthly ridership has generally remained below budgeted goals throughout the year.



FLEX ridership is currently projected to increase approximately 9.7% compared to actual FY2025 ridership. In February 2026, NCTD discontinued FLEX Routes 471, 472, and 478 due to low performance. While these service changes are expected to slow future ridership growth, overall FLEX ridership is still projected to increase. Due to ongoing fiscal uncertainty, no major FLEX service expansions are currently planned for FY2027. As detailed in Table 5, FY2027 ridership is projected to increase approximately 1.5%, from just over 110,000 boardings in FY2026 to nearly 112,000 boardings in FY2027.

*Figure 6. FY2026 FLEX Monthly Ridership*



*Table 5. FLEX Ridership and Operating Statistics FY2025-FY2027*

FLEX	FY25 Actual	FY26 Actual & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
Total Ridership	100,309	110,017	111,682	11.3%	1.5%
Total Revenue Miles	381,383	362,496	344,416	-9.7%	-5.0%
Total Miles	473,179	454,565	441,931	-6.6%	-2.8%
Total Revenue Hours	26,562	24,207	20,104	-24.3%	-16.9%
Total Hours	30,750	28,359	24,023	-21.9%	-15.3%

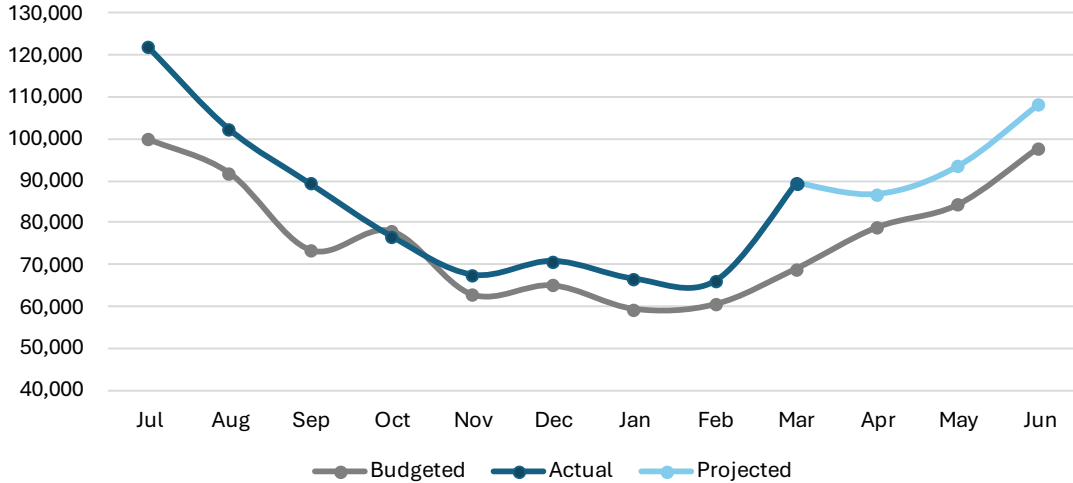
**COASTER**

Year-to-date ridership on COASTER has increased significantly compared to the previous fiscal year, exceeding the growth projected in the FY2026 SIP. The FY2026 SIP projected over 900,000 boardings in FY2026; however, current estimates indicate ridership will exceed 1 million boardings, representing an approximately 11.9% increase compared to FY2025. As shown in Figure 7, monthly COASTER ridership has generally exceeded budgeted goals throughout FY2026, with the exception of October, which may be partially attributed to an additional Absolute Work Window (AWW) day compared to the previous year. Continued demand associated with Padres games and other regional events has also contributed to increased ridership.



In October 2025, NCTD implemented a COASTER schedule adjustment that redistributed trips throughout the day to better align service with evolving travel demand patterns while maintaining the same overall number of trips operated. As detailed in Table 6, COASTER ridership is projected to continue increasing in FY2027, from a projected 1.03 million boardings in FY2026 to a projected 1.08 million boardings in FY2027, representing an estimated increase of approximately 4.1%. Due to ongoing fiscal uncertainty, no major COASTER service expansions are currently planned for FY2027.

*Figure 7. FY2026 COASTER Monthly Ridership*



*Table 6. COASTER Ridership and Operating Statistics FY2025-FY2027*

COASTER	FY25 Actual	FY26 Actual & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
Total Ridership	927,557	1,037,616	1,080,628	16.5%	4.1%
Total Revenue Miles	397,260	403,087	407,220	2.5%	1.0%
Total Miles	422,669	422,056	424,586	0.5%	0.6%
Total Revenue Hours	12,199	12,577	12,737	4.4%	1.3%
Total Hours	13,588	13,579	13,645	0.4%	0.5%

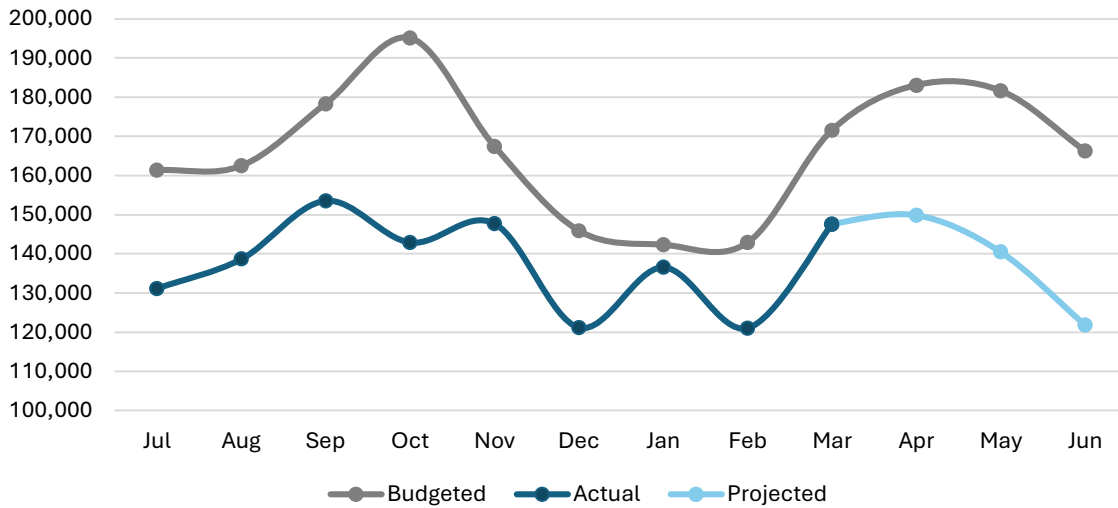
**SPRINTER**

The FY2026 SIP projected continued ridership growth on SPRINTER, with ridership anticipated to increase by approximately 4% in FY2026. However, beginning in FY2026, NCTD implemented updates to its ridership reporting methodology, resulting in a one-time reduction in reported ridership compared to both FY2025 actual ridership and the ridership projections originally budgeted for FY2026, which did not anticipate the methodology change. As a result of this change, and as evidenced in Figure 8, monthly FY2026 ridership has remained below budgeted projections. However, FY2026 ridership will serve as the new baseline for future reporting.



No major SPRINTER service changes were implemented during FY2026, and service levels are expected to remain consistent moving forward. FY2027 ridership projections are, therefore, based on the revised reporting methodology established in FY2026. As detailed in Table 7, SPRINTER ridership is projected to increase modestly by approximately 1.2% in FY2027 compared to projected FY2026 levels.

*Figure 8. FY2026 SPRINTER Monthly Ridership*



*Table 7. SPRINTER Ridership and Operating Statistics FY2025-FY2027*

SPRINTER	FY25 Actual	FY26 Actual & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
Total Ridership	1,876,403	1,652,666	1,671,683	-10.9%	1.2%
Total Revenue Miles	501,642	518,835	518,926	3.4%	0.0%
Total Miles	504,792	514,299	521,147	3.2%	1.3%
Total Revenue Hours	22,808	23,308	23,588	3.4%	1.2%
Total Hours	22,984	23,461	23,742	3.3%	1.2%

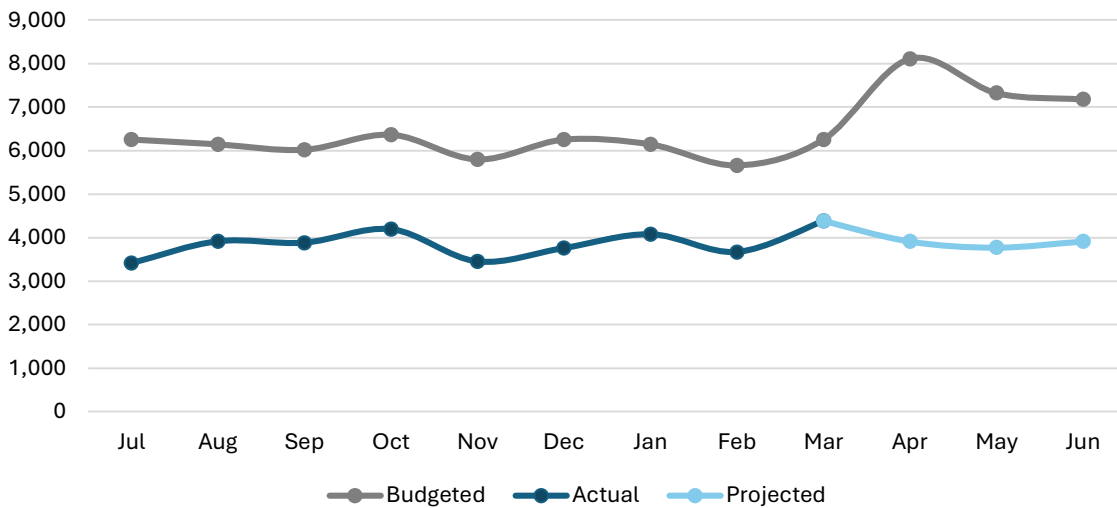
**NCTD+**

In June 2024, NCTD introduced its on-demand microtransit service, NCTD+, as a pilot in San Marcos, followed by the implementation of the Vista pilot zone in May 2025. The FY2026 SIP projected significant ridership growth for NCTD+, including the anticipated implementation of a third pilot zone in Fallbrook and Pala supported through SANDAG Flexible Fleets funding. However, due to fiscal and operational uncertainty, implementation of the Fallbrook-Pala NCTD+ zone has been deferred to FY2028 and remains contingent upon receipt of SANDAG Flexible Fleets funding.



As shown in Figure 9, FY2026 ridership has remained below budgeted projections largely because the Fallbrook-Pala zone was not implemented as originally anticipated. Ridership in the existing San Marcos and Vista zones has remained steady throughout FY2026. As illustrated in Table 8, NCTD+ ridership is projected to increase modestly by approximately 1.2% from FY2026 to FY2027, reflecting continued operation of the existing service zones without further expansion.

*Figure 9. FY2026 NCTD+ Monthly Ridership*



*Table 8. NCTD+ Ridership and Operating Statistics FY2025-FY2027*

<b>NCTD+</b>	<b>FY25 Actual</b>	<b>FY26 Actual &amp; Projected</b>	<b>FY27 Proposed</b>	<b>Change from FY25 to FY27</b>	<b>Change from FY26 to FY27</b>
Total Ridership	22,459	46,360	46,897	108.8%	1.2%
Total Revenue Miles	79,177	133,277	134,527	69.9%	0.9%
Total Miles	121,163	178,983	180,977	49.4%	1.1%
Total Revenue Hours	7,221	12,553	12,695	75.8%	1.1%
Total Hours	11,025	16,446	16,628	50.8%	1.1%

## **Financial Forecast and Significant Assumptions**

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### **Grant Revenue**

NCTD receives federal, state, and local revenue to support both capital projects and ongoing operations. SANDAG is responsible for the apportionment of these various funds, as well as forecasting revenues for the Transportation Development Act (TDA) and TransNet local sales tax programs. The State of California State Controller's Office estimates the state apportionments of the State Transit Assistance (STA) and State of Good Repair (SGR) programs by January 31 of each year pursuant to statutory requirements. The Federal Register provides the apportionments for the federal programs, which are subject to Congressional appropriations. Federal Transit Administration (FTA) formula programs generally provide 80% of the cost of eligible capital and maintenance activities. Additional state and local funding sources supplement the FTA programs and fund operations. NCTD's financial health is dependent on economic and political conditions that affect these revenue sources.

### ***Federal Transit Administration (FTA) Formula Programs***

#### **Section 5307**

The Urbanized Area Formula Funding program (49 U.S.C. 5307) (Section 5307) provides funding for transit capital and operating assistance in urbanized areas and for transportation-related planning. An urbanized area (UZA) is an area that has been defined and designated by the U.S. Department of Commerce, Census Bureau as an urban area with a population of 50,000 or more. Eligible activities include planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, station infrastructure, track, signals, communications, and computer hardware and software. In addition, associated transit improvements, workforce development activities, non-emergency medical transportation, and certain expenses associated with mobility management programs are eligible under the program.

All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs for purposes of eligibility. The FTA defines preventive maintenance as all maintenance costs related to vehicles and non-vehicles. Specifically, it is all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including the current state-of-the-art for maintaining such an asset. For urbanized areas with populations of less than 200,000, operating assistance is an eligible expense. Urbanized areas of 200,000 or more may not use funds for operating assistance unless identified by FTA as eligible under 49 U.S.C. 5307(a)(2) and (3). The San Diego UZA, which includes NCTD and MTS, is not eligible to utilize Section 5307 funds for operating assistance.

FTA apportions Section 5307 funds using a statutory formula based on the latest U.S. Census data and information reported by the National Transit Database (NTD). For urbanized areas of 50,000 to 199,999 in population, the formula is based on population, low-income population, and population density. For urbanized areas with a population of 200,000 or more, the formula is based on a combination of bus vehicle revenue miles, bus passenger miles, fixed guideway vehicle revenue miles, fixed guideway directional route miles, fixed guideway passenger miles, and operating expenses, as well as population, low-income population, and population density. The FTA publishes annually the allocations for the recipients. The federal share of project costs may not exceed 80% for planning and capital expenses. SANDAG is the designated recipient for the San Diego region and then allocates the funds between NCTD and MTS. The FY2027 Section 5307 allocation is 30% for NCTD and 70% for MTS after SANDAG's deductions for the Regional Vanpool Program. For FY2027, NCTD was allocated \$28.3 million (increase of 1.2% from FY2026).

**Section 5337**

The formula component of the State of Good Repair Grants Program (49 U.S.C. 5337) (Section 5337) provides capital assistance to high-intensity fixed guideway and motorbus systems for maintenance, replacement, and rehabilitation rolling stock, track line equipment and structures, signals and communications, power equipment and substations, passenger stations and terminals, security equipment and systems, maintenance facilities and equipment, and operational support equipment, including computer hardware and software. Funds may also be used to develop and implement transit asset management plans.

Funding is apportioned based on statutory formulas. The funds allocated to the UZAs for high-intensity fixed-guideway systems are based on fixed-guideway vehicle revenue miles and directional route miles reported to the National Transit Database (NTD) and what the UZA would have received in the FY 2011 fixed-guideway modernization formula using the current definition of fixed guideway. High-intensity motorbus funds are allocated to UZAs based on high-intensity vehicle revenue miles and directional route miles reported to the NTD. The federal share for eligible capital expenses is not to exceed 80% of the net project cost.

The FY2027 Section 5337 allocation for the San Diego region is 30% for NCTD and 70% for MTS after MTS takes the allocation specific to High Intensity Motorbus. For FY2027, NCTD was allocated \$20.3 million (increase of 0.9% from FY2026).

**Section 5339(a)**

The Grants for Buses and Bus Facilities Formula Program (49 U.S.C. 5339(a)) [Section 5339(a)] provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Eligible recipients include designated recipients that operate fixed route bus service. Eligible capital projects include replacement, rehabilitation and purchases of buses, vans, and related equipment, and construction of bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

The FY2027 Section 5339 (a) allocation for the San Diego region is 30% for NCTD and 70% for MTS. For FY2027, NCTD was allocated \$1.9 million (increase of 4.3% from FY2026).

**Section 5311**

The Formula Grants for Rural Areas program (49 U.S.C. 5311) (Section 5311) provides federal funding to states for capital, planning, and operating assistance to support public transportation in rural areas with populations of less than 50,000, where many residents often rely on public transit to reach their destinations. FTA apportions Section 5311 funds using a statutory formula based on the latest U.S. Census data. The majority of rural formula funds (83.15%) are apportioned based on land area and population factors. The remaining rural formula funds (16.85%) are apportioned based on land area, vehicle revenue miles, and low-income individual factors.

The federal share of the project cost may not exceed 80% for planning and capital expenses, 50% for operating assistance, and 80% for Americans with Disabilities Act (ADA) non-fixed route paratransit service. NCTD receives FTA 5311 funding through Caltrans.

### ***Bipartisan Infrastructure Law***

The Bipartisan Infrastructure Law (BIL), as enacted in the Infrastructure Investment and Jobs Act (IIJA) and signed into law on November 15, 2021, authorized up to \$108 billion for public transportation (including \$91 billion in guaranteed funding) - the largest federal investment in public transportation in the nation's history. The legislation reauthorizes surface transportation programs for federal fiscal years FY2022-2026 and provides advanced appropriations for certain programs. Key priorities for public transportation under the legislation include:

- **Safety:** The law will enhance state safety oversight programs by strengthening rail inspection practices, protecting transit workers and riders from injuries, and ensuring safe access to transit.
- **Modernization:** The law will reduce the maintenance backlog by repairing and upgrading aging transit infrastructure and modernizing bus and rail fleets.
- **Climate:** Funding in the law will support replacement of thousands of transit vehicles, including buses and ferries, with cleaner, greener vehicles.
- **Equity:** Investments in the law will improve transit service for communities that have historically had more limited access to transit and provide for substantial upgrades to accessibility.

The IIJA is scheduled to expire on September 30, 2026, and will need to be reauthorized by Congress to continue funding beyond its expiration date. Reauthorization by Congress will be critical by NCTD in order for NCTD to be able to fund capital projects and its state of good repair program. The 5-Year Plan assumes an extension of the IIJA through FY2031 at the same level as FY2027.

### ***State Grant Revenue***

#### ***Transportation Development Act (TDA) and State Transit Assistance (STA)***

The Mills-Alquist-Deddeh Act (SB 325), or Transportation Development Act of 1971, was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. TDA provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans. The TDA provides two funding sources: (1) Local Transportation Fund (LTF), which is derived from a one-quarter of a cent of the general sales tax collected statewide and (2) State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county. The San Diego Association of Governments (SANDAG), as the Regional Transportation Planning Agency, is responsible for apportionment of TDA funds each year in conformance with state statute. Pursuant to state statute, the County of San Diego Auditor has the responsibility for providing the TDA apportionment for the upcoming fiscal year. The County Auditor develops the apportionment in consultation with SANDAG staff and with the transit operators, based on actual sales tax receipts and projections. The legislative priorities established by state law include certain categories for which TDA funds are taken "off the top." These include the allocation to SANDAG for various planning, programming, and administrative-related expenses, funding of bike and pedestrian facilities, and support of community transit services. In addition, the County Auditor receives an allocation based on estimates of its costs to administer the TDA program. The remaining apportionment, along with any prior year carryover funds, is available to be claimed by NCTD and MTS.

The TDA LTF program is the major funding source that supports the San Diego region's public transit operators. Allocation to NCTD and MTS is based on population, of which NCTD will receive 29% and MTS will receive 71% in FY2027. TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects.

Fiscal and performance audits are conducted to ensure TDA program compliance. Fiscal audits are conducted annually and include transit operator's expense-to-revenue ratio, known as farebox recovery. Performance audits are conducted every three years and include performance measures that verify the efficiency and effectiveness of planning agencies and transit operators. Both fiscal and performance audits are conducted by SANDAG.

State Transit Assistance (STA) funds are generated by a sales tax on diesel fuel. The amount of funding available for transit agencies varies from year to year based on diesel prices. The State allocates STA funds based on two components: population-based funds and revenue-based funds. The California State Controller's Office publishes the allocations for STA funds.

NCTD can use TDA and STA funds for both capital projects and transit operations.

### **Senate Bill 1 (SB1)**

Senate Bill 1, the Road Repair and Accountability Act of 2017, was signed into law on April 28, 2017. The legislation increased both gasoline and diesel taxes, while also creating new vehicle taxes and fees to fund transportation. The tax increases took effect on November 1, 2017, and new vehicle registration fees began on January 1, 2018. Fees on zero-emission vehicles took effect on July 1, 2020. SB1 funds are programmed for:

- State Transit Assistance (STA) Program: Funding to help transit agencies fund their capital infrastructure and operational costs and is distributed via current funding formulas based on agency revenue and population.
- State of Good Repair Program (SGR): Funding for transit capital projects or services to maintain or repair existing transit fleets and facilities; new vehicles or facilities that improve existing transit services; or transit services that complement local efforts to repair and improve local transportation infrastructure. This money is made available to eligible transit operators based on the STA formula.

### **State Rail Assistance (SRA)**

Senate Bill 1 also created the State Rail Assistance Program by directing a portion of new revenue specifically to intercity rail and commuter rail. Most of the program funding is directed by statutory formula to rail operators. Funds are allocated among the five California commuter rail operators based on a formula that combines a fixed guaranteed amount and a variable amount based on service levels. SRA-funded projects are focused investments by the state to improve commuter and intercity rail service across the state, reduce air pollution and ease traffic congestion.

State Rail Assistance provides California's commuter and intercity rail agencies with dependable supplemental revenue that they can use to improve rail service in various ways, including:

- Operations funding for expanded service;
- Increased customer amenities such as discounted tickets;
- Capital investments such as new and clean emissions rolling stock to increase capacity and reduce emissions; and
- Track and station investments that can reduce travel times, delays, improve accessibility, and enhance the customer experience.

### **Senate Bill 125 (SB125)**

In July 2023, the State of California passed Senate Bill 125 (SB125), which served as a trailer bill to the State's FY2023-2024 budget and guides the distribution of \$4 billion in General Fund through the Transit and Intercity Rail Capital Program (TIRCP) on a population-based formula to regional transportation planning agencies, which have the flexibility to use the money to fund transit operations or capital improvements. The transportation budget trailer bill also established the \$1.1 billion Zero-Emission Transit Capital Program (ZETCP) to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations. SB 125 included an accountability program to govern the distribution of these funds. To be eligible to receive money from these funding sources, regional transportation planning agencies must submit a regional short-term financial plan to the California State Transportation Agency (CalSTA). There is no deadline for the expenditure of funds and agencies may spend SB125 funds in any order relative to other state, federal, and local funds. The FY2027 operating budget includes SB125 funds of \$10.2 million and ZETCP funds of \$3.5 million.

### **Local Grant Revenue**

#### **TransNet - Transit Services**

TransNet is a funding source created originally by Proposition Z, the one-half cent local countywide sales tax originally enacted in November 1987 to fund a 20-year transportation program that expired at the end of 2008. In November 2004, San Diego County voters approved Proposition A, which extended TransNet an additional 40 years through 2048 (Ordinance). Proposition A mandates the formation of an Independent Taxpayer Oversight Committee (ITOC) to provide oversight for the expenditures of TransNet funds and ensure that voter mandates are carried out. In addition, the ITOC makes recommendations to improve the program's financial integrity and performance.

After deducting costs associated with administrative expenses; the operation of the TransNet Independent Taxpayer Oversight Committee (ITOC); and the Bicycle, Pedestrian, and Neighborhood Safety program; the TransNet program is divided into Major Corridor (42.4%), New Bus Rapid Transit/Rail Operations (8.1%), Local System Improvements (33%), and Transit System Improvements (16.5%). Within the Transit System Improvements, services provided pursuant to the Americans with Disabilities Act of 1990 (ADA) and subsidies for seniors have specific earmarks (2.5% and 3.25%, respectively). The remaining revenues can be used by the transit agencies for operating or miscellaneous capital purposes. Similar to TDA, the transit share between NCTD and MTS is allocated based upon the respective population of the two transit agencies' service areas.

#### **TransNet - New Major Corridor Transit Operations (NMCTO)**

After deducting the costs associated with administrative expense, the ITOC, and the bicycle/pedestrian program, the NMCTO receives 8.1% of TransNet revenues. This funding is for the operation of new or expanded services only and is not available for the operation of services in existence prior to the effective date of the Ordinance.

On October 25, 2021, COASTER service was increased to 30 weekday daily trips, 32 Friday daily trips, and 20 weekend daily trips. The expanded COASTER service receives support from TransNet NMCTO funds.

### Fare Revenue

Fare revenues include fare receipts collected from money deposited in the farebox and ticket vending machines (TVMs) or collected through sales of tickets and passes at various transit centers, ticket outlets, college agreements, employer agreements, mobile ticketing, and online. Fare revenues are based on ridership of the various modes of transportation. COASTER and BREEZE generate the largest share of fare revenue. Despite the COASTER having a lower percentage of ridership in comparison to the BREEZE or SPRINTER modes, the COASTER's higher fare generates significantly more revenue per trip than the other modes.

### Other Operating Revenue

Other operating revenues are composed of auxiliary revenues and non-transportation revenues. Auxiliary revenues include transit-system generated revenues such as shared use of the railroads, dispatching, and concession revenues. Non-transportation revenues include leases, permits, investment income, administrative fees, federal Renewable Fuel Standard Program credits, and Low Carbon Fuel Standard (LCFS) credits managed by the California Air Resources Board.

### Operating Expenses

The most significant cost drivers for NCTD are employees' wages and benefits, contracted professional services, fuel costs, and parts for bus and rail vehicles. Beginning in FY2026, NCTD assumed direct operations of bus operations and maintenance, effectively making NCTD a direct operator of all modes of transit.

Total FY2027 budgeted operating expenses are higher by 1.17% compared to the total budgeted operating expenses for FY2026, which aligns with the projected revenue growth for FY2027, but is lower than the current inflation rate for the San Diego region, which is in excess of 3%. Furthermore, NCTD is experiencing escalating fuel costs due to global geopolitical events and financial constraints caused by unfunded federal and state mandates, such as federal mandatory excess railroad liability insurance, Positive Train Control operations and maintenance, and California Innovative Clean Transit (ICT) regulations that require public transit agencies to gradually transition to a 100 percent zero-emission bus (ZEB) fleet.

Detailed descriptions of the operating expenses are explained in the following sections.

### Fiscal Year 2027 Assumptions

The significant assumptions used in the development of the FY2027 Operating Budget include:

#### **Operating Revenues**

- Formula-based federal grants are derived from the Federal Transit Administration's (FTA) published apportionment tables. FTA formula funding under Section 5307, 5337, and 5339(a) apportioned to the San Diego region for transit agencies are allocated 30% to NCTD and 70% to MTS. Funding from Section 5307, 5337, and 5339(a) can only be used for capital and maintenance expenses. FTA funding under Section 5311 for Rural Areas is funded through Caltrans.
- The Transportation Development Act (TDA) has two major funding sources, the Local Transportation Fund (LTF) and the State Transit Assistance (STA). LTF is derived from a 1/4-cent general sales tax and STA is derived from sales tax on diesel fuel. Pursuant to state statute, the County of San Diego Auditor and Controller has the responsibility for providing the LTF apportionment for the upcoming fiscal year in consultation with SANDAG staff based on actual sales tax receipts and projections. NCTD will receive 29% of San Diego County's apportionment for LTF based on population estimates. For FY2027, TDA funds have been programmed for operations and as the match for FTA-funded preventive maintenance.
- STA funds are appropriated by the legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenue, by formula, to planning agencies and other selected agencies. Statute requires that 50% of STA funds be allocated according to population (Public Utilities Code (PUC) 99313) and 50% be allocated according to transit operator revenues from the prior fiscal year (PUC 99314). STA payments may be revised upward or downward depending on the actual stream of revenues funding the program. For FY2027, all STA funds have been programmed for operations.
- The State of Good Repair (SGR) Program is a formula-based program included under Senate Bill 1: *The Road Repair and Accountability Act of 2017* (SB1). SB1 funds are deposited into the STA account and then distributed to regional transportation agencies using the STA Program formula. SGR funds can only be used for capital and maintenance expenses. For FY2027, SGR funds have been programmed as the match for FTA-funded preventive maintenance.
- TransNet revenue is forecasted by the SANDAG before the start of the new fiscal year. The most recent estimates were approved by SANDAG's Board at its February 27, 2026 meeting. The distribution to NCTD is based on population; NCTD will receive 29% of San Diego County's allocation. TransNet actual revenues will be dependent upon sales of taxable goods in San Diego County.
- The TransNet Extension Ordinance requires that 8.1% of all TransNet revenue be used to fund transit operations for ten (10) specified projects, which includes COASTER frequency enhancements.
- The FY2027 operating budget includes SB125 funds of \$10.2 million and ZETCP funds of \$3.5 million.
- The State Rail Assistance FY2027 budget was based on prior years' levels; the actual estimate for FY2027 has not yet been provided by the California State Transportation Agency (CalSTA). SRA funds are programmed for COASTER operations.
- Customer fares revenue is based on the FY2027 Service Implementation Plan (SIP) ridership forecasts and historical average fares by mode.

- SANDAG provides funding to NCTD for the Youth Opportunity Pass (YOP) program, which allows youth riders age 18 and under to ride free on NCTD services (except LIFT). For FY2027, SANDAG is providing NCTD with federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for YOP; however these funds are restricted to capital projects.
- Revenue projections for operations, use, maintenance fees, and dispatching (auxiliary revenues) from BNSF, Amtrak, and Metrolink are based on the terms specified in shared use/operating agreements.
- Projections for other operating revenues such as permits, leases, and administrative fees are based on FY2026 levels.

Table 9 summarizes the sources and uses of revenues for FY2027.

### **Operating Expenses**

- The budget for salaries, wages, and benefits assumes full staffing of 857 full-time equivalents (FTEs). FTEs were reduced compared to the FY2026 budget as result of hiring freezes of vacant positions.
- Professional services include dedicated law enforcement and on-call security, technical support and material management services for COASTER and SPRINTER, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, Positive Train Control (PTC) costs, software support and maintenance, electrical, plumbing, landscaping, train cleaning, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance.
- The fuel budget is based on the FY2027 Service Implementation Plan (SIP) and levels of service by vehicle type (bus, commuter rail, hybrid rail, vans, cutaways) and type of fuel consumed (diesel, unleaded gasoline, hydrogen, electricity). Due to ongoing geopolitical events, the fuel budget assumes the cost of a gallon of diesel at \$4.63 (excluding taxes and fees), with Brent Crude oil price averaging \$110-\$120/barrel (Brent Crude is a major benchmark price for purchases of oil worldwide). Compressed Natural Gas (CNG) costs are budgeted at \$0.3568 per therm based on recent prices trend and projections from the U.S. Energy Information Administration. Hydrogen is budgeted at \$26.80 per kilogram for the mobile trailer and \$8.82 per kilogram after the construction of the fueling station is completed in the fall of 2026.
- Purchased transportation includes \$0.9 million for contracted taxi for paratransit services.
- The FY2027 budget for excess liability insurance premiums is higher by \$1.5 million compared to FY2026 due to the increase in the mandatory minimum federal railroad liability cap and increasing rates in the insurance marketplace.
- A contingency expense of \$0.5 million has been established for unforeseen circumstances or emergencies.
- The FY2027 minimum required pension unfunded accrued liability payment of \$4.3 million and SPRINTER debt principal payment of \$1.5 million will be paid from net assets and are not included in the FY2027 Operating Budget.

Table 9. FY2027 Sources and Uses of Revenues

Revenue Source	Capital and Maintenance	Restricted Use by Grant	Operations	Total FY2027
Passenger Fares and U-Pass			\$ 12,763,545	\$ 12,763,545
Non-Transportation and Auxiliary Revenues			16,158,122	16,158,122
Federal Transit Administration (FTA) Section 5307	28,309,831			28,309,831
Federal Transit Administration (FTA) Section 5337	20,338,759			20,338,759
Federal Transit Administration (FTA) Section 5339	1,926,889			1,926,889
Federal Transit Administration (FTA) Section 5311			641,568	641,568
Federal Transit Administration (FTA) Low No	16,774,170	325,312		17,099,482
Federal Highway Administration - Congestion Mitigation and Air Quality Improvement (CMAQ) Program	1,233,240			1,233,240
Federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program	600,000			600,000
Medi-Cal			40,000	40,000
Transportation Development Act (TDA) 4.0			52,821,210	52,821,210
Transportation Development Act (TDA) 4.5			2,770,875	2,770,875
TDA 4.0 (SANDAG Reimbursement)			234,765	234,765
State Transit Assistance (STA)			10,786,883	10,786,883
STA State of Good Repair	2,113,840			2,113,840
Caltrans Planning Grant		325,000		325,000
State Rail Assistance (SRA)			4,000,000	4,000,000
Low Carbon Transit Operations Program (LCTOP)	1,995,555			1,995,555
SB 125 Transit and Intercity Rail Capital Program (TIRCP)	7,125,144		3,061,142	10,186,286
Zero-Emission Transit Capital Program (ZETCP)		3,467,415		3,467,415
California Public Utilities Commission	88,683			88,683
TransNet - Transit Services (Senior and Disabled)			506,000	506,000
TransNet - Transit Services			19,072,000	19,072,000
TransNet - New Major Corridor Transit Operations			7,632,937	7,632,937
Prior Years Capital Carryover	14,968,377			14,968,377
<b>Total Revenue</b>	<b>\$ 95,474,488</b>	<b>\$ 4,117,727</b>	<b>\$ 130,489,047</b>	<b>\$ 230,081,262</b>

**FY2027 Operating Budget**

The Proposed FY2027 Operating Budget is submitted at \$180,890,377 (including contingency funds of \$500,000), an increase of \$2,084,800 (1.17%) from the FY2026 Operating Budget and an increase of \$6,832,507 (3.93%) from the FY2026 Forecast. Table 10 shows the proposed operating revenues and expenditures for FY2027.

**Operating Summary**

*Table 10. FY2027 Operating Budget - Summary*

Operating Revenues	FY2025 Actual *	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
Passenger Fares	\$ 11,669,967	\$ 12,492,298	\$ 12,493,703	\$ 12,763,545	\$ 271,247	2.17%	\$ 269,842	2.16%
Non-Transportation Revenues	8,157,718	4,731,200	5,951,011	4,557,736	(173,464)	-3.67%	(1,393,275)	-23.41%
Auxiliary Revenues	11,781,017	11,199,184	11,352,783	11,600,386	401,202	3.58%	247,603	2.18%
Federal Grants	53,229,807	37,254,595	37,283,786	37,962,816	708,221	1.90%	679,030	1.82%
State Grants	18,611,475	33,654,670	26,241,500	30,968,107	(2,686,563)	-7.98%	4,726,607	18.01%
Local Grants	77,784,109	79,473,630	81,460,337	83,037,787	3,564,157	4.48%	1,577,450	1.94%
	<b>181,234,093</b>	<b>178,805,577</b>	<b>174,783,120</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>	<b>\$ 6,107,257</b>	<b>3.49%</b>
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 34,024,199	\$ 70,118,247	\$ 67,522,992	\$ 74,915,208	\$ 4,796,961	6.84%	\$ 7,392,216	10.95%
Employee Benefits	16,003,094	22,748,554	26,854,113	21,000,506	(1,748,048)	-7.68%	(5,853,607)	-21.80%
Professional Services	39,354,982	43,190,410	39,807,650	38,206,981	(4,983,429)	-11.54%	(1,600,669)	-4.02%
Fuel, Materials, and Supplies	12,663,395	22,700,459	20,312,433	25,232,595	2,532,136	11.15%	4,920,162	24.22%
Utilities	3,330,396	3,867,188	3,667,324	4,083,591	216,403	5.60%	416,267	11.35%
Casualty and Liability	7,302,406	9,709,267	10,569,851	11,750,000	2,040,733	21.02%	1,180,149	11.17%
Fuel Taxes	1,105,672	1,270,553	1,251,589	1,433,547	162,994	12.83%	181,958	14.54%
Purchased Transportation	56,080,643	1,033,000	1,443,613	913,000	(120,000)	-11.62%	(530,613)	-36.76%
Miscellaneous Expenses	1,585,328	1,847,204	1,213,347	1,676,190	(171,014)	-9.26%	462,843	38.15%
Debt-Related Expense	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Leases and Rentals	795,367	1,146,395	883,834	656,759	(489,636)	-42.71%	(227,075)	-25.69%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>172,801,112</b>	<b>178,805,577</b>	<b>174,057,870</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>
	<b>\$ 8,432,981</b>	<b>\$ -</b>	<b>\$ 725,250</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ (725,250)</b>	

\* Excludes non-budgeted expenses (GASB68, GASB75, GASB87, GASB96, Pension Unfunded Accrued Liability payment) and will differ with amounts reported in the Annual Comprehensive Financial Report.

\*\* As originally adopted and does not reflect budget transfers made during the fiscal year

**Operating Revenues**

Table 11 summarizes the FY2027 budgeted operating revenues, Figure 10 compares the levels of operating revenues for FY2025, FY2026 and FY2027, and Figure 11 shows the FY2027 composition of operating revenues.

*Table 11. FY2027 Budget - Operating Revenues*

Operating Revenues	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
Passenger Fares	\$ 11,669,967	\$ 12,492,298	\$ 12,493,703	\$ 12,763,545	\$ 271,247	2.17%	\$ 269,842	2.16%
Non-Transportation Revenues	8,157,718	4,731,200	5,951,011	4,557,736	(173,464)	-3.67%	(1,393,275)	-23.41%
Auxiliary Revenues	11,781,017	11,199,184	11,352,783	11,600,386	401,202	3.58%	247,603	2.18%
Federal Grants	53,229,807	37,254,595	37,283,786	37,962,816	708,221	1.90%	679,030	1.82%
State Grants	18,611,475	33,654,670	26,241,500	30,968,107	(2,686,563)	-7.98%	4,726,607	18.01%
Local Grants	77,784,109	79,473,630	81,460,337	83,037,787	3,564,157	4.48%	1,577,450	1.94%
	<b>181,234,093</b>	<b>178,805,577</b>	<b>174,783,120</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>	<b>\$ 6,107,257</b>	<b>3.49%</b>

Figure 10. FY2025-FY2027 - Operating Revenues

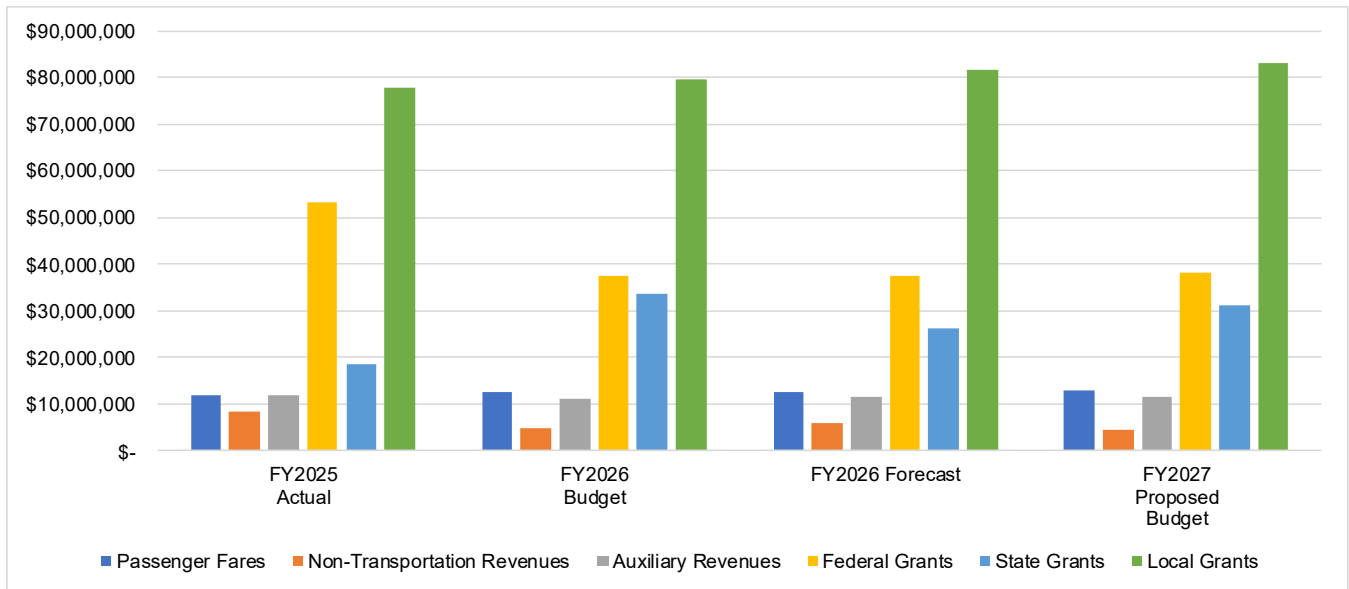
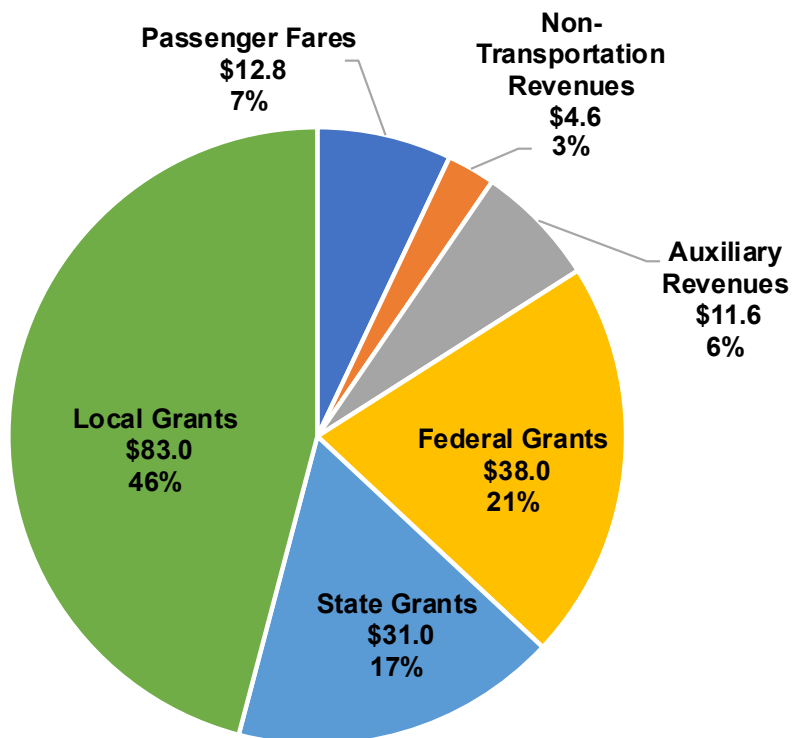


Figure 11. FY2027 Budget - Operating Revenues  
 (in millions)



**Passenger Fares**

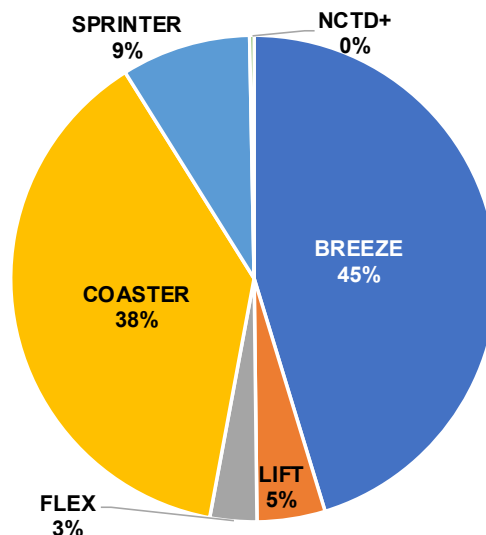
The FY2027 Budget forecasts system ridership at 8.6 million boardings (see Table 1), a decrease of 3.9% from the FY2026 Budget and an increase of 1.48% from the FY2026 Forecast. FY2027 ridership forecasts and operating statistics by mode are described in detail in the Service Implementation Plan section. Revenues generated from passenger fares vary across modes of service. BREEZE generates the highest total revenues; however, the highest average fare per passenger is generated by commuter rail (COASTER) and the lowest average fare per passenger is from hybrid rail (SPRINTER) and NCTD+. Fare revenues for FY2027 were projected by multiplying the number of projected boardings and historical average fares by mode. Average fares by mode are blended rates that incorporate discounted rates for seniors, disabled, and Medicare recipients, and free fares for youth; as well as lower average rates charged per trip as passenger reach the fare cap for the day and month. Under fare capping, passengers pay as they ride using stored value until they reach the daily and monthly maximums. Table 12 shows the projected passenger fare revenues by mode for FY2027 and Figure 12 shows the percentage composition of fare revenues by mode.

Beginning in May 2022, NCTD has partnered with SANDAG and MTS to provide free transit to anyone age 18 and under through a program named Youth Opportunity Pass (YOP). Due to the lack of operating funds from SANDAG to continue the YOP program, since July 1, 2025, SANDAG has provided capital federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds, which are programmed in the Capital Improvement Program.

*Table 12. FY2027 Budget - Passenger Fares Revenue*

Mode	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase (Decrease) from FY2026 Budget (#)	Increase (Decrease) from FY2026 Budget (%)	Increase (Decrease) from FY2026 Forecast (#)	Increase (Decrease) from FY2026 Forecast (%)
BREEZE	\$ 5,249,437	\$ 6,033,114	\$ 5,640,466	\$ 5,779,582	\$ (253,532)	-4.20%	\$ 139,116	2.47%
LIFT	754,128	594,305	748,838	575,735	(18,570)	-3.12%	(173,103)	-23.12%
FLEX	192,428	310,769	310,556	398,631	87,862	28.27%	88,075	28.36%
COASTER	4,144,971	4,240,722	4,598,812	4,874,715	633,993	14.95%	275,903	6.00%
SPRINTER	1,313,507	1,252,430	1,150,773	1,099,887	(152,543)	-12.18%	(50,886)	-4.42%
NCTD+	15,496	60,958	44,258	34,995	(25,963)	100.00%	(9,263)	100.00%
	<b>\$ 11,669,967</b>	<b>\$ 12,492,298</b>	<b>\$ 12,493,703</b>	<b>\$ 12,763,545</b>	<b>\$ 271,247</b>	<b>2.17%</b>	<b>\$ 269,842</b>	<b>2.16%</b>

*Figure 12 FY2027 Fares Revenue Percentages by Mode*



**Grant Revenues**

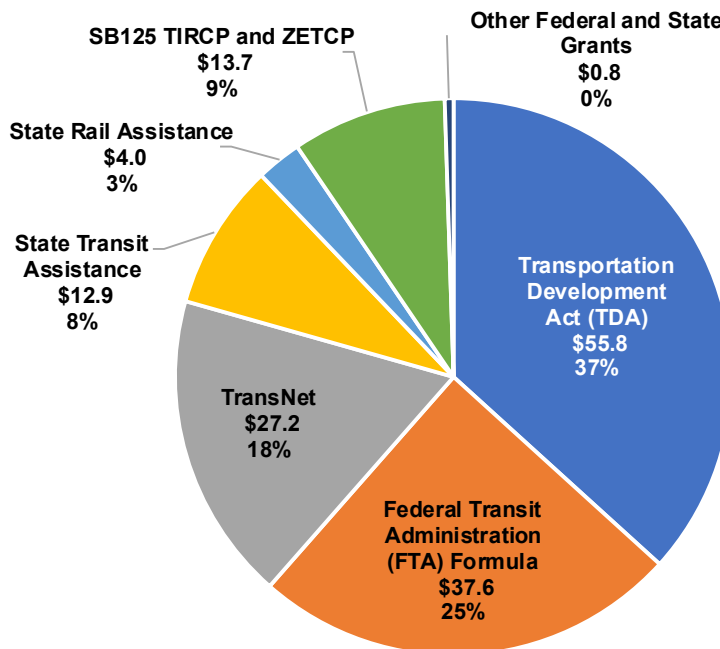
Formula-based federal grants are derived from the Federal Transit Administration’s (FTA) published apportionment tables. Federal revenues include Section 5307, Section 5337, and Section 5339(a) funds that are used for 80% of eligible preventive maintenance expenses and Section 5311 funds as subsidy for service to rural routes.

The County of San Diego Auditor and Controller have the responsibility for providing the TDA apportionment for the upcoming fiscal year in consultation with SANDAG staff based on actual sales tax receipts and projections. STA funds are appropriated by the California State Controller’s Office (SCO).

In December of each year, SANDAG revises its TransNet Revenue forecast to reflect the latest data on sales tax collections and evolving economic conditions. SANDAG’s forecast is generated using the most recent historical collections and then projecting future revenue as the product of nominal retail sales per capita growth and population growth. The nominal retail sales forecast is the consensus (arithmetic mean) of three independent nationally recognized forecasts of growth in per-capita nominal retail sales (IHS Markit, Moody’s Analytics, and Oxford Economics). The San Diego regional population growth is the SANDAG Series 15 forecast (2022-2060). SANDAG economists adjusted the annual growth rates of the TransNet revenue forecasted by the model. The lower revenue reflects adjustments to both the short-term and long-term outlooks. In the short term, the forecast reflects revenue to have normalized in FY2026 and a return to consistent but measured growth (around 2.6%). In comparison, the forecast last year had assumed a slower normalization path that eventually lands with annual growth above 3.2%. SANDAG also adjusted the long-term tail of the forecast to be more conservative, pegging it to 2.3% which is more aligned with long term growth expectations for the broader economy. Without this adjustment, TransNet revenue would have been projected to grow at an average of 3.3% per year based on the consensus forecast. The adjustments reflected a guiding principle of being conservative to minimize the risk of budget shortfalls.

Figure 13 shows the percentage composition and amounts of operating grant revenues budgeted for FY2027.

*Figure 13. FY2027 Budget - Operating Grant Revenues  
 (in millions)*



**Non-Transportation Revenues**

Non-transportation revenues include leases, permits, investment income, administrative fees, federal Renewable Fuel Standard Program credits, and Low Carbon Fuel Standard (LCFS) credits managed by the California Air Resources Board. These revenues are projected based on FY2026 levels and planned consumption of renewable natural gas.

**Auxiliary Revenues**

Auxiliary revenues include transit facility concession revenues, dispatching, and right-of-way shared-use agreements. Revenue projections for operations, use, maintenance fees, and dispatching (auxiliary revenues) from BNSF, Amtrak, and Metrolink are based on the terms specified in shared use/operating agreements.

**Operating Expenses**

Table 13 summarizes the FY2027 budgeted operating expenses by category, Table 14 summarizes the FY2027 budgeted expenses by mode of service, and Figure 14 compares the levels of operating expenses for FY2025, FY2026 and FY2027. Figure 15 shows the percentage composition and amounts of operating expenses.

*Table 13. FY2027 Budget - Operating Expenses by Category*

Operating Expenditures	FY2025 Actual *	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 34,024,199	\$ 70,118,247	\$ 67,522,992	\$ 74,915,208	\$ 4,796,961	6.84%	\$ 7,392,216	10.95%
Employee Benefits	16,003,094	22,748,554	26,854,113	21,000,506	(1,748,048)	-7.68%	(5,853,607)	-21.80%
Professional Services	39,354,982	43,190,410	39,807,650	38,206,981	(4,983,429)	-11.54%	(1,600,669)	-4.02%
Fuel, Materials, and Supplies	12,663,395	22,700,459	20,312,433	25,232,595	2,532,136	11.15%	4,920,162	24.22%
Utilities	3,330,396	3,867,188	3,667,324	4,083,591	216,403	5.60%	416,267	11.35%
Casualty and Liability	7,302,406	9,709,267	10,569,851	11,750,000	2,040,733	21.02%	1,180,149	11.17%
Fuel Taxes	1,105,672	1,270,553	1,251,589	1,433,547	162,994	12.83%	181,958	14.54%
Purchased Transportation	56,080,643	1,033,000	1,443,613	913,000	(120,000)	-11.62%	(530,613)	-36.76%
Miscellaneous Expenses	1,585,328	1,847,204	1,213,347	1,676,190	(171,014)	-9.26%	462,843	38.15%
Debt-Related Expense	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Leases and Rentals	795,367	1,146,395	883,834	656,759	(489,636)	-42.71%	(227,075)	-25.69%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>\$ 172,801,112</b>	<b>\$ 178,805,577</b>	<b>\$ 174,057,870</b>	<b>\$ 180,890,377</b>	<b>\$ 2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>

\* Excludes non-budgeted expenses (GASB68, GASB75, GASB87, GASB96, Pension Unfunded Accrued Liability payment) and will differ with amounts reported in the Annual Comprehensive Financial Report.

\*\* As originally adopted and does not reflect budget transfers made during the fiscal year

*Table 14. FY2027 Budget - Operating Expenses by Mode*

Mode	FY2025 Actual *	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
BREEZE	\$ 66,838,267	\$ 62,864,934	\$ 62,556,883	\$ 62,841,215	\$ (23,719)	-0.04%	\$ 284,332	0.45%
LIFT	14,874,828	14,025,323	13,905,394	14,574,682	549,359	3.92%	669,288	4.81%
FLEX	4,901,784	7,279,846	6,842,705	7,809,218	529,372	7.27%	966,513	14.12%
COASTER	40,046,845	44,464,340	42,843,256	44,931,670	467,330	1.05%	2,088,414	4.87%
COASTER RIGHT-OF-WAY	9,890,834	12,107,635	11,229,930	10,923,713	(1,183,922)	-9.78%	(306,217)	-2.73%
SPRINTER	35,556,715	35,832,702	33,711,079	36,796,207	963,505	2.69%	3,085,128	9.15%
SPRINTER RIGHT-OF-WAY	215,355	464,015	1,244,722	343,644	(120,371)	-25.94%	(901,078)	-72.39%
NCTD+	476,484	1,766,782	1,723,901	2,670,028	903,246	51.12%	946,127	54.88%
	<b>\$ 172,801,112</b>	<b>\$ 178,805,577</b>	<b>\$ 174,057,870</b>	<b>\$ 180,890,377</b>	<b>\$ 2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>

\* Excludes non-budgeted expenses (GASB68, GASB75, GASB87, GASB96, Pension Unfunded Accrued Liability payment) and will differ with amounts reported in the Annual Comprehensive Financial Report.

\*\* As originally adopted and does not reflect budget transfers made during the fiscal year

Figure 14. FY2025-FY2027 - Operating Expenses

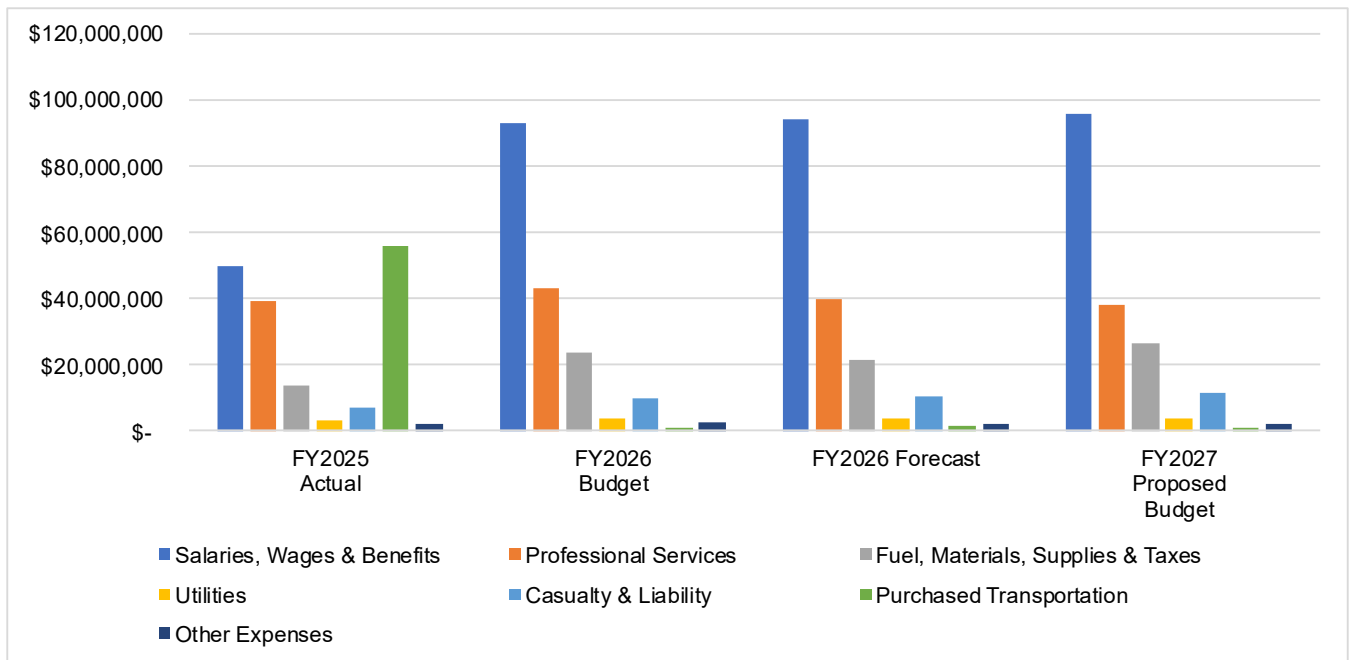
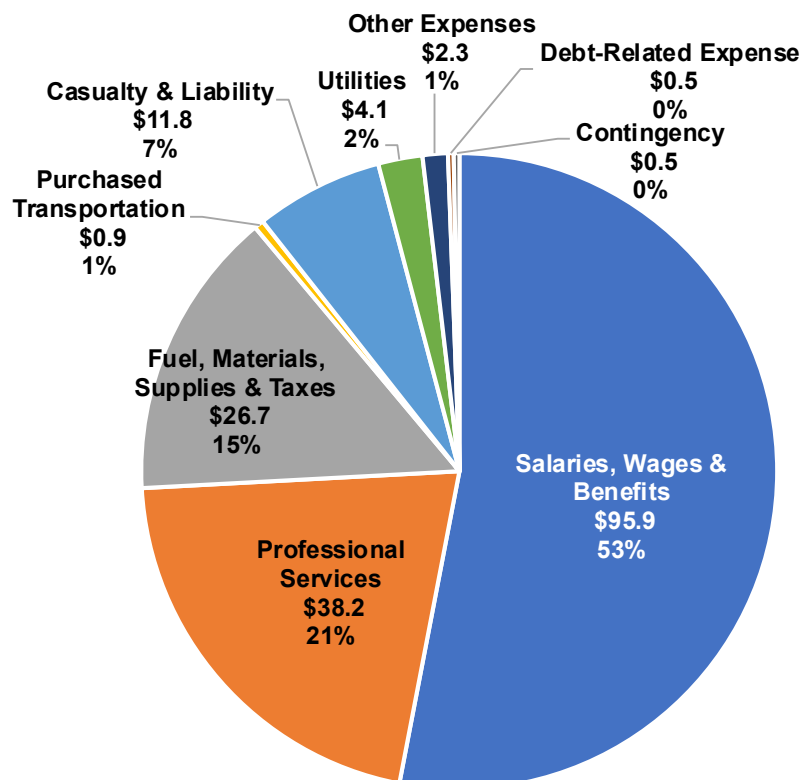


Figure 15. FY2027 Budget - Operating Expenses  
(in millions)



**Salaries, Wages, and Benefits**

Due to financial constraints caused by low formula revenue increases, renegotiations of collective bargaining agreements, and inflation exceeding 3% annually, NCTD placed a hiring freeze on 22 vacant positions at the end of 2026. FY2027 budgeted FTEs total 857 compared to 878 in the FY2026 budget. In late 2026, the number of Divisions was reduced and some departments were consolidated as part of an organizational restructuring. For comparative purposes, Table 15 below shows the budgeted FTEs by Division for the last five years with departments reclassified under the current structure. Table 16 shows the budgeted FTEs by Department for the last five fiscal year budgets.

Budgeted salaries and wages include holidays and paid time-off. When employees take the actual holidays and time-off, these are reported as fringe benefits instead of salaries and wages. Budgeted fringe benefits include the normal cost of the CalPERS pension (the unfunded accrued liability payment is not included in the FY2027 operating budget and is funded from net assets), employer-paid healthcare, 401(a) employer matching contributions, railroad retirement, railroad unemployment insurance, workers compensation, Carpenter’s pension plan, and basic life and disability insurance. Fringe benefits also include the pay-as-you-go payments for health insurance for eligible retirees that participate in the postemployment benefit health plan. The FY2027 Operating Budget also assumes capitalized labor for staff time working on capital projects of \$0.84 million. Actual expenses will vary from budgeted amounts depending on staff vacancies, timing of hires, benefits elections, and the amount of staff time spent on capital projects.

*Table 15. FY2023-FY2027 Budget - FTEs by Division*

Division *	Budget Positions				
	FY2023	FY2024	FY2025	FY2026	2027
Office of the Chief Executive Officer	36.00	36.75	33.50	31.00	27.00
Office of Chief General Counsel	114.25	121.00	128.25	122.00	118.00
Bus Operations	21.00	23.00	23.00	479.00	471.00
Development Services	130.00	130.25	140.25	138.00	141.00
Finance	19.00	20.00	19.00	19.00	18.00
General Services	52.25	51.75	76.75	89.00	82.00
<b>Total</b>	<b>372.50</b>	<b>382.75</b>	<b>420.75</b>	<b>878.00</b>	<b>857.00</b>

*\* Departments have been reclassified to conform with current assigned Divisions*

Table 16. FY2023-FY2027 Budget - FTEs by Department

Department	Budget Positions				
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>OFFICE OF THE CHIEF EXECUTIVE OFFICER</b>					
Operations Control Center	20.00	21.00	20.00	20.00	20.00
Communications and Marketing	6.75	7.50	5.50	4.00	3.00
Service Planning	6.00	5.00	5.00	5.00	3.00
Chief Executive Officer	3.25	3.25	1.00	1.00	1.00
Transit Systems Management	-	-	2.00	1.00	-
<b>OFFICE OF CHIEF GENERAL COUNSEL</b>					
SPRINTER Operators	42.00	42.00	42.00	39.00	37.00
COASTER Operators	32.00	36.00	36.00	36.00	35.00
Security Oversight	16.00	15.00	17.00	17.00	17.00
General Counsel	5.00	7.00	7.25	7.00	9.00
Rail Operations	8.25	7.00	7.00	9.00	8.00
Administration	6.00	6.00	9.00	5.00	4.00
Rail Training	-	-	-	4.00	4.00
Safety Oversight	5.00	8.00	10.00	5.00	4.00
<b>BUS OPERATIONS</b>					
Bus Operators	-	-	-	256.00	259.00
Bus Vehicles Maintenance	-	-	-	83.00	81.00
Bus Operations Administration	7.00	6.00	6.00	65.00	58.00
On-Demand Operators	-	-	-	57.00	57.00
Customer Experience	14.00	16.00	16.00	16.00	15.00
Government Relations	-	1.00	1.00	2.00	1.00
<b>DEVELOPMENT SERVICES</b>					
Maintenance-of-Way	43.00	27.00	27.00	27.00	29.00
COASTER Maintenance	-	-	-	19.00	19.00
Systems Technology	-	-	-	8.00	16.00
Maintenance of Signals	19.00	19.25	20.25	21.00	15.00
SPRINTER Maintenance	-	-	-	14.00	14.00
Rail Vehicles Maintenance	35.00	44.00	46.00	10.00	11.00
Information Technology Operations	18.00	17.00	20.00	8.00	9.00
Rail Vehicles Overhauls	-	-	-	7.00	8.00
Engineering	6.00	7.00	8.00	8.00	7.00
Project Management Delivery	-	-	4.00	3.00	5.00
Asset Management	-	5.00	4.00	3.00	3.00
Development Services Oversight	3.00	3.00	3.00	4.00	3.00
Land Use	3.00	3.00	3.00	3.00	2.00
Rail Right-of-Way Oversight	-	1.00	3.00	2.00	-
Rail Systems	3.00	4.00	2.00	1.00	-
<b>FINANCE</b>					
Financial Oversight	8.00	8.00	9.00	8.00	7.00
Payroll	-	-	-	4.00	5.00
Accounting	5.00	6.00	6.00	3.00	3.00
Grants	5.00	5.00	3.00	3.00	2.00
Fare Collection	1.00	1.00	1.00	1.00	1.00
<b>GENERAL SERVICES</b>					
Facilities Management	30.00	23.00	46.00	54.00	51.00
Procurement and Contract Administration	9.00	10.50	9.50	9.00	9.00
Materials Management	-	-	-	8.00	8.00
Human Resources	7.25	6.00	9.00	10.00	7.00
Business Intelligence	-	-	-	2.00	2.00
General Services	-	-	-	1.00	2.00
Learning and Development	4.00	7.00	8.00	4.00	2.00
Non-Revenue Vehicles and Specialty Equipment	-	3.00	2.00	1.00	1.00
Support Services	2.00	2.25	2.25	-	-
<b>TOTAL</b>	<b>372.50</b>	<b>382.75</b>	<b>420.75</b>	<b>878.00</b>	<b>857.00</b>

**Professional Services**

Professional services include dedicated law enforcement and on-call security, technical support and material management services for COASTER and SPRINTER, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, Positive Train Control (PTC) costs, software support and maintenance, electrical, plumbing, landscaping, train cleaning, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance.

Figure 16 provides the distribution of professional services expenses by department and Table 17 shows the detail of major professional services of \$31.1 million (81% of \$38.2 million total) that are budgeted for FY2027.

*Figure 16. FY2027 Budget - Professional Services by Department*

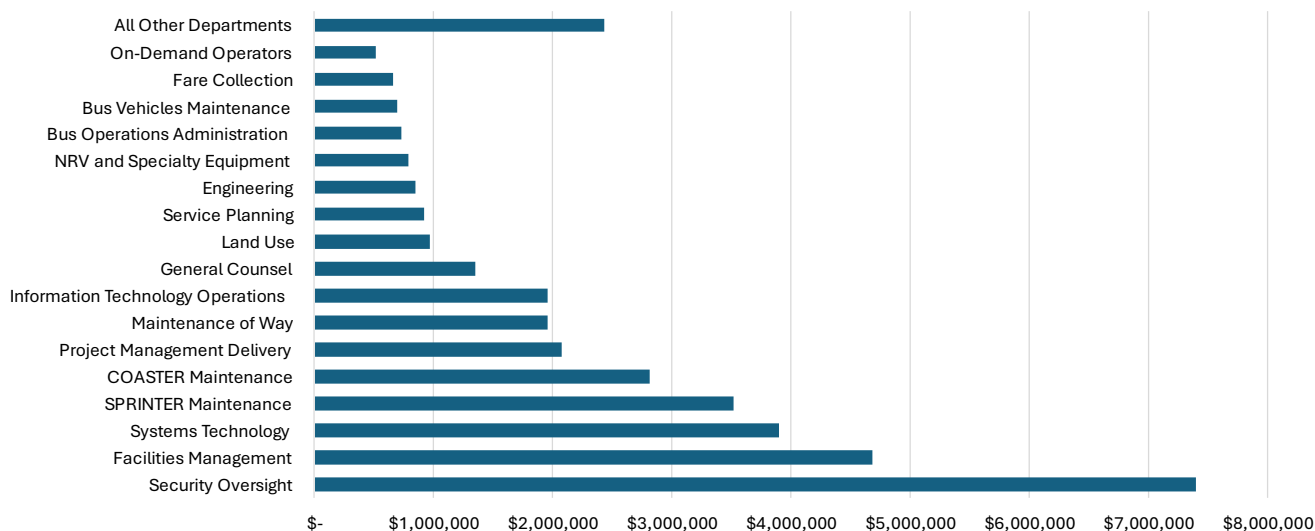


Table 17. FY2027 Budget - Major Professional Services

Major Professional Services	FY2027 Budget
San Diego Sheriffs Department	\$ 5,800,000
SPRINTER Technical Support and Materials Management	3,082,676
Software Licenses and Support	2,817,998
Wabtec Positive Train Control	2,014,767
Railroad (Grinding, Ultrasonic Testing, Track Geometry, Vegetation)	1,739,166
COASTER Technical Support and Materials Management	1,701,000
On-Call Security	1,570,000
Landscape	1,300,000
Fare Collection (INIT, Armored Services, PRONTO Regional Allocation)	908,000
Legal Services	800,000
Maintenance of Non-Revenue Vehicles and Specialty Equipment	793,807
Train Cleaning	775,000
On-Demand Services Scheduling Software	722,592
Stormwater Mitigation and Environmental Compliance	700,000
BREEZE Operations and Maintenance Facilities Improvements	662,120
Fueling Stations Maintenance	655,501
Electrical	511,252
Bridge Inspections and Repairs	423,812
RTMS Radio Equipment Maintenance	394,528
Bus Stops Maintenance	381,974
Rail Docs	350,000
Plumbing	350,000
Palomar College Apprenticeship Program	325,312
Caltrans Planning Studies	325,000
COASTER Bi-Level Vendor Managed Inventory	324,000
COASTER Operations and Maintenance Facilities Improvements	303,687
ADA Certification	258,000
Rail Vehicles HVAC Maintenance	250,000
Fire Systems Maintenance	242,847
Hazardous Waste	234,730
Right-of-Way Embankment Monitoring and Mitigation	200,000
Culverts Condition Assessments	200,000
	<b>\$ 31,117,769</b>

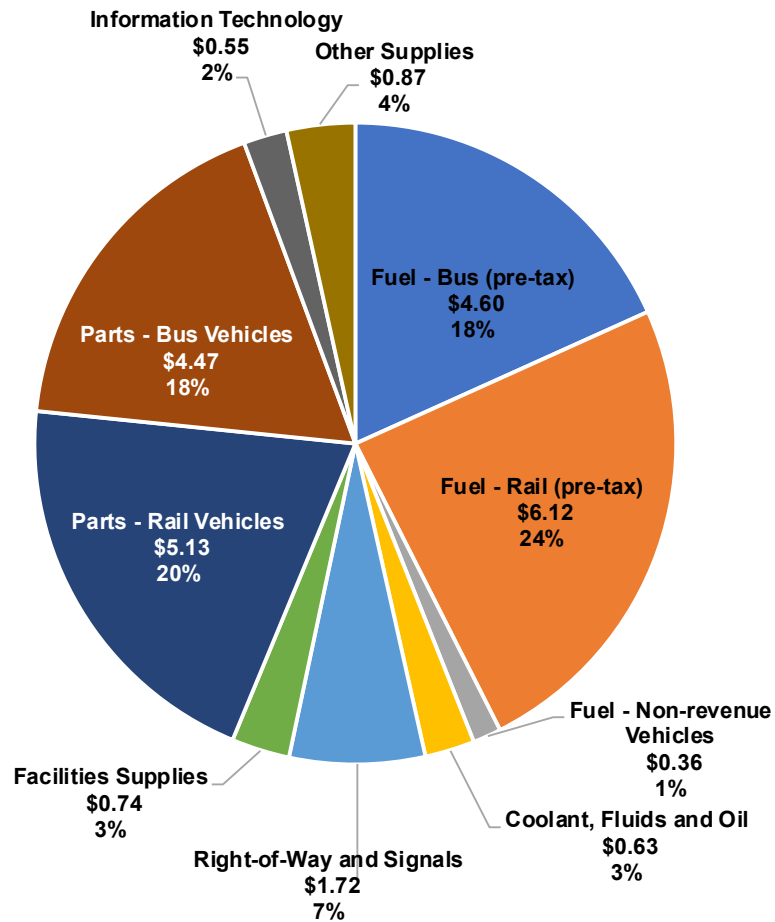
**Fuel, Materials and Supplies**

Fuel, materials, and supplies include fuel costs for revenue and non-revenue vehicles and equipment (diesel, unleaded gasoline, compressed natural gas, hydrogen, electricity), oil and fluids, tires, bus and rail vehicle parts, signals parts, right-of-way materials, tools, facilities supplies, personal protective equipment, and various miscellaneous and office supplies.

The fuel budget is based on the FY2027 Service Implementation Plan (SIP) and levels of service by vehicle type (bus, commuter rail, hybrid rail, vans, cutaways) and type of fuel consumed (diesel, unleaded gasoline, hydrogen, electricity). Due to ongoing geopolitical events, the fuel budget assumes the cost of a gallon of diesel at \$4.63 (excluding taxes and fees), with Brent Crude oil price averaging \$110-\$120/barrel (Brent Crude is a major benchmark price for purchases of oil worldwide). Compressed Natural Gas (CNG) costs are budgeted at \$0.3568 per therm based on recent prices trend and projections from the U.S. Energy Information Administration. Hydrogen is budgeted at \$26.80 per kilogram for the mobile trailer and \$8.82 per kilogram after the construction of the fueling station is completed in the fall of 2026.

Figure 17 illustrates the major categories for fuel, materials and supplies expenditures.

*Figure 17. FY2027 Budget - Fuel, Materials, and Supplies  
(in millions)*



**Utilities**

These expenditures are for electricity, gas, water, and trash collection services located at the various NCTD facilities, transit centers throughout its service area, and right-of-way.

**Casualty and Liability**

This expenditure category represents costs incurred to purchase various business, liability, property, and right-of-way insurance to mitigate risk beyond NCTD self-insured coverage. The FY2027 budget for excess liability insurance premiums is higher by \$1.5 million compared to FY2026 due to the increase in the mandatory minimum federal railroad liability cap and increasing rates in the insurance marketplace.

**Taxes**

The taxes in this expenditure class are related to fuel purchases in the Material and Supplies category above.

**Miscellaneous Expenses**

This category of expense includes items such as advertising, permits, dues, memberships, travel, and training.

**Debt-Related Expense**

This category represents the interest payments on the Certificates of Participation.

**Contingency**

A contingency expense of \$0.5 million has been established for unforeseen circumstances or emergencies.

**FY2027 Budget Expenses by Department**

**Summary of Expenses by Department**

*Table 18. FY2027 Budget - Operating Expenses by Department*

	FY2025 Actual	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
<b>Operating Expenditures *</b>								
Board of Directors	\$ 41,796	\$ 66,000	\$ 43,506	\$ 59,000	\$ (7,000)	-10.61%	\$ 15,494	35.61%
Office of the Chief Executive Officer								
Operations Control Center	2,904,186	2,713,964	2,736,524	2,823,272	109,308	4.03%	86,748	3.17%
Service Planning	1,547,199	2,239,331	2,302,735	1,368,163	(871,168)	-38.90%	(934,572)	-40.59%
Communications and Marketing	1,642,166	1,740,317	1,288,701	1,193,726	(546,591)	-31.41%	(94,975)	-7.37%
Chief Executive Officer	536,342	559,459	630,717	576,277	16,818	3.01%	(54,440)	-8.63%
Transit Systems Management	519,317	637,188	35,548	-	(637,188)	-100.00%	(35,548)	-100.00%
Office of Chief General Counsel								
General Counsel	10,732,669	12,813,308	13,945,500	15,239,291	2,425,983	18.93%	1,293,791	9.28%
Security Oversight	8,020,720	7,933,902	8,516,148	8,833,581	899,679	11.34%	317,433	3.73%
COASTER Operators	4,205,979	4,461,302	4,491,786	4,367,612	(93,690)	-2.10%	(124,174)	-2.76%
SPRINTER Operators	3,129,109	2,965,391	3,053,261	2,885,873	(79,518)	-2.68%	(167,388)	-5.48%
Safety Oversight	1,941,993	1,455,264	1,555,086	1,559,415	104,151	7.16%	4,329	0.28%
Rail Operations	6,036,336	2,008,372	1,823,773	1,498,121	(510,251)	-25.41%	(325,652)	-17.86%
Rail Training	66,059	868,285	747,826	774,234	(94,051)	-10.83%	26,408	3.53%
Administration	613,226	694,507	661,996	728,884	34,377	4.95%	66,888	10.10%
Operations Support Services	207,307	-	-	-	-	100.00%	-	100.00%
Bus Operations								
Bus Operators	229,003	20,612,747	23,634,674	23,161,921	2,549,174	12.37%	(472,753)	-2.00%
Bus Vehicles Maintenance	276,300	15,911,160	15,787,805	15,395,578	(515,582)	-3.24%	(392,227)	-2.48%
Bus Operations Administration	62,289,523	7,753,736	6,095,817	7,501,706	(252,030)	-3.25%	1,405,889	23.06%
On-Demand Operators	34,305	7,131,977	7,937,481	7,322,768	190,791	2.68%	(614,713)	-7.74%
Customer Experience	1,342,815	1,499,029	1,377,366	1,217,734	(281,295)	-18.77%	(159,632)	-11.59%
Government Relations	851,344	831,344	769,204	578,924	(252,420)	-30.36%	(190,280)	-24.74%
Development Services								
COASTER Maintenance	148,223	9,829,827	9,675,287	11,846,472	2,016,645	20.52%	2,171,185	22.44%
SPRINTER Maintenance	135,817	7,103,491	6,102,059	8,673,105	1,569,614	22.10%	2,571,046	42.13%
Maintenance-of-Way	6,170,637	6,518,570	5,772,258	7,390,244	871,674	13.37%	1,617,986	28.03%
Systems Technology	105,268	1,229,850	4,878,597	6,384,679	5,154,829	419.14%	1,506,082	30.87%
Information Technology Operations	6,979,828	4,485,034	3,558,601	4,441,294	(43,740)	-0.98%	882,693	24.80%
Asset Management	408,521	372,590	376,508	3,541,205	3,168,615	850.43%	3,164,697	840.54%
Maintenance of Signals	6,784,111	6,411,313	4,017,901	3,463,923	(2,947,390)	-45.97%	(553,978)	-13.79%
Project Management Delivery	560,921	571,977	590,603	2,941,517	2,369,540	414.27%	2,350,914	398.05%
Rail Vehicles Overhauls	44,769	4,473,902	3,148,885	2,890,757	(1,583,145)	-35.39%	(258,128)	-8.20%
Rail Vehicles Maintenance	12,486,928	1,749,488	1,785,372	1,979,658	230,170	13.16%	194,286	10.88%
Engineering	2,772,396	4,259,024	3,772,987	1,809,013	(2,450,011)	-57.53%	(1,963,974)	-52.05%
Land Use	1,056,796	1,144,441	1,056,657	1,716,899	572,458	50.02%	660,242	62.48%
Development Services Oversight	3,475,592	2,540,267	3,335,355	816,149	(1,724,118)	-67.87%	(2,519,206)	-75.53%
Rail Technologies	970,617	860,304	538,367	-	(860,304)	-100.00%	(538,367)	-100.00%
Rail Right-of-Way Oversight	511,581	577,551	134,723	-	(577,551)	-100.00%	(134,723)	-100.00%
Finance								
Financial Oversight	1,170,967	1,418,171	1,342,001	1,336,128	(82,043)	-5.79%	(5,873)	-0.44%
Fare Collection	594,678	774,468	711,985	780,341	5,873	0.76%	68,356	9.60%
Payroll	39,539	503,448	628,207	746,898	243,450	48.36%	118,691	18.89%
Debt	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Accounting	646,098	347,424	342,582	355,714	8,290	2.39%	13,132	3.83%
Grants	279,560	399,866	297,544	290,545	(109,321)	-27.34%	(6,999)	-2.35%
General Services								
Facilities Management	13,150,711	13,579,854	12,583,102	9,854,748	(3,725,106)	-27.43%	(2,728,354)	-21.68%
Materials Management	236,583	6,137,638	5,478,897	5,539,898	(597,740)	-9.74%	61,001	1.11%
Human Resources	2,171,082	2,626,282	1,835,670	1,657,435	(968,847)	-36.89%	(178,235)	-9.71%
NRV and Specialty Equipment	1,071,659	1,249,013	1,170,174	1,360,033	111,020	8.89%	189,859	16.22%
Procurement and Contract Administration	1,539,695	1,361,822	1,318,163	1,358,700	(3,122)	-0.23%	40,537	3.08%
Learning and Development	1,502,523	1,330,608	969,572	726,342	(604,266)	-45.41%	(243,230)	-25.09%
General Services	34,903	316,458	328,676	548,632	232,174	73.37%	219,956	66.92%
Business Intelligence	27,785	300,901	317,455	331,968	31,067	10.32%	14,513	4.57%
Non-Revenue Operations Support	-	261,112	23,104	-	(261,112)	-100.00%	(23,104)	-100.00%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>\$ 172,801,112</b>	<b>\$ 178,805,577</b>	<b>\$ 174,057,870</b>	<b>\$ 180,890,377</b>	<b>\$ 2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>

\* Excludes non-budgeted expenses (GASB68, GASB75, GASB87, GASB96, Pension Unfunded Accrued Liability payment) and will differ with amounts reported in the Annual Comprehensive Financial Report.

\*\* As originally adopted and does not reflect budget transfers made during the fiscal year

**Board of Directors**

The Board of Directors consists of ten members, including one member from each of the city councils of Carlsbad, Del Mar, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista, one member from the San Diego County Board of Supervisors Fifth District, and one ex officio member from the City of San Diego. The FY2027 budget primarily includes funding to support attendance of meetings and travel.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	27,291	43,000	26,949	39,000	(4,000)	-9.30%	12,051	44.72%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	14,505	23,000	16,557	20,000	(3,000)	-13.04%	3,443	20.79%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 41,796</b>	<b>\$ 66,000</b>	<b>\$ 43,506</b>	<b>\$ 59,000</b>	<b>\$ (7,000)</b>	<b>-10.61%</b>	<b>\$ 15,494</b>	<b>35.61%</b>

**Office of the Chief Executive Officer (CEO)**

The Chief Executive Officer leads the Office of the CEO and provides leadership and strategic direction based on recommendations from the Board of Directors and collaborates with other agencies to achieve NCTD goals and objectives. The following departments report to the Office of the Chief Executive Officer: Operations Control Center, Service Planning, and Communications and Marketing. The Transit Systems Management department was discontinued in early FY2026.

**Operations Control Center**

The Operations Control Center (OCC) coordinates communications from bus, rail, paratransit operations, public safety personnel, customers, and other sources to support safe, efficient, and reliable operations. The OCC also supports service management for transit operations which includes the dispatch of passenger and freight services.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 1,813,981	\$ 1,980,240	\$ 1,836,786	\$ 2,051,434	\$ 71,194	3.60%	\$ 214,648	11.69%
Employee Benefits	1,058,003	705,724	882,071	742,188	36,464	5.17%	(139,883)	-15.86%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	11,663	4,000	1,349	10,050	6,050	151.25%	8,701	645.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	20,539	24,000	16,318	19,600	(4,400)	-18.33%	3,282	20.11%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 2,904,186</b>	<b>\$ 2,713,964</b>	<b>\$ 2,736,524</b>	<b>\$ 2,823,272</b>	<b>\$ 109,308</b>	<b>4.03%</b>	<b>\$ 86,748</b>	<b>3.17%</b>

**Service Planning**

The Service Planning department is responsible for directing and coordinating multimodal transit service operations planning (bus, paratransit, hybrid rail, and commuter rail services), data and performance management, and implementation activities of NCTD. This department develops the Short-Range Transit Plan, Service Implementation Plan, Title VI, and ADA Plan.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 331,058	\$ 520,797	394,969	\$ 337,331	\$ (183,466)	-35.23%	\$ (57,638)	-14.59%
Employee Benefits	147,758	134,249	145,652	84,832	(49,417)	-36.81%	(60,820)	-41.76%
Professional Services	1,076,211	1,541,286	1,743,583	922,000	(619,286)	-40.18%	(821,583)	-47.12%
Fuel, Materials, and Supplies	170	2,000	506	-	(2,000)	-100.00%	(506)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	(31,494)	25,000	12,692	13,000	(12,000)	-48.00%	308	2.43%
Miscellaneous Expenses	23,496	15,999	5,333	11,000	(4,999)	-31.25%	5,667	106.26%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,547,199</b>	<b>\$ 2,239,331</b>	<b>\$ 2,302,735</b>	<b>\$ 1,368,163</b>	<b>\$ (871,168)</b>	<b>-38.90%</b>	<b>\$ (934,572)</b>	<b>-40.59%</b>

**Communications and Marketing**

The Communications and Marketing department directs and manages all marketing and communications activities, consisting of marketing, public information, and creative design. This department develops and implements marketing, public relations, and customer communications programs that enhance the customer experience.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 354,248	\$ 363,851	\$ 311,658	\$ 316,107	\$ (47,744)	-13.12%	\$ 4,449	1.43%
Employee Benefits	137,016	74,866	107,905	77,019	2,153	2.88%	(30,886)	-28.62%
Professional Services	401,728	658,000	402,320	415,000	(243,000)	-36.93%	12,680	3.15%
Fuel, Materials, and Supplies	184,486	305,000	204,356	110,000	(195,000)	-63.93%	(94,356)	-46.17%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	564,688	338,600	262,462	275,600	(63,000)	-18.61%	13,138	5.01%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,642,166</b>	<b>\$ 1,740,317</b>	<b>\$ 1,288,701</b>	<b>\$ 1,193,726</b>	<b>\$ (546,591)</b>	<b>-31.41%</b>	<b>\$ (94,975)</b>	<b>-7.37%</b>

**Chief Executive Officer**

The Chief Executive Officer (CEO) plans, organizes, directs, and administers all functions of NCTD and develops recommendations for action for the Board of Directors and executes decisions of the Board. The Chief Executive Officer reports to the Board and is responsible for the supervision and management of all personnel staff and functions except for the functions managed by the Deputy CEO/General Counsel.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027	Increase/	Increase/	Increase/	Increase/
	Actual	Budget	Forecast	Proposed Budget	(Decrease) from FY2026 Budget (\$)	(Decrease) from FY2026 Budget (%)	(Decrease) from FY2026 Forecast (\$)	(Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 367,520	\$ 390,961	\$ 396,618	405,640	\$ 14,679	3.75%	\$ 9,022	2.27%
Employee Benefits	91,067	68,498	134,766	70,637	2,139	3.12%	(64,129)	-47.59%
Professional Services	-	-	25,205	-	-	0.00%	(25,205)	-100.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	77,755	100,000	74,128	100,000	-	0.00%	25,872	34.90%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 536,342</b>	<b>\$ 559,459</b>	<b>\$ 630,717</b>	<b>\$ 576,277</b>	<b>\$ 16,818</b>	<b>3.01%</b>	<b>\$ (54,440)</b>	<b>-8.63%</b>

**Office of Chief General Counsel**

The Deputy Chief Executive Officer/Chief General Counsel leads the Office of Chief General Counsel, which includes the following departments: General Counsel, Security Oversight, COASTER Operators, SPRINTER Operators, Safety Oversight, Rail Operations, Rail Training, and Administration.

**General Counsel**

General Counsel provides in-house legal counsel and compliance functions to support NCTD’s focus on safety, contract management and regulatory/legal compliance in all business transactions. General Counsel staff are responsible for NCTD-wide compliance and oversight and the management of all legal matters and claims, and includes internal audit, contract compliance, environmental compliance, and civil rights (Disadvantaged Business Enterprise [DBE], Equal Employment Opportunity [EEO], Title VI, and Americans with Disabilities Act [ADA] compliance). This department also develops, implements, manages and evaluates the Risk Management program for NCTD including workers’ compensation, general insurance and property/liability claims.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027	Increase/	Increase/	Increase/	Increase/
	Actual	Budget	Forecast	Proposed Budget	(Decrease) from FY2026 Budget (\$)	(Decrease) from FY2026 Budget (%)	(Decrease) from FY2026 Forecast (\$)	(Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 1,249,618	\$ 1,457,084	\$ 1,364,681	\$ 1,709,976	\$ 252,892	17.36%	\$ 345,295	25.30%
Employee Benefits	500,753	289,329	480,591	375,315	85,986	29.72%	(105,276)	-21.91%
Professional Services	1,599,060	1,306,900	1,472,153	1,348,000	41,100	3.14%	(124,153)	-8.43%
Fuel, Materials, and Supplies	667	5,000	2,086	5,000	-	0.00%	2,914	139.69%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	7,303,126	9,709,267	10,569,851	11,750,000	2,040,733	21.02%	1,180,149	11.17%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	79,445	45,728	56,138	51,000	5,272	11.53%	(5,138)	-9.15%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 10,732,669</b>	<b>\$ 12,813,308</b>	<b>\$ 13,945,500</b>	<b>\$ 15,239,291</b>	<b>\$ 2,425,983</b>	<b>18.93%</b>	<b>\$ 1,293,791</b>	<b>9.28%</b>

**Security Oversight**

The Security department is responsible for managing NCTD’s contracted law enforcement agencies and for assisting with the ongoing management of NCTD’s emergency management and continuity of operations programs. This includes the identification, evaluation, and mitigation of all internal and external security risks and threats which have the potential to disrupt NCTD’s operations.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 917,009	\$ 1,036,807	\$ 994,018	\$ 1,066,109	\$ 29,302	2.83%	\$ 72,091	7.25%
Employee Benefits	435,210	371,047	421,518	338,272	(32,775)	-8.83%	(83,246)	-19.75%
Professional Services	6,646,663	6,502,000	7,062,136	7,392,000	890,000	13.69%	329,864	4.67%
Fuel, Materials, and Supplies	14,785	15,548	30,630	24,200	8,652	55.65%	(6,430)	-20.99%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	7,053	8,500	7,846	13,000	4,500	52.94%	5,154	65.69%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 8,020,720</b>	<b>\$ 7,933,902</b>	<b>\$ 8,516,148</b>	<b>\$ 8,833,581</b>	<b>\$ 899,679</b>	<b>11.34%</b>	<b>\$ 317,433</b>	<b>3.73%</b>

**COASTER Operators**

This department includes the wages and benefits for locomotive engineers and conductors, who are responsible for the safe operation of COASTER locomotives, complying with train orders, wayside signals, PTC procedures, railroad operating rules, special instructions, federal, state, and local regulations.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 2,649,311	\$ 3,281,261	\$ 3,131,174	\$ 3,222,241	\$ (59,020)	-1.80%	\$ 91,067	2.91%
Employee Benefits	1,555,747	1,180,041	1,360,085	1,135,301	(44,740)	-3.79%	(224,784)	-16.53%
Professional Services	60	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	861	-	527	10,070	10,070	100.00%	9,543	1810.82%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 4,205,979</b>	<b>\$ 4,461,302</b>	<b>\$ 4,491,786</b>	<b>\$ 4,367,612</b>	<b>\$ (93,690)</b>	<b>-2.10%</b>	<b>\$ (124,174)</b>	<b>-2.76%</b>

**SPRINTER Operators**

This department includes the wages and benefits for train operators and attendants, who are responsible for the safe operation of SPRINTER trains in accordance with applicable regulations and operating rules and practices.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 2,246,117	\$ 2,230,108	\$ 2,234,475	\$ 2,190,344	\$ (39,764)	-1.78%	\$ (44,131)	-1.98%
Employee Benefits	866,472	735,283	805,813	661,809	(73,474)	-9.99%	(144,004)	-17.87%
Professional Services	1,340	-	-	23,520	23,520	100.00%	23,520	100.00%
Fuel, Materials, and Supplies	15,180	-	12,973	10,200	10,200	100.00%	(2,773)	-21.38%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 3,129,109</b>	<b>\$ 2,965,391</b>	<b>\$ 3,053,261</b>	<b>\$ 2,885,873</b>	<b>\$ (79,518)</b>	<b>-2.68%</b>	<b>\$ (167,388)</b>	<b>-5.48%</b>

**Safety Oversight**

The Safety Oversight department has the overall responsibility to plan, organize, direct, manage, and oversee comprehensive safety programs to ensure a safe and secure environment for employees, passengers, contractors, and the general public.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 644,961	\$ 522,104	\$ 456,405	\$ 564,167	\$ 42,063	8.06%	\$ 107,762	23.61%
Employee Benefits	1,212,886	825,997	980,100	887,748	61,751	7.48%	(92,352)	-9.42%
Professional Services	50,137	58,912	81,369	77,000	18,088	30.70%	(4,369)	-5.37%
Fuel, Materials, and Supplies	5,909	19,250	4,886	4,500	(14,750)	-76.62%	(386)	-7.90%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	28,100	29,001	32,326	26,000	(3,001)	-10.35%	(6,326)	-19.57%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,941,993</b>	<b>\$ 1,455,264</b>	<b>\$ 1,555,086</b>	<b>\$ 1,559,415</b>	<b>\$ 104,151</b>	<b>7.16%</b>	<b>\$ 4,329</b>	<b>0.28%</b>

**Rail Operations**

The Rail Operations department manages the daily operations of NCTD’s COASTER and SPRINTER services. This department is responsible for ensuring that services are operated in compliance with the specifications and regulations of the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), the California Public Utilities Commission (CPUC), and other regulatory and governing agencies. Beginning in FY2026, rail mechanical and maintenance staff were budgeted in standalone departments; these departments are under the Development Services Division in FY2027.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
	Actual	Budget	Forecast					
Salaries and Wages	\$ 1,185,889	\$ 1,445,662	\$ 1,201,465	\$ 1,067,370	\$ (378,292)	-26.17%	\$ (134,095)	-11.16%
Employee Benefits	563,463	440,370	527,329	330,076	(110,294)	-25.05%	(197,253)	-37.41%
Professional Services	294,758	50,000	55,695	43,400	(6,600)	-13.20%	(12,295)	-22.08%
Fuel, Materials, and Supplies	3,119,217	40,900	13,316	28,450	(12,450)	-30.44%	15,134	113.65%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	854,581	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	18,428	31,440	25,968	28,825	(2,615)	-8.32%	2,857	11.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,036,336</b>	<b>\$ 2,008,372</b>	<b>\$ 1,823,773</b>	<b>\$ 1,498,121</b>	<b>\$ (510,251)</b>	<b>-25.41%</b>	<b>\$ (325,652)</b>	<b>-17.86%</b>

**Rail Training**

The Rail Training department is responsible for the delivery and implementation of regulatory and custom-made training programs focused on rail operations delivery. This department develops curriculum, lesson plans, instructional procedures and program content, and training materials.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
	Actual	Budget	Forecast					
Salaries and Wages	\$ 46,917	\$ 525,926	\$ 491,453	539,556	\$ 13,630	2.59%	\$ 48,103	9.79%
Employee Benefits	19,142	126,610	167,851	134,798	8,188	6.47%	(33,053)	-19.69%
Professional Services	-	134,149	63,631	79,000	(55,149)	-41.11%	15,369	24.15%
Fuel, Materials, and Supplies	-	8,000	2,006	8,880	880	11.00%	6,874	342.67%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	73,600	22,885	12,000	(61,600)	-83.70%	(10,885)	-47.56%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 66,059</b>	<b>\$ 868,285</b>	<b>\$ 747,826</b>	<b>\$ 774,234</b>	<b>\$ (94,051)</b>	<b>-10.83%</b>	<b>\$ 26,408</b>	<b>3.53%</b>

**Administration**

The Administration department provides general administrative services support for all divisions and departments within NCTD. This department oversees records management and document control services and has responsibility for overseeing NCTD Board of Directors meetings and calendars.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 310,355	\$ 371,711	\$ 367,413	\$ 393,142	\$ 21,431	5.77%	\$ 25,729	7.00%
Employee Benefits	136,808	122,446	138,756	107,982	(14,464)	-11.81%	(30,774)	-22.18%
Professional Services	36,759	35,000	14,885	24,000	(11,000)	-31.43%	9,115	61.24%
Fuel, Materials, and Supplies	100,787	110,000	110,100	138,000	28,000	25.45%	27,900	25.34%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	28,517	55,350	30,842	65,760	10,410	18.81%	34,918	113.22%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 613,226</b>	<b>\$ 694,507</b>	<b>\$ 661,996</b>	<b>\$ 728,884</b>	<b>\$ 34,377</b>	<b>4.95%</b>	<b>\$ 66,888</b>	<b>10.10%</b>

**Bus Operations**

The Deputy Chief of Bus Operations leads the Bus Operations Division, which includes the following departments: Bus Operators, Bus Vehicles Maintenance, Bus Operations Administration, On-Demand Operators, Customer Experience, and Government Relations.

**Bus Operators**

Beginning on June 29, 2025, NCTD insourced bus operations, which included coach operators for BREEZE service. This department includes the salaries and wages of BREEZE coach operators, who operate public transit buses, transport passengers, and perform safety inspections of bus equipment to assure their safe, efficient, and on-time operation.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 112,013	\$ 15,788,643	17,000,182	\$ 17,937,827	\$ 2,149,184	13.61%	\$ 937,645	5.52%
Employee Benefits	20,233	4,740,195	6,569,391	5,137,966	397,771	8.39%	(1,431,425)	-21.79%
Professional Services	-	4,429	4,300	3,295	(1,134)	-25.60%	(1,005)	-23.37%
Fuel, Materials, and Supplies	96,757	74,480	58,679	77,833	3,353	4.50%	19,154	32.64%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	5,000	2,122	5,000	-	0.00%	2,878	135.63%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 229,003</b>	<b>\$ 20,612,747</b>	<b>\$ 23,634,674</b>	<b>\$ 23,161,921</b>	<b>\$ 2,549,174</b>	<b>12.37%</b>	<b>\$ (472,753)</b>	<b>-2.00%</b>

**Bus Vehicles Maintenance**

Beginning on June 29, 2025, NCTD insourced bus maintenance, which includes bus servicers, auto technicians, and various bus maintenance staff. This department is responsible for activities such as cleaning of revenue and non-revenue equipment, including automobiles and buses; fueling vehicles; topping off fluids; cleaning interiors; diagnosing and conducting technical repairs; and performing preventative maintenance, diagnosis, service and repair of steering, suspension, brakes, engines, transmissions, differentials, electrical, wheelchair lifts, and air conditioning systems. The fuel budget for bus services (compressed natural gas, unleaded gasoline, hydrogen, and electricity) is included in this department.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
	Actual	Budget	Forecast					
Salaries and Wages	\$ 45,490	\$ 6,495,033	\$ 6,714,529	\$ 7,256,461	\$ 761,428	11.72%	\$ 541,932	8.07%
Employee Benefits	10,343	2,934,176	2,657,191	2,062,479	(871,697)	-29.71%	(594,712)	-22.38%
Professional Services	220,370	994,049	549,040	695,856	(298,193)	-30.00%	146,816	26.74%
Fuel, Materials, and Supplies	97	5,134,395	5,570,325	4,932,945	(201,450)	-3.92%	(637,380)	-11.44%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	337,747	326,626	220,741	(117,006)	-34.64%	(105,885)	-32.42%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	15,760	(32,134)	227,096	211,336	1340.96%	259,230	-806.72%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	2,228	-	-	0.00%	(2,228)	-100.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 276,300</b>	<b>\$ 15,911,160</b>	<b>\$ 15,787,805</b>	<b>\$ 15,395,578</b>	<b>\$ (515,582)</b>	<b>-3.24%</b>	<b>\$ (392,227)</b>	<b>-2.48%</b>

**Bus Operations Administration**

Beginning on June 29, 2025, NCTD insourced bus operations. Prior to FY2026, all contracted bus operations and maintenance costs were budgeted under purchase transportation in this department. Beginning in FY2026, bus operations and maintenance costs are budgeted across multiple departments. The Bus Operations Administration department manages bus and shared mobility transportation operations, which includes BREEZE, LIFT, FLEX, and NCTD+ transit services. Beginning in FY2027, paratransit dispatchers, schedulers, and reservationists are included in this department (previously reported in FY2026 in the On-Demand Services department).

Operating Expenditures	FY2025	FY2026	FY2026	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
	Actual	Budget	Forecast					
Salaries and Wages	\$ 1,116,576	\$ 4,808,645	\$ 3,900,208	\$ 5,303,230	\$ 494,585	10.29%	\$ 1,403,022	35.97%
Employee Benefits	439,531	1,810,939	1,487,407	1,408,997	(401,942)	-22.20%	(78,410)	-5.27%
Professional Services	1,065,450	909,309	603,897	726,579	(182,730)	-20.10%	122,682	20.32%
Fuel, Materials, and Supplies	4,608,290	11,500	12,062	5,000	(6,500)	-56.52%	(7,062)	-58.55%
Utilities	24,112	29,117	20,974	-	(29,117)	-100.00%	(20,974)	-100.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	251,091	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	54,683,897	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	100,576	131,030	71,269	57,900	(73,130)	-55.81%	(13,369)	-18.76%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	53,196	-	-	(53,196)	-100.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 62,289,523</b>	<b>\$ 7,753,736</b>	<b>\$ 6,095,817</b>	<b>\$ 7,501,706</b>	<b>\$ (252,030)</b>	<b>-3.25%</b>	<b>\$ 1,405,889</b>	<b>23.06%</b>

**On-Demand Operators**

Beginning on June 29, 2025, NCTD insourced bus operations, which included drivers for on-demand services. This department includes the salaries and wages of LIFT, FLEX, and NCTD+ drivers, who operate public transit buses, transport passengers, and perform safety inspections of bus equipment to assure their safe, efficient, and on-time operation. This department also includes \$0.9 million for contracted taxi for paratransit services. Beginning in FY2027, paratransit dispatchers, schedulers, and reservationists will be transferred to the Bus Operations Administration department.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 26,623	\$ 4,207,952	4,445,057	\$ 4,634,218	\$ 426,266	10.13%	\$ 189,161	4.26%
Employee Benefits	4,243	1,499,454	1,629,237	1,194,872	(304,582)	-20.31%	(434,365)	-26.66%
Professional Services	-	408,171	424,974	519,226	111,055	27.21%	94,252	22.18%
Fuel, Materials, and Supplies	-	10,000	2,374	36,786	26,786	267.86%	34,412	1449.54%
Utilities	-	2,400	4,918	31,791	29,391	1224.63%	26,873	546.42%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	3,439	1,000,000	1,430,921	900,000	(100,000)	-10.00%	(530,921)	-37.10%
Miscellaneous Expenses	-	4,000	-	5,875	1,875	46.88%	5,875	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 34,305</b>	<b>\$ 7,131,977</b>	<b>\$ 7,937,481</b>	<b>\$ 7,322,768</b>	<b>\$ 190,791</b>	<b>2.68%</b>	<b>\$ (614,713)</b>	<b>-7.74%</b>

**Customer Experience**

The Customer Experience department is the front line for all NCTD customer service including selling fares, facilitating transit trip planning, and receiving and processing customer reports. The Customer Service department staffs in-person retail outlets, a call center, and the ADA Eligibility Center.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 717,484	\$ 910,589	795,505	\$ 887,170	\$ (23,419)	-2.57%	\$ 91,665	11.52%
Employee Benefits	352,842	283,140	344,304	286,264	3,124	1.10%	(58,040)	-16.86%
Professional Services	264,663	240,000	213,842	20,000	(220,000)	-91.67%	(193,842)	-90.65%
Fuel, Materials, and Supplies	6,574	40,000	15,786	15,000	(25,000)	-62.50%	(786)	-4.98%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	1,252	25,300	7,929	9,300	(16,000)	-63.24%	1,371	17.29%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,342,815</b>	<b>\$ 1,499,029</b>	<b>\$ 1,377,366</b>	<b>\$ 1,217,734</b>	<b>\$ (281,295)</b>	<b>-18.77%</b>	<b>\$ (159,632)</b>	<b>-11.59%</b>

**Government Relations**

The Government Relations department has the overall responsibility for the oversight of the legislative program, including the development, implementation, and maintenance of government relation activities with state/federal executive and legislative bodies and other regulatory agencies and the management of legislative representation and other consultant contracts. This department also researches and pursues discretionary grants funding opportunities.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
Salaries and Wages	\$ 209,804	\$ 298,284	\$ 271,801	\$ 91,817	\$ (206,467)	-69.22%	\$ (179,984)	87.17%
Employee Benefits	83,415	40,410	75,017	16,107	(24,303)	-60.14%	(58,910)	242.40%
Professional Services	379,510	296,000	258,506	276,000	(20,000)	-6.76%	17,494	-87.47%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	178,615	196,650	163,880	195,000	(1,650)	-0.84%	31,120	-1886.06%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 851,344</b>	<b>\$ 831,344</b>	<b>\$ 769,204</b>	<b>\$ 578,924</b>	<b>\$ (252,420)</b>	<b>-30.36%</b>	<b>\$ (190,280)</b>	<b>75.38%</b>

**Development Services**

The Chief Development Officer leads the Development Services Division, which includes the following departments: COASTER Maintenance, SPRINTER Maintenance, Maintenance-of-Way, Systems Technology, Information Technology Operations, Asset Management, Maintenance of Signals, Project Management Delivery, Rail Vehicles Overhauls, Rail Vehicles Maintenance, Engineering, Land Use, and Development Services Oversight. The Rail Right-of-Way Oversight department was discontinued in early FY2026. The Rail Technologies department has been consolidated into the Systems Technology department for FY2027.

**COASTER Maintenance**

This department includes maintenance technicians, who perform a variety of maintenance tasks on COASTER revenue vehicles, which incorporate duties of machinist, electrician, and passenger rail inspection and repair. The contracted technical support and material management services, parts, and fuel budget for COASTER are included in this department.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
Salaries and Wages	\$ 106,204	\$ 1,463,744	\$ 1,367,058	\$ 1,508,543	\$ 44,799	3.06%	\$ 141,485	10.35%
Employee Benefits	42,019	393,460	474,239	396,795	3,335	0.85%	(77,444)	-16.33%
Professional Services	-	3,592,609	3,154,734	2,815,000	(777,609)	-21.64%	(339,734)	-10.77%
Fuel, Materials, and Supplies	-	3,722,675	3,997,152	6,259,742	2,537,067	68.15%	2,262,590	56.61%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	657,339	682,104	866,392	209,053	31.80%	184,288	27.02%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 148,223</b>	<b>\$ 9,829,827</b>	<b>\$ 9,675,287</b>	<b>\$ 11,846,472</b>	<b>\$ 2,016,645</b>	<b>20.52%</b>	<b>\$ 2,171,185</b>	<b>22.44%</b>

**SPRINTER Maintenance**

This department includes maintenance technicians, who perform a variety of maintenance tasks on SPRINTER revenue vehicles, which incorporate duties of machinist, electrician, and passenger rail inspection and repair. The contracted technical support and material management services, parts, and fuel budget for SPRINTER are included in this department.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 98,540	\$ 1,079,614	\$ 1,043,051	\$ 1,114,330	\$ 34,716	3.22%	\$ 71,279	6.83%
Employee Benefits	37,277	280,745	338,105	249,555	(31,190)	-11.11%	(88,550)	-26.19%
Professional Services	-	3,567,552	3,219,873	3,510,676	(56,876)	-1.59%	290,803	9.03%
Fuel, Materials, and Supplies	-	1,900,113	1,258,171	3,452,130	1,552,017	81.68%	2,193,959	174.38%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	275,467	242,859	346,414	70,947	25.76%	103,555	42.64%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 135,817</b>	<b>\$ 7,103,491</b>	<b>\$ 6,102,059</b>	<b>\$ 8,673,105</b>	<b>\$ 1,569,614</b>	<b>22.10%</b>	<b>\$ 2,571,046</b>	<b>42.13%</b>

**Maintenance-of-Way**

The Maintenance-of-Way department performs maintenance activities within NCTD's railroad right-of-way to support commuter, freight, and hybrid rail services. This department also oversees contractors performing right-of-way maintenance and construction and implements tasks such as track surfacing, rail repairs and replacements, tie replacements, spot ballast program, vegetation and erosion control, ultrasonic and geometry testing, and rail grinding.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 2,678,477	\$ 2,547,582	\$ 2,681,407	\$ 3,683,921	\$ 1,136,339	44.60%	\$ 1,002,514	37.39%
Employee Benefits	936,670	635,652	948,229	669,315	33,663	5.30%	(278,914)	-29.41%
Professional Services	1,812,737	2,300,737	1,372,434	1,955,408	(345,329)	-15.01%	582,974	42.48%
Fuel, Materials, and Supplies	653,752	735,999	641,543	866,600	130,601	17.74%	225,057	35.08%
Utilities	-	10,000	5,447	10,000	-	0.00%	4,553	83.59%
Casualty and Liability	(720)	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	36,977	33,600	19,444	40,000	6,400	19.05%	20,556	105.72%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	52,744	255,000	103,754	165,000	(90,000)	-35.29%	61,246	59.03%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,170,637</b>	<b>\$ 6,518,570</b>	<b>\$ 5,772,258</b>	<b>\$ 7,390,244</b>	<b>\$ 871,674</b>	<b>13.37%</b>	<b>\$ 1,617,986</b>	<b>28.03%</b>

**Systems Technology**

The Systems Technology department is responsible for the design, implementation, and management of servers and other related hardware and software with a primary focus on NCTD's transit operation systems, including the effective utilization of these systems. The prior department of Rail Technologies has been consolidated into this department for FY2027. Costs associated with Positive Train Control (PTC) are now included in this department.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 68,217	\$ 959,858	887,368	\$ 1,782,234	\$ 822,376	85.68%	\$ 894,866	100.84%
Employee Benefits	37,051	269,992	402,415	449,816	179,824	66.60%	47,401	11.78%
Professional Services	-	-	3,356,638	3,901,784	3,901,784	#DIV/0!	545,146	16.24%
Fuel, Materials, and Supplies	-	-	103,218	139,545	139,545	#DIV/0!	36,327	35.19%
Utilities	-	-	103,255	71,300	71,300	#DIV/0!	(31,955)	-30.95%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	25,703	40,000	40,000	#DIV/0!	14,297	55.62%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 105,268</b>	<b>\$ 1,229,850</b>	<b>\$ 4,878,597</b>	<b>\$ 6,384,679</b>	<b>\$ 5,154,829</b>	<b>419.14%</b>	<b>\$ 1,506,082</b>	<b>30.87%</b>

**Information Technology Operations**

The Information Technology Operations Department is responsible for the organizational functions of user support, network and infrastructure, and cybersecurity.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 1,775,825	\$ 788,654	907,747	\$ 1,037,360	\$ 248,706	31.54%	\$ 129,613	14.28%
Employee Benefits	839,022	227,795	343,398	300,899	73,104	32.09%	(42,499)	-12.38%
Professional Services	2,850,630	2,477,702	1,535,434	1,953,981	(523,721)	-21.14%	418,547	27.26%
Fuel, Materials, and Supplies	944,357	265,824	121,281	414,024	148,200	55.75%	292,743	241.38%
Utilities	448,473	540,800	469,371	573,500	32,700	6.05%	104,129	22.18%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	15,025	48,046	36,941	49,030	984	2.05%	12,089	32.73%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	106,496	136,213	144,429	112,500	(23,713)	-17.41%	(31,929)	-22.11%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,979,828</b>	<b>\$ 4,485,034</b>	<b>\$ 3,558,601</b>	<b>\$ 4,441,294</b>	<b>\$ (43,740)</b>	<b>-0.98%</b>	<b>\$ 882,693</b>	<b>24.80%</b>

**Asset Management**

The Asset Management department is responsible for the implementation of asset management principles and practices across NCTD in accordance with NCTD’s Transit Asset Management Plan. Beginning in FY2027, the budget for utilities costs (water, electricity, gas, trash collection) was transferred from the Facilities Management department to this department.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 291,198	\$ 310,620	284,433	\$ 318,678	\$ 8,058	2.59%	\$ 34,245	12.04%
Employee Benefits	114,564	59,470	90,891	65,079	5,609	9.43%	(25,812)	-28.40%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	1,000	250	-	(1,000)	-100.00%	(250)	-100.00%
Utilities	-	-	-	3,097,000	3,097,000	#DIV/0!	3,097,000	#DIV/0!
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	2,759	1,500	934	60,448	58,948	3929.87%	59,514	6371.95%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 408,521</b>	<b>\$ 372,590</b>	<b>\$ 376,508</b>	<b>\$ 3,541,205</b>	<b>\$ 3,168,615</b>	<b>850.43%</b>	<b>\$ 3,164,697</b>	<b>840.54%</b>

**Maintenance of Signals**

The Maintenance of Signals department maintains various railroad signals and grade crossing warning devices and infrastructure to support commuter, freight, and hybrid rail services along NCTD’s railroad right-of-way. This department ensures that the railroad signal communication facilities and systems function to support safe and efficient rail operations and comply with the specifications and regulations of the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), the California Public Utilities Commission (CPUC), and other regulatory and governing agencies.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 2,076,471	\$ 2,272,139	\$ 1,985,329	\$ 1,772,840	\$ (499,299)	-21.97%	\$ (212,489)	-10.70%
Employee Benefits	808,414	564,997	669,528	323,083	(241,914)	-42.82%	(346,445)	-51.74%
Professional Services	2,615,205	2,565,077	598,497	159,000	(2,406,077)	-93.80%	(439,497)	-73.43%
Fuel, Materials, and Supplies	947,703	585,000	433,477	854,000	269,000	45.98%	420,523	97.01%
Utilities	266,171	330,000	306,025	300,000	(30,000)	-9.09%	(6,025)	-1.97%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	62,430	50,000	14,020	35,000	(15,000)	-30.00%	20,980	149.64%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	7,717	44,100	11,025	20,000	(24,100)	-54.65%	8,975	81.41%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,784,111</b>	<b>\$ 6,411,313</b>	<b>\$ 4,017,901</b>	<b>\$ 3,463,923</b>	<b>\$ (2,947,390)</b>	<b>-45.97%</b>	<b>\$ (553,978)</b>	<b>-13.79%</b>

**Project Management Delivery**

This Project Management Delivery department is responsible for project management functions and processes. This department develops and maintains standards for projects life cycle, tracks and reports on projects progress, and oversees the development and prioritization of NCTD’s Capital Improvement Program. FY2027 budgeted costs for non-right-of-way projects were transferred from the Engineering department to this department.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 321,742	\$ 378,184	\$ 344,014	\$ 665,792	\$ 287,608	76.05%	\$ 321,778	93.54%
Employee Benefits	120,102	82,388	119,089	147,220	64,832	78.69%	28,131	23.62%
Professional Services	118,750	108,905	127,051	2,077,110	1,968,205	1807.27%	1,950,059	1534.86%
Fuel, Materials, and Supplies	-	-	-	41,600	41,600	100.00%	41,600	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	327	2,500	449	9,795	7,295	291.80%	9,346	2081.51%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 560,921</b>	<b>\$ 571,977</b>	<b>\$ 590,603</b>	<b>\$ 2,941,517</b>	<b>\$ 2,369,540</b>	<b>414.27%</b>	<b>\$ 2,350,914</b>	<b>398.05%</b>

**Rail Vehicles Overhauls**

This department includes the overhaul and repair mechanics, who are responsible for major disassembly, repair, rebuilding, assembly, diagnostic and testing duties in the process of overhauling rail vehicles. These mechanics work with power plants, transmissions, differentials, axles, wheels, hydraulic and electrical systems, climate control systems, valves, pumps, tanks, compressors, heat exchangers, piping, alternators, generators, distributors, starters, blowers, and fuel metering devices.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 33,610	\$ 466,467	\$ 448,694	\$ 486,401	\$ 19,934	4.27%	\$ 37,707	8.40%
Employee Benefits	11,159	109,327	139,102	120,356	11,029	10.09%	(18,746)	-13.48%
Professional Services	-	925,605	1,068,919	324,000	(601,605)	-65.00%	(744,919)	-69.69%
Fuel, Materials, and Supplies	-	2,972,503	1,492,170	1,960,000	(1,012,503)	-34.06%	467,830	31.35%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 44,769</b>	<b>\$ 4,473,902</b>	<b>\$ 3,148,885</b>	<b>\$ 2,890,757</b>	<b>\$ (1,583,145)</b>	<b>-35.39%</b>	<b>\$ (258,128)</b>	<b>-8.20%</b>

**Rail Vehicles Maintenance**

The Rail Vehicles Maintenance department oversees the maintenance technicians and overhaul and repair mechanics and is responsible for overseeing daily servicing, inspection, cleaning, maintenance, repair, and capital work. This department is responsible for ensuring NCTD's compliance with specifications and regulations of the Federal Transit Administration (FTA), the Federal Rail Association (FRA), the California Public Utilities Commission (CPUC), and other regulatory and governing agencies.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	3,132,127	\$ 1,377,053	\$ 1,334,408	\$ 1,461,760	\$ 84,707	6.15%	\$ 127,352	9.54%
Employee Benefits	1,157,803	310,875	414,781	309,683	(1,192)	-0.38%	(105,098)	-25.34%
Professional Services	8,108,466	-	-	100,000	100,000	100.00%	100,000	100.00%
Fuel, Materials, and Supplies	80,124	8,280	326	78,935	70,655	853.32%	78,609	24113.19%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	8,408	53,280	35,857	29,280	(24,000)	-45.05%	(6,577)	-18.34%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 12,486,928</b>	<b>\$ 1,749,488</b>	<b>\$ 1,785,372</b>	<b>\$ 1,979,658</b>	<b>\$ 230,170</b>	<b>13.16%</b>	<b>\$ 194,286</b>	<b>10.88%</b>

**Engineering**

The Engineering department is responsible for the oversight of design and construction of rail infrastructure projects (rail infrastructure including stations, track, bridges and drainage structures) and directing the work of design consultants and construction contractors. This department also oversees SANDAG's and other agency projects planned for or under construction along the San Diego Subdivision of the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Corridor. FY2027 budgeted costs for non-right-of-way projects have been transferred to the Project Management Delivery department.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 646,241	\$ 579,880	\$ 663,509	\$ 772,079	\$ 192,199	33.14%	\$ 108,570	16.36%
Employee Benefits	326,515	137,574	308,058	182,772	45,198	32.85%	(125,286)	-40.67%
Professional Services	1,522,024	3,534,100	2,549,559	845,812	(2,688,288)	-76.07%	(1,703,747)	-66.83%
Fuel, Materials, and Supplies	262,412	1,600	249,859	750	(850)	-53.13%	(249,109)	-99.70%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	15,204	5,870	2,002	7,600	1,730	29.47%	5,598	279.62%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 2,772,396</b>	<b>\$ 4,259,024</b>	<b>\$ 3,772,987</b>	<b>\$ 1,809,013</b>	<b>\$ (2,450,011)</b>	<b>-57.53%</b>	<b>\$ (1,963,974)</b>	<b>-52.05%</b>

**Land Use**

The Land Use department manages NCTD real estate activities through leases, licenses (crossings), easements, right-of-entry permits, and other real estate agreements; and plans and implements the redevelopment of NCTD’s real estate assets.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 286,622	\$ 338,981	231,289	\$ 306,946	\$ (32,035)	-9.45%	\$ 75,657	32.71%
Employee Benefits	110,333	69,120	79,496	75,601	6,481	9.38%	(3,895)	-4.90%
Professional Services	24,552	78,054	117,566	969,954	891,900	1142.67%	852,388	725.03%
Fuel, Materials, and Supplies	-	-	69	-	-	0.00%	(69)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	9,063	2,400	6,339	5,139	2,739	114.13%	(1,200)	-18.93%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	626,226	655,886	621,898	359,259	(296,627)	-45.23%	(262,639)	-42.23%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,056,796</b>	<b>\$ 1,144,441</b>	<b>\$ 1,056,657</b>	<b>\$ 1,716,899</b>	<b>\$ 572,458</b>	<b>50.02%</b>	<b>\$ 660,242</b>	<b>62.48%</b>

**Development Services Oversight**

The Development Services Oversight department manages the departments within the Development Services Division.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 589,999	\$ 782,391	\$ 734,733	\$ 666,758	\$ (115,633)	-14.78%	\$ (67,975)	-9.25%
Employee Benefits	271,255	167,012	271,043	149,391	(17,621)	-10.55%	(121,652)	-44.88%
Professional Services	2,610,075	1,587,000	2,328,298	-	(1,587,000)	-100.00%	(2,328,298)	-100.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	4,263	3,864	1,281	-	(3,864)	-100.00%	(1,281)	-100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 3,475,592</b>	<b>\$ 2,540,267</b>	<b>\$ 3,335,355</b>	<b>\$ 816,149</b>	<b>\$ (1,724,118)</b>	<b>-67.87%</b>	<b>\$ (2,519,206)</b>	<b>-75.53%</b>

**Finance**

The Chief Financial Officer leads the Finance Division, which includes the following departments: Financial Oversight, Fare Collection, Payroll, Debt, Accounting, and Grants.

**Financial Oversight**

The Financial Oversight department is responsible for financial management leadership. This department has oversight of the operating budget, financial audits and compliance, accounting for fixed assets, and internal controls in all the Finance Division areas. It is responsible for ensuring that financial transactions are recorded accurately in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 738,063	\$ 1,011,910	\$ 875,221	\$ 955,598	\$ (56,312)	-5.56%	\$ 80,377	9.18%
Employee Benefits	325,348	257,261	320,998	227,630	(29,631)	-11.52%	(93,368)	-29.09%
Professional Services	105,099	121,000	137,138	131,000	10,000	8.26%	(6,138)	-4.48%
Fuel, Materials, and Supplies	-	-	-	2,400	2,400	100.00%	2,400	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	2,457	28,000	8,644	19,500	(8,500)	-30.36%	10,856	125.59%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,170,967</b>	<b>\$ 1,418,171</b>	<b>\$ 1,342,001</b>	<b>\$ 1,336,128</b>	<b>\$ (82,043)</b>	<b>-5.79%</b>	<b>\$ (5,873)</b>	<b>-0.44%</b>

**Fare Collection**

The Fare Collection department is responsible for the operations, collections, accounting, and reconciliation of fare revenue. This department oversees contracted armored services, servicing transit centers and ticket vending machines, and ticket inventory management.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 48,079	\$ 59,758	\$ -	\$ 80,997	\$ 21,239	35.54%	\$ 80,997	100.00%
Employee Benefits	26,996	17,010	6,435	22,144	5,134	30.18%	15,709	244.12%
Professional Services	509,775	669,700	684,293	660,000	(9,700)	-1.45%	(24,293)	-3.55%
Fuel, Materials, and Supplies	9,828	25,000	20,507	16,200	(8,800)	-35.20%	(4,307)	-21.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	3,000	750	1,000	(2,000)	-66.67%	250	33.33%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 594,678</b>	<b>\$ 774,468</b>	<b>\$ 711,985</b>	<b>\$ 780,341</b>	<b>\$ 5,873</b>	<b>0.76%</b>	<b>\$ 68,356</b>	<b>9.60%</b>

**Payroll**

The Payroll department is responsible for the full range of payroll preparation, processing, and payment to employees, and the preparation of payroll reports and documents for NCTD’s payroll tax returns, W2, CalPERS, Railroad Retirement, and State Controller’s Office.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 28,460	\$ 385,582	\$ 450,171	\$ 556,056	\$ 170,474	44.21%	\$ 105,885	23.52%
Employee Benefits	11,079	103,866	161,306	170,742	66,876	64.39%	9,436	5.85%
Professional Services	-	-	10,563	8,000	8,000	100.00%	(2,563)	-24.26%
Fuel, Materials, and Supplies	-	2,000	1,566	2,400	400	20.00%	834	53.26%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	12,000	4,601	9,700	(2,300)	-19.17%	5,099	110.82%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 39,539</b>	<b>\$ 503,448</b>	<b>\$ 628,207</b>	<b>\$ 746,898</b>	<b>\$ 243,450</b>	<b>48.36%</b>	<b>\$ 118,691</b>	<b>18.89%</b>

**Debt**

The Debt services department is used to separately account for debt-related expenditures. The only source of debt for NCTD is the Certificates of Participation related to the construction of the SPRINTER. This debt is expected to be retired by 2035.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 555,630</b>	<b>\$ 674,300</b>	<b>\$ 531,124</b>	<b>\$ 522,000</b>	<b>\$ (152,300)</b>	<b>-22.59%</b>	<b>\$ (9,124)</b>	<b>-1.72%</b>

**Accounting**

The Accounting department is responsible for financial transactions in the areas of accounts payable and accounts receivable.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 424,157	\$ 242,716	\$ 204,420	\$ 260,697	\$ 17,981	7.41%	\$ 56,277	27.53%
Employee Benefits	165,117	65,708	73,480	56,117	(9,591)	-14.60%	(17,363)	-23.63%
Professional Services	45,461	25,000	50,458	32,000	7,000	28.00%	(18,458)	-36.58%
Fuel, Materials, and Supplies	10,062	5,000	9,066	2,400	(2,600)	-52.00%	(6,666)	-73.53%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	1,301	9,000	5,158	4,500	(4,500)	-50.00%	(658)	-12.76%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 646,098</b>	<b>\$ 347,424</b>	<b>\$ 342,582</b>	<b>\$ 355,714</b>	<b>\$ 8,290</b>	<b>2.39%</b>	<b>\$ 13,132</b>	<b>3.83%</b>

**Grants**

The Grants department is responsible for ensuring the proper accounting, billing, and financial reporting of projects and grants activities in accordance with generally accepted accounting principles and relevant local, state, and federal regulations.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 180,896	\$ 292,536	\$ 212,873	\$ 222,248	\$ (70,288)	-24.03%	\$ 9,375	4.40%
Employee Benefits	97,798	88,130	79,823	65,057	(23,073)	-26.18%	(14,766)	-18.50%
Professional Services	-	10,000	2,503	-	(10,000)	-100.00%	(2,503)	-100.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	866	9,200	2,345	3,240	(5,960)	-64.78%	895	38.17%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 279,560</b>	<b>\$ 399,866</b>	<b>\$ 297,544</b>	<b>\$ 290,545</b>	<b>\$ (109,321)</b>	<b>-27.34%</b>	<b>\$ (6,999)</b>	<b>-2.35%</b>

**General Services**

The Chief Operating Officer leads the General Services Division, which includes the following departments: Facilities Management, Materials Management, Human Resources, Non-Revenue Vehicles and Specialty Equipment, Procurement and Contract Administration, Learning and Development, General Services, and Business Intelligence.

**Facilities Management**

The Facilities department manages and/or maintains transit centers, operations facilities, maintenance facilities, administrative offices, and bus stops. Professional services include landscaping, electrical, plumbing, HVAC maintenance, and bus stops and shelters cleaning. The FY2027 budget for utilities was transferred to the Asset Management department.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 2,449,931	\$ 3,191,251	2,883,024	\$ 3,451,686	\$ 260,435	8.16%	\$ 568,662	19.72%
Employee Benefits	1,123,536	1,156,677	1,141,192	942,405	(214,272)	-18.52%	(198,787)	-17.42%
Professional Services	4,535,706	5,083,760	4,693,157	4,683,057	(400,703)	-7.88%	(10,100)	-0.22%
Fuel, Materials, and Supplies	1,071,034	1,218,500	1,049,330	770,600	(447,900)	-36.76%	(278,730)	-26.56%
Utilities	2,481,787	2,858,680	2,757,317	-	(2,858,680)	-100.00%	(2,757,317)	-100.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	1,423,762	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	62,771	68,986	58,582	7,000	(61,986)	-89.85%	(51,582)	-88.05%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	2,184	2,000	500	-	(2,000)	-100.00%	(500)	-100.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 13,150,711</b>	<b>\$ 13,579,854</b>	<b>\$ 12,583,102</b>	<b>\$ 9,854,748</b>	<b>\$ (3,725,106)</b>	<b>-27.43%</b>	<b>\$ (2,728,354)</b>	<b>-21.68%</b>

**Materials Management**

The Materials Management department orders parts, receives and stores parts, controls inventory, issues parts, files warranty parts claims, and maintains vendor relations. This department develop strategies to optimize parts availability and reduce costs and leads quality control inspections and audits. Cost for bus revenue vehicles are included in this department. Parts for rail vehicles are accounted separately under the rail departments.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 24,613	\$ 725,771	\$ 704,358	\$ 756,974	\$ 31,203	4.30%	\$ 52,616	7.47%
Employee Benefits	22,694	296,658	284,339	196,174	(100,484)	-33.87%	(88,165)	-31.01%
Professional Services	-	217,149	163,697	15,000	(202,149)	-93.09%	(148,697)	-90.84%
Fuel, Materials, and Supplies	189,276	4,898,060	4,325,385	4,566,750	(331,310)	-6.76%	241,365	5.58%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	1,118	5,000	5,000	#DIV/0!	3,882	347.23%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 236,583</b>	<b>\$ 6,137,638</b>	<b>\$ 5,478,897</b>	<b>\$ 5,539,898</b>	<b>\$ (597,740)</b>	<b>-9.74%</b>	<b>\$ 61,001</b>	<b>1.11%</b>

**Human Resources**

The Human Resources department is responsible for managing and overseeing all aspects of human resources activities in general personnel management including compensation, benefits, employer and employee relations, labor relations and negotiations, recruitment and selection, classification, workers' compensation, training, employee and organizational development, and the drug and alcohol program.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 944,255	\$ 1,330,744	\$ 913,063	\$ 991,450	\$ (339,294)	-25.50%	\$ 78,387	8.59%
Employee Benefits	576,476	417,538	508,135	307,985	(109,553)	-26.24%	(200,150)	-39.39%
Professional Services	482,185	540,000	215,871	182,000	(358,000)	-66.30%	(33,871)	-15.69%
Fuel, Materials, and Supplies	10,625	11,000	8,072	8,000	(3,000)	-27.27%	(72)	-0.89%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	157,541	327,000	190,529	168,000	(159,000)	-48.62%	(22,529)	-11.82%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 2,171,082</b>	<b>\$ 2,626,282</b>	<b>\$ 1,835,670</b>	<b>\$ 1,657,435</b>	<b>\$ (968,847)</b>	<b>-36.89%</b>	<b>\$ (178,235)</b>	<b>-9.71%</b>

**Non-Revenue Vehicles (NRV) and Specialty Equipment**

The NRV and Specialty Equipment department manages the maintenance, repair, and servicing of non-revenue vehicles and specialty equipment including light, medium, and heavy-duty vehicles; hi-rail vehicle equipment; and rail, heavy, and general support equipment.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 128,114	\$ 143,393	\$ 124,968	\$ 147,112	\$ 3,719	2.59%	\$ 22,144	17.72%
Employee Benefits	47,238	24,537	44,011	28,507	3,970	16.18%	(15,504)	-35.23%
Professional Services	612,829	819,263	568,436	793,807	(25,456)	-3.11%	225,371	39.65%
Fuel, Materials, and Supplies	279,347	253,820	431,451	373,605	119,785	47.19%	(57,846)	-13.41%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	4,131	8,000	1,308	17,002	9,002	112.53%	15,694	1199.85%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,071,659</b>	<b>\$ 1,249,013</b>	<b>\$ 1,170,174</b>	<b>\$ 1,360,033</b>	<b>\$ 111,020</b>	<b>8.89%</b>	<b>\$ 189,859</b>	<b>16.22%</b>

**Procurement and Contract Administration**

The Procurement and Contract Administration department is responsible for the procurement of goods and services and contract administration for NCTD in accordance with State of California Public Contracting Code, Federal Transportation Administration Circular 4220.1F, NCTD Board policies, and internal compliance standards. This Division ensures that there is fair and open competition from prospective vendors and suppliers.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 985,931	\$ 959,813	785,144	\$ 937,350	\$ (22,463)	-2.34%	\$ 152,206	19.39%
Employee Benefits	464,333	252,009	331,373	271,350	19,341	7.67%	(60,023)	-18.11%
Professional Services	79,913	119,500	185,239	133,000	13,500	11.30%	(52,239)	-28.20%
Fuel, Materials, and Supplies	445	3,000	1,206	3,000	-	0.00%	1,794	148.76%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	9,073	27,500	15,201	14,000	(13,500)	-49.09%	(1,201)	-7.90%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,539,695</b>	<b>\$ 1,361,822</b>	<b>\$ 1,318,163</b>	<b>\$ 1,358,700</b>	<b>\$ (3,122)</b>	<b>-0.23%</b>	<b>\$ 40,537</b>	<b>3.08%</b>

**Learning and Development**

The Learning and Development department leads all employee learning and development programs, including administrative training, bus, rail and facilities technical training, talent management, leadership development, internship programs, and related organizational learning and development functions and activities.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 760,485	\$ 563,186	\$ 386,258	\$ 299,901	\$ (263,285)	-46.75%	\$ (86,357)	-22.36%
Employee Benefits	273,253	120,406	132,317	58,425	(61,981)	-51.48%	(73,892)	-55.84%
Professional Services	433,967	627,016	433,031	352,516	(274,500)	-43.78%	(80,515)	-18.59%
Fuel, Materials, and Supplies	2,761	3,000	3,064	3,000	-	0.00%	(64)	-2.09%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	32,057	17,000	14,902	12,500	(4,500)	-26.47%	(2,402)	-16.12%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,502,523</b>	<b>\$ 1,330,608</b>	<b>\$ 969,572</b>	<b>\$ 726,342</b>	<b>\$ (604,266)</b>	<b>-45.41%</b>	<b>\$ (243,230)</b>	<b>-25.09%</b>

**General Services**

The General Services department has oversight of the departments under the General Services Division and the Bus Stops and Zones Program.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 23,622	\$ 281,664	\$ 252,511	\$ 445,824	\$ 164,160	58.28%	\$ 193,313	76.56%
Employee Benefits	11,281	34,794	76,165	92,308	57,514	165.30%	16,143	21.19%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	10,500	10,500	100.00%	10,500	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 34,903</b>	<b>\$ 316,458</b>	<b>\$ 328,676</b>	<b>\$ 548,632</b>	<b>\$ 232,174</b>	<b>73.37%</b>	<b>\$ 219,956</b>	<b>66.92%</b>

**Business Intelligence**

The Business Intelligence department combines business analytics, data mining, data visualization, data tools and infrastructure, and best practices to support NCTD's data-driven decisions.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 19,231	\$ 233,694	231,403	\$ 257,533	\$ 23,839	10.20%	\$ 26,130	11.29%
Employee Benefits	8,554	62,207	83,682	69,435	7,228	11.62%	(14,247)	-17.03%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	5,000	2,370	5,000	-	0.00%	2,630	110.97%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 27,785</b>	<b>\$ 300,901</b>	<b>\$ 317,455</b>	<b>\$ 331,968</b>	<b>\$ 31,067</b>	<b>10.32%</b>	<b>\$ 14,513</b>	<b>4.57%</b>

**Contingency**

This department was created to separately account for unplanned expenses. The Chief Executive Officer approves any use of contingency funds to fund unplanned departmental expenses.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 500,000</b>	<b>100.00%</b>

## **5-Year Plan and Capital Improvement Program**

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### **5-Year Financial Assumptions**

The 5-Year Forecast is a planning tool designed to review the long-term outlook of NCTD's major cost drivers and available funding sources. It is updated annually to help identify opportunities or issues and serves as the foundation to guide decision making during the development of the operating and capital budgets. It also provides a stress test to identify cash needs if sources of revenue came lower than projected.

The following key assumptions were used in the 5-Year financial forecast:

- Fare revenues: Fare revenues are based on the projected number of passengers by mode multiplied by historical average fares by mode. Forecasted ridership by mode was derived from the 5-Year Service Implementation Plan (SIP). There are no fare increases included in the projections.
- Federal Formula Revenues: FY2027 amounts are based on the Federal Transit Administration (FTA) published apportionment tables. FY2028-FY2031 revenues remain flat, consistent with the conservative assumptions used by SANDAG. The 5-Year Plan assumes an extension of the IIJA through FY2031.
- The TDA and TransNet apportionments for FY2027 and estimates for FY2028-FY2031 were provided by SANDAG and presented in Agenda Item 3.5 of the SANDAG Board of Directors meeting on February 27, 2026.
- State Transit Assistance (STA) and STA State of Good Repair FY2027 allocation estimates were published by the California State Controller on January 31, 2026. Estimates for FY2028-FY2031 remain unchanged from FY2027 levels.
- State Rail Assistance (SRA): The FY2027 estimate is based on prior years' levels; the actual estimate for FY2027 has not yet been provided by the California State Transportation Agency (CalSTA). FY2028-FY2031 are projected to remain the same as FY2027.
- COASTER Service Expansion Program is funded with TransNet 8.1% funds based on the number of trips.
- Revenue from the University of California San Diego (UCSD) U-Pass program is based on annual negotiated rates multiplied by the number of projected student enrollments.
- Investment income is based on interest rates of 1%-1.5% based on the conservative approach.
- Other operating revenues are projected to increase by 3% annually.
- Payroll costs for represented employees are based on negotiated rates in collective bargaining agreements. Payroll costs for non-represented employees are budgeted to increase by 2.5% in FY2027 and by 2% from FY2028 through FY2031.
- Federal statute directs the U.S. Secretary of Transportation to adjust the cap on railroad liability every five years by applying the consumer price index. Few domestic insurers offer coverage beyond \$50 million and agencies must recur to foreign-owned insurers willing to offer coverage up to the current federal cap of \$323 million. Foreign-owned insurers are constantly re-evaluating their position in the U.S. market based on claims losses across all sectors and premium increases have exceeded the CPI in the past. The 5-Year Plan does not factor this uncertainty and assumes that premiums will increase by 3% annually from FY2028 through FY2031. The FY2027 excess liability insurance premium is budgeted to be \$1.5 million higher than FY2026.

- Other operating expenses are projected to increase by 3% annually.
- Payments of long-term obligations for the pension unfunded accrued liability and SPRINTER principal payments will be made from net assets and are not included in the operating budget.

**Sources of Revenue and Allocation of Funds**

Based on revenue and expense assumptions, NCTD will achieve a balanced operating budget in FY2027 but will face a fiscal deficit beginning in FY2028 based on current funding levels. Capital carryover funds of \$15 million will be used in FY2027 to cover capital expenditures, and net deficits are projected beginning in FY2028. Furthermore, payments for long-term obligations for the unfunded pension liability and principal payments on the Certificates of Participation will be made from net assets. Table 19 shows the projected revenues from all sources and allocations to the Capital Improvement Program (CIP) and operating expenses for the next five years. Details on the projects funded in the CIP are provided in the following sections.

*Table 19. FY2027-FY2031 Sources of Revenue and Allocation of Funds*

	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>5-Year T total</b>
<b>TOTAL REVENUES</b>						
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 65,521,506
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	20,132,378
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	61,588,019
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	277,684,437
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	109,975,711
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	434,837,741
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>969,739,792</b>
<b>FUNDS ALLOCATION</b>						
Capital Improvement Program	49,190,885	7,813,025	-	-	-	57,003,910
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	950,136,686
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>1,059,327,571</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(89,587,779)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	15,581,212
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (74,006,567)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>						
CalPERS Unfunded Accrued Liability Payments	\$ 4,280,762	\$ 4,451,603	\$ 4,937,095	\$ 4,997,562	\$ 5,041,221	\$ 23,708,243
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	7,900,000
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 31,608,243</b>

\* Funding has not been received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

**Allocation of Federal, State and Local Grant Funds**

Table 20 shows the projected grants funding allocations in the next five years (excluding Medi-Cal and CPUC reimbursements for maintenance of crossings and signals):

*Table 20. FY2027-FY2031 Grants Revenue and Allocation of Funds*

Grant	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year Total
<b>Federal Formula Grants</b>						
Federal Transit Administration (FTA) Section 5307	\$ 28,309,831	\$ 28,309,831	\$ 28,309,831	\$ 28,309,831	\$ 28,309,831	\$ 141,549,155
Federal Transit Administration (FTA) Section 5337	20,338,759	20,338,759	20,338,759	20,338,759	20,338,759	101,693,795
Federal Transit Administration (FTA) Section 5339	1,926,889	1,926,889	1,926,889	1,926,889	1,926,889	9,634,445
Federal Transit Administration (FTA) Section 5311	641,568	641,568	641,568	641,568	641,568	3,207,840
<b>State Formula Grants</b>						
State Transit Assistance (STA)	10,786,883	10,786,883	10,786,883	10,786,883	10,786,883	53,934,415
State Transit Assistance - State of Good Repair	2,113,840	2,113,840	2,113,840	2,113,840	2,113,840	10,569,200
State Rail Assistance (SRA)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
Low Carbon Transit Operations Program (LCTOP)	1,995,555	-	-	-	-	1,995,555
<b>Local Formula Grants</b>						
Transportation Development Act (TDA) 4.0	52,821,210	53,952,000	55,093,000	56,232,000	57,332,000	275,430,210
Transportation Development Act (TDA) 4.5	2,770,875	2,830,000	2,890,000	2,950,000	3,008,000	14,448,875
TransNet - Transit Services (Senior and Disabled)	506,000	520,000	533,000	547,000	561,000	2,667,000
TransNet - Transit Services	19,072,000	19,595,000	20,106,000	20,622,000	21,148,000	100,543,000
TransNet - New Major Corridor Transit Operations	7,632,937	7,861,925	8,097,783	8,340,716	8,590,937	40,524,298
<b>Competitive Grants</b>						
Federal Transit Administration (FTA) Low No	17,099,482	-	-	-	-	17,099,482
Federal Consolidated Rail Infrastructure and Safety						
Improvements (CRISI) Program	600,000	-	-	-	-	600,000
Caltrans	325,000	-	-	-	-	325,000
California Public Utilities Commission	88,683	88,683	88,683	88,683	88,683	443,415
<b>One-Time Funds</b>						
Federal Highway Administration - Congestion Mitigation						
and Air Quality Improvement (CMAQ) Program	1,233,240	1,233,240	1,233,240	-	-	3,699,720
Zero-Emission Transit Capital Program (ZETCP)	3,467,415	-	-	-	-	3,467,415
<b>Prior Years Carryover:</b>						
Transportation Development Act (TDA) 4.0 (Capital)	14,968,377	612,835	-	-	-	15,581,212
SB125 Transit and Intercity Rail Capital Program	10,186,286	9,054,425	-	-	-	19,240,711
<b>Total Grants Revenue</b>	<b>\$ 200,884,830</b>	<b>\$ 163,865,878</b>	<b>\$ 156,159,476</b>	<b>\$ 156,898,169</b>	<b>\$ 158,846,390</b>	<b>\$ 836,654,743</b>
<b>Allocations</b>						
Capital Improvement Program	\$ 49,190,885	\$ 7,813,025	\$ -	\$ -	\$ -	\$ 57,003,910
Minimum Capital District Goal *	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
Preventive Maintenance	46,283,603	47,672,111	49,102,274	50,575,342	52,092,602	245,725,932
Available for Operating Expenses	105,410,342	101,193,767	92,057,202	91,322,827	91,753,788	481,737,926
<b>Total Allocations</b>	<b>\$ 200,884,830</b>	<b>\$ 163,865,878</b>	<b>\$ 156,159,476</b>	<b>\$ 156,898,169</b>	<b>\$ 158,846,390</b>	<b>\$ 836,654,743</b>

*NOTE: Grant revenues subject to change based on FTA actual apportionments, state allocations of funding, and revised estimates from SANDAG and the State Controller's Office*

## **FY2027-FY2031 Capital Improvement Program (CIP)**

### **FY2027-FY2031 Unconstrained Capital Needs**

Each year, North County Transit - San Diego Railroad (NCTD) prepares and submits an update of its baseline five-year Capital Improvement Program (CIP) by ranking ongoing and new capital investments according to internally established criteria as described on page 24. NCTD staff also continually review previously approved capital projects to ensure that they are advancing as planned, reallocate funding from projects that have anticipated savings or are no longer being pursued for various reasons, and review capital projects spending regularly to ensure that funds are being spent according to the projects budgets.

The FY2027-FY2031 unconstrained CIP identifies needs of \$155.7 million for FY2027 and \$667.8 million for the five-year period for primarily state of good repair projects that NCTD implements. In addition, for capacity enhancing projects implemented by SANDAG under the TransNet Program, total unconstrained needs total \$1.9 billion. NCTD's Board of Directors approves the CIP for projects that are funded and implemented by NCTD. Following is a summary of the major capital needs of NCTD-managed projects for the next five years:

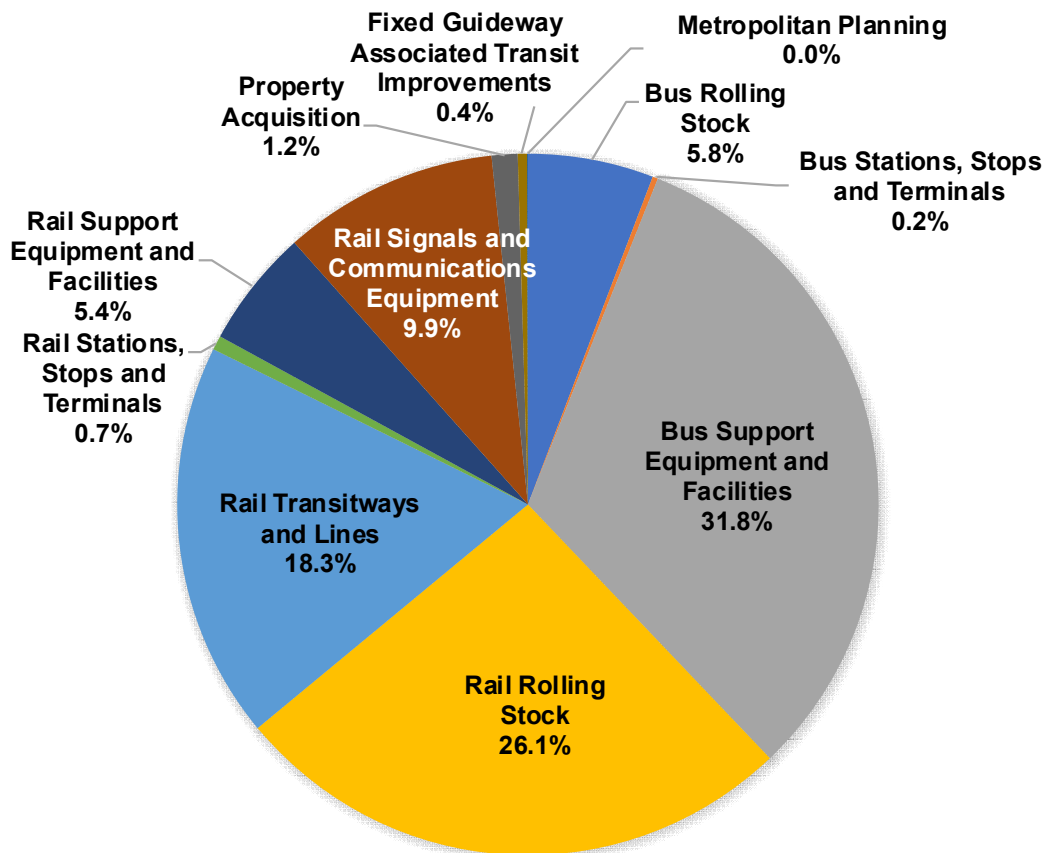
- \$157.5 million for SPRINTER fleet replacements
- \$102.6 million for train station improvements
- \$90.6 million for Control Point Songs double track design and construction
- \$77.8 million for BREEZE East and West operations and maintenance facilities master plan improvements
- \$66.4 million for Positive Train Control and rail signals
- \$38.7 million for BREEZE fleet replacements
- \$24.9 million for bus maintenance facilities improvements
- \$20.8 million for rail right-of-way replacements
- \$15.6 million for SPRINTER equipment and facility improvements
- \$12.5 million for bridge repairs and replacements
- \$11.8 million for COASTER equipment and facility improvements
- \$10.2 million for software
- \$8.5 million for COASTER fleet overhauls
- \$87.3 million for SPRINTER fleet overhauls
- \$8 million for property aquisition
- \$2.7 million for wayfinding
- \$2.2 million for COASTER image recoders
- \$2.0 million for Buena Creek grade separation
- \$1.6 million for bus stop improvements
- \$1.4 million for fare collection
- \$1.3 million for information technology
- \$1.2 million for non-revenue vehicles

Table 21 and Figure 18 show the unconstrained capital needs by FTA scope for the next five fiscal years.

Table 21. FY2027-FY2031 Unconstrained Capital Needs

FTA Scope Description	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year
Bus Rolling Stock	\$ 19,734,360	\$ 19,010,000	\$ -	\$ -	\$ -	\$ 38,744,360
Bus Stations, Stops and Terminals	1,250,000	350,000	-	-	-	1,600,000
Bus Support Equipment and Facilities	10,945,000	125,392,000	26,755,000	49,535,000	-	212,627,000
Rail Rolling Stock	33,270,000	67,627,500	69,547,500	4,000,000	-	174,445,000
Rail Transitways and Lines	11,440,025	10,460,025	46,000,025	38,639,654	15,639,654	122,179,383
Rail Stations, Stops and Terminals	4,310,000	75,000	-	-	-	4,385,000
Rail Support Equipment and Facilities	18,936,500	15,218,000	2,230,000	-	-	36,384,500
Rail Signals and Communications Equipment	47,470,000	16,850,000	1,050,000	1,000,000	-	66,370,000
Property Acquisition	8,000,000	-	-	-	-	8,000,000
Fixed Guideway Associated Transit Improvements	-	2,765,900	-	-	-	2,765,900
Metropolitan Planning	299,822	-	-	-	-	299,822
<b>Total Unconstrained CIP</b>	<b>\$ 155,655,707</b>	<b>\$ 257,748,425</b>	<b>\$ 145,582,525</b>	<b>\$ 93,174,654</b>	<b>\$ 15,639,654</b>	<b>\$ 667,800,965</b>

Figure 18. FY2027-FY2031 Unconstrained Capital Needs by FTA Scope



**FY2027-FY2031 Constrained Capital Improvement Program**

NCTD is required to financially constrain the Capital Improvement Program (CIP) based on funding availability. NCTD develops a Discretionary Grants Program Strategy to seek discretionary grant awards to augment its capital funding. The award of discretionary grants is critical as current dedicated funding sources are insufficient to meet NCTD’s annual requirements for capital investment.

Projects that are approved with an identified funding source are included in the Capital Improvement Program (CIP). The FY2027 CIP is \$49.2 million, which is \$34.2 million above NCTD target of \$15 million for capital investment, and \$36.8 million above the \$86 million funded in FY2026. The list of projects funded in the FY2027 CIP are listed in Table 23.

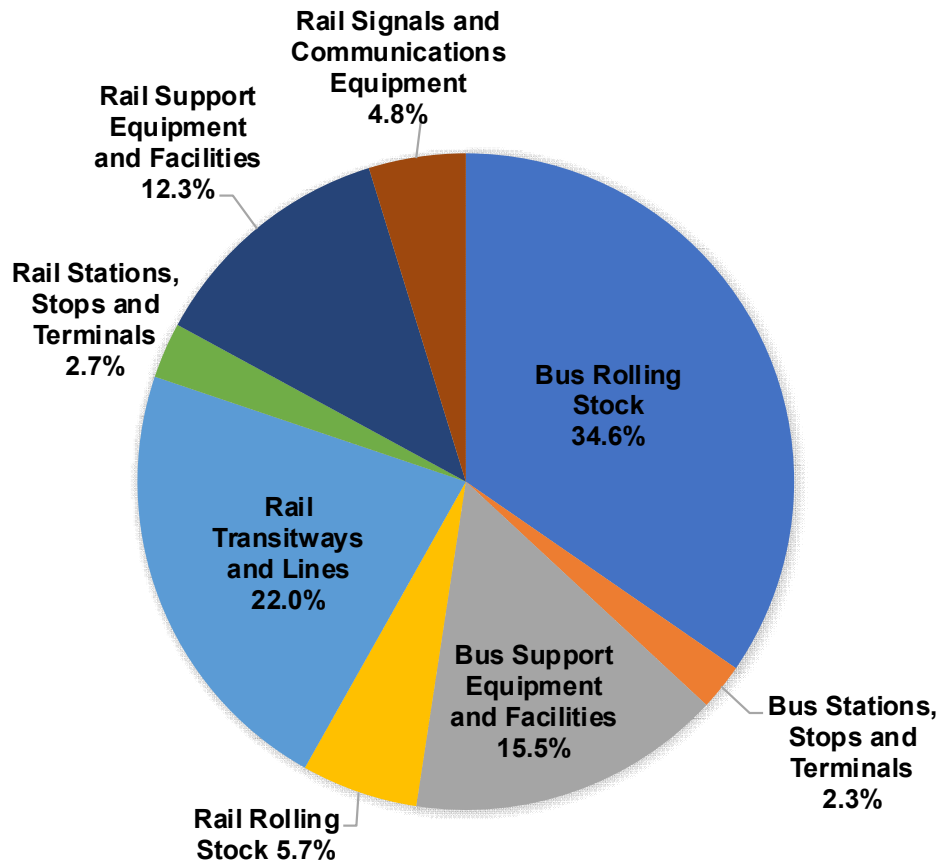
Due to lack of state funding, NCTD has stopped the initiatives related to the development and eventual acquisition of zero-emissions (ZE) motive power for its rail operations. These efforts were designed to coincide with California Executive Order N-79-20 and pending regulations from the California Air Resources Board (CARB) which would require NCTD to transition to ZE rail operations by 2035. The SPRINTER fleet, which will reach the end of its useful life in 2033, is projected to cost between \$120 million and \$229 million depending on technology (hydrogen or electric). Additional costs for SPRINTER facilities and stations modifications to support a zero- emission fleet will be significant. No funding has yet been identified for a pilot program, future fleet replacement, or infrastructure modifications and the projected costs are not included in the unconstrained CIP calculations.

Table 22 and Figure 19 summarize the adopted capital projects by Federal Transit Administration (FTA) scope for FY2027 and FY2028. Based on current and projected formula-based funding, NCTD will not be able to fund its minimum Capital Improvement Program beginning in FY2028, therefore, there is no constrained CIP from FY2029 through FY2031. Future capital needs will require funding from competitive and discretionary grants and additional federal and state financial support.

*Table 22. FY2027-FY2031 Constrained CIP*

<b>FTA Scope Description</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>5-Year</b>
Bus Rolling Stock	\$ 19,734,360	\$ -	\$ -	\$ -	\$ -	\$ 19,734,360
Bus Stations, Stops and Terminals	950,000	350,000	-	-	-	1,300,000
Bus Support Equipment and Facilities	8,020,000	825,000	-	-	-	8,845,000
Rail Rolling Stock	3,270,000	-	-	-	-	3,270,000
Rail Transitways and Lines	7,060,025	5,500,025	-	-	-	12,560,050
Rail Stations, Stops and Terminals	1,560,000	-	-	-	-	1,560,000
Rail Support Equipment and Facilities	5,876,500	1,138,000	-	-	-	7,014,500
Rail Signals and Communications Equipment	2,720,000	-	-	-	-	2,720,000
<b>Total Constrained CIP</b>	<b>\$ 49,190,885</b>	<b>\$ 7,813,025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,003,910</b>

Figure 19. FY2027-FY2031 Constrained CIP by FTA Scope



**FY2027-FY2031 Unfunded Capital Needs**

Projects that are not constrained are unfunded. Below is a list of major unfunded FY2027-FY2031 capital needs:

- \$157.5 million for SPRINTER fleet replacement
- \$101.7 million for train station improvements
- \$90.6 million for Control Point Songs double track design and construction
- \$77.8 million for BREEZE East and West operations and maintenance facilities master plan improvements
- \$63.7 million for PTC and rail signals
- \$19 million for BREEZE fleet replacements
- \$18.4 million for bus maintenance facilities improvements
- \$15.6 million for SPRINTER equipment and facility improvements
- \$11.2 million for bridge repairs and replacements
- \$9.5 million for rail right-of-way replacements
- \$8.7 million for software
- \$8.5 million for COASTER fleet overhauls

- \$8 million for property acquisition
- \$7.4 million for COASTER equipment and facility improvements
- \$5.1 million for SPRINTER fleet overhauls
- \$2.7 million for wayfinding
- \$2 million for Buena Creek grade separation
- \$1.2 million for non-revenue vehicles

Following is a summary of the major unfunded capacity enhancement projects to be implemented by SANDAG (excluding the San Diego LOSSAN Rail Realignment):

- \$254.2 million for Sorrento to Miramar Phase 2
- \$100.9 million for Eastbrook to Shell double-track
- \$32.5 million for San Dieguito Double Track
- \$25.2 million for Carlsbad Village Trench Environmental
- \$23 million for Rose Canyon Bridge Replacements
- \$15.6 million for Del Mar Bluffs Access Improvements
- \$8.8 million for Del Mar Bluffs 5 Continuation
- \$2.8 million for Bridge 257.2 Replacement

### **List of Adopted Projects**

Following is a detailed listing of all adopted projects for the FY2027-FY2028 CIP. FY2028 is subject to change and will require specific approval of the Board upon adoption of the FY2028 annual operating budget. No projects are listed for FY2029-FY2031 due to lack of funding. Future capital needs will require funding from competitive and discretionary grants and additional federal and state financial support.

Table 23. FY2027 Constrained CIP Projects

Scope and Project Name	FY2027 CIP	% of Total
<b>111 Bus Rolling Stock</b>	<b>\$ 19,734,360</b>	<b>40.1%</b>
BREEZE Fleet Replacement (CNG Buses)	19,734,360	
<b>113 Bus Stations, Stops, and Terminals</b>	<b>\$ 950,000</b>	<b>1.9%</b>
Bus Stops Improvements Phase II (Construction)	950,000	
<b>114 Bus Support Equipment and Facilities</b>	<b>\$ 8,020,000</b>	<b>16.3%</b>
BREEZE East and West Pavement (Construction)	1,000,000	
BREEZE East and West Electrical Upgrades (Construction)	935,000	
Trapeze Enterprise Asset Management for Bus Modes	750,000	
HASTUS Daily Modules	750,000	
BREEZE West Elevator Modernization	650,000	
Fire Alarm System (Construction)	550,000	
Standby Power Systems Refresh	510,000	
BREEZE West In-Ground Lift Replacements	500,000	
Utility Carts Purchase	400,000	
BREEZE East In-Ground Lift Replacements	375,000	
BREEZE East Body Shop Gas Detection (Design)	300,000	
Portable Bus Lift Replacements	250,000	
BREEZE West Storeroom Fire Suppression System (Design)	250,000	
Network Upgrades	175,000	
BREEZE West Unleaded Dispensers	145,000	
BREEZE Lifts	135,000	
BREEZE West Veeder-Root Replacement	115,000	
Server Upgrade	100,000	
BREEZE West Medium Duty Lift Razor Replacements	70,000	
BREEZE West Hydrogen Fueling Station (Design)	30,000	
BREEZE West Hydrogen Sensors (Construction)	30,000	
<b>121 Rail Rolling Stock</b>	<b>\$ 3,270,000</b>	<b>6.6%</b>
SPRINTER Powerpack Component Overhaul	2,260,000	
SPRINTER Transmission Overhaul	580,000	
SPRINTER Air Compressor Overhaul	290,000	
SPRINTER Generator Overhaul	140,000	
<b>122 Rail Transitways and Lines</b>	<b>\$ 7,060,025</b>	<b>14.4%</b>
Control Point Ash Turnout (Construction)	4,000,025	
Bridge 209.9 (Construction)	900,000	
Control Point Longboard Drainage (Construction)	750,000	
Grand Avenue and Carlsbad Village Drive Grade Crossing Safety	750,000	
Bridge 207.6 Bearing (Construction)	410,000	
Milepost 256.5 Drainage (Design)	250,000	

Table 23. FY2027 Constrained CIP Projects (continued)

Scope and Project Name	FY2027 CIP	% of Total
<b>123 Rail Stations, Stops and Terminals</b>	<b>\$ 1,560,000</b>	<b>3.2%</b>
Ticket Vending Machines	670,000	
Escondido Transit Center Wood Structures Improvements	500,000	
Solana Beach Glass Canopies (Design)	240,000	
Solana Beach Station Storefront Improvements (Construction)	150,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>\$ 5,876,500</b>	<b>11.9%</b>
COASTER Image Recorders	2,250,000	
COASTER Train Wash (Construction)	1,900,000	
Rail Onboard Validators	320,000	
COASTER Fuel Dispensing System (Construction)	300,000	
Wayside Power Cabinets (Construction)	281,000	
COASTER Operations Warehouse Improvements	220,000	
COASTER Train Wash (Design)	165,000	
COASTER Turntables (Construction)	157,000	
COASTER Pits Structural Repairs	100,000	
COASTER Lift Station Upgrades (Design)	95,000	
COASTER Turntables (Design)	50,000	
COASTER Fuel Dispensing System (Design)	38,500	
<b>126 Rail Signals and Communications Equipment</b>	<b>\$ 2,720,000</b>	<b>5.5%</b>
Positive Train Control Communications System Refresh	2,000,000	
Positive Train Control Wireless Crossing	720,000	
<b>TOTAL FY2027 CIP</b>	<b>\$ 49,190,885</b>	<b>100.0%</b>

Table 24. FY2028 Constrained CIP Projects

Description	FY2028 CIP	% of Total
<b>113 Bus Stations, Stops, and Terminals</b>	<b>\$ 350,000</b>	<b>4.5%</b>
Bus Stops Improvements Phase II (Construction)	350,000	
<b>114 Bus Support Equipment and Facilities</b>	<b>\$ 825,000</b>	<b>10.6%</b>
BREEZE East and West Pavement (Construction)	825,000	
<b>122 Rail Transitways and Lines</b>	<b>\$ 5,500,025</b>	<b>70.4%</b>
Control Point Longboard Drainage (Construction)	750,000	
Control Point Ash Turnout (Construction)	4,000,025	
Grand Avenue and Carlsbad Village Drive Grade Crossing Safety	750,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>\$ 1,138,000</b>	<b>14.6%</b>
COASTER Turntables (Construction)	261,000	
COASTER Pits Structural Repairs	295,000	
COASTER Fuel Dispensing System (Construction)	107,000	
COASTER Train Wash (Construction)	475,000	
<b>TOTAL FY2028 CIP</b>	<b>\$ 7,813,025</b>	<b>100.0%</b>

**5-Year Service Implementation Plan (SIP)**

The Service Implementation Plan includes a five-year outlook that is updated annually with each budget cycle. This planning horizon allows NCTD to align projected funding with capital needs and future operating projections. The FY2027 Service Implementation Plan was developed within the context of continued fiscal uncertainty and constrained operating resources. As a result, NCTD’s focus over the five-year planning horizon is on maintaining existing service levels, monitoring system performance, and identifying cost-effective service adjustments that improve customer access and better align the network with evolving travel patterns. The key objectives of the FY2027 SIP are:

Objective	Strategy
Service Levels	Maintain existing service levels across all modes within constrained funding conditions
Service Optimization	Evaluate cost-effective service adjustments that improve access and better align service with travel demand
Financial Sustainability	Prioritize operational and capital decisions that support long-term financial stability
NCTD+ Expansion	Implement future NCTD+ zones only if operationally feasible and externally funded
COASTER Connectivity	Complete the Convention Center Platform project to enhance regional connectivity and special event access
Ridership Growth	Support steady, sustainable ridership growth through reliable service and customer-focused improvements

**Five-Year Outlook**

Figure 20 and Table 25 illustrate systemwide current and projected ridership and service levels from FY2025 through FY2031. Because no major service expansions are currently planned, ridership growth over the five-year outlook is projected to remain modest and generally align with typical year-over-year transit growth trends. The only potential service expansion currently identified is the implementation of the Fallbrook-Pala NCTD+ zone in FY2028, which remains contingent upon receipt of SANDAG Flexible Fleets funding.

In addition, NCTD anticipates completion of the COASTER Convention Center Platform in FY2029, which is expected to result in modest increases in ridership and operating mileage without increasing the total number of scheduled COASTER trips. For demand-responsive services such as LIFT and NCTD+, projected operating statistics fluctuate in proportion to ridership demand due to the nature of those service models. Tables 26 through 31 detail projected modal ridership and operating statistics from FY2027 through FY2031.

Figure 20. Systemwide Actual & Projected Ridership and Service Levels, FY2025-FY2031

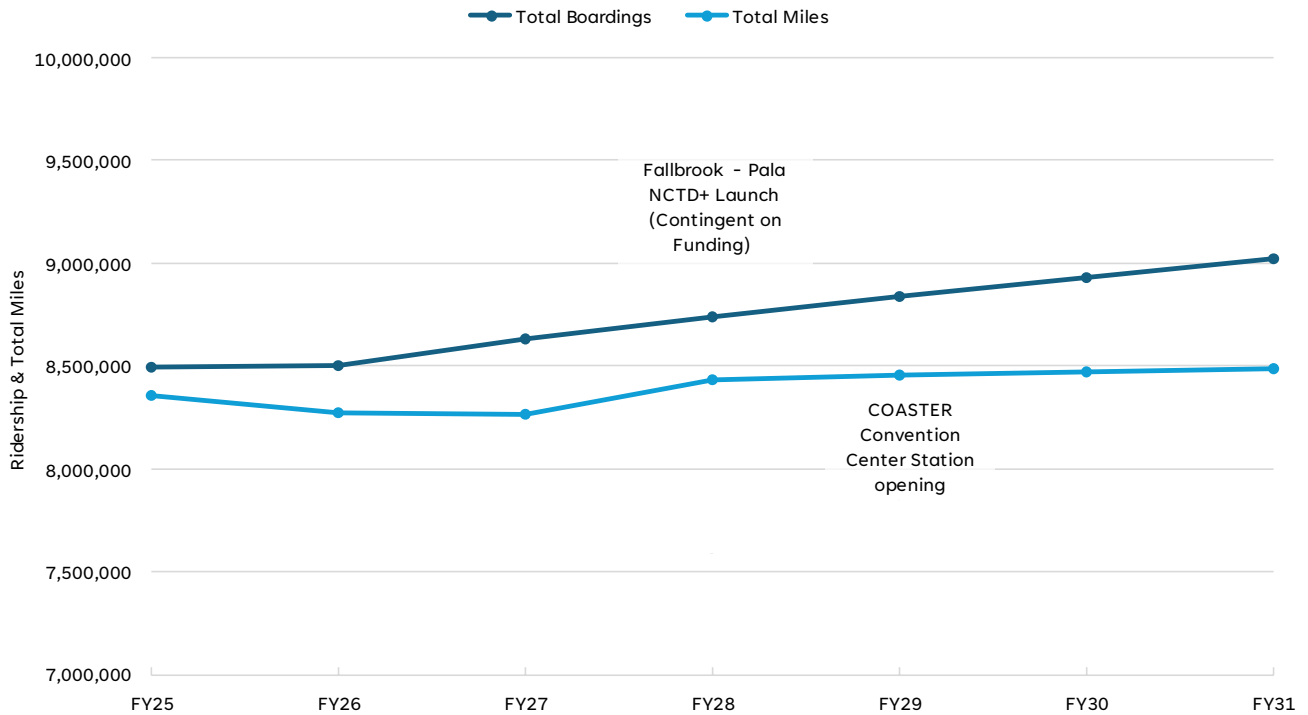


Table 25. Systemwide FY2025-FY2031 Ridership and Service Levels

Fiscal Year	Ridership	Revenue Miles	Total Miles	Revenue Hours	Total Hours
<b>FY2025</b>	8,496,098	7,347,890	8,407,535	554,498	605,195
<b>FY2026</b>	8,503,892	7,253,143	8,272,093	548,153	593,515
<b>FY2027</b>	8,629,730	7,152,727	8,262,725	539,857	589,674
<b>FY2028</b>	8,738,279	7,296,067	8,433,939	553,840	610,220
<b>FY2029</b>	8,841,751	7,319,018	8,458,793	554,960	611,516
<b>FY2030</b>	8,930,167	7,330,625	8,471,829	555,730	612,438
<b>FY2031</b>	9,019,468	7,342,350	8,484,997	556,508	613,368
<b>FY2032</b>	9,234,173	7,350,071	8,487,152	567,594	604,435
<b>FY2033</b>	9,641,584	7,588,056	8,736,208	575,550	612,851
<b>FY2034</b>	10,336,978	7,969,159	9,120,307	593,231	630,595
<b>FY2035</b>	10,440,348	7,980,568	9,133,142	594,111	631,428
<b>FY2036</b>	10,544,751	7,992,094	9,146,111	595,000	632,269

*Table 26. BREEZE FY2027-FY2031 Ridership and Service Levels*

<b>BREEZE</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	5,603,693	5,659,730	5,716,327	5,773,490	5,831,225
<b>Total Revenue Miles</b>	4,875,785	4,875,785	4,875,785	4,875,785	4,875,785
<b>Total Miles</b>	5,755,046	5,755,046	5,755,046	5,755,046	5,755,046
<b>Total Revenue Hours</b>	421,175	421,175	421,175	421,175	421,175
<b>Total Hours</b>	457,592	457,592	457,592	457,592	457,592

*Table 27. LIFT FY2027-FY2031 Ridership and Service Levels*

<b>LIFT</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	115,147	116,575	117,741	118,918	120,107
<b>Total Revenue Miles</b>	871,853	882,665	891,494	900,406	909,408
<b>Total Miles</b>	939,038	950,684	960,192	969,791	979,487
<b>Total Revenue Hours</b>	49,558	50,173	50,674	51,181	51,693
<b>Total Hours</b>	54,044	54,714	55,261	55,814	56,372

*Table 28. FLEX FY2027-FY2031 Ridership and Service Levels*

<b>FLEX</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	111,682	115,064	116,806	117,974	119,154
<b>Total Revenue Miles</b>	344,416	344,416	344,416	344,416	344,416
<b>Total Miles</b>	441,931	441,931	441,931	441,931	441,931
<b>Total Revenue Hours</b>	20,104	20,104	20,104	20,104	20,104
<b>Total Hours</b>	24,023	24,023	24,023	24,023	24,023

*Table 29. COASTER FY2027-FY2031 Ridership and Service Levels*

<b>COASTER</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	1,080,628	1,091,434	1,117,846	1,129,024	1,140,314
<b>Total Revenue Miles</b>	407,220	407,220	418,670	418,670	418,670
<b>Total Miles</b>	424,586	424,586	436,525	436,525	436,525
<b>Total Revenue Hours</b>	12,737	12,737	13,095	13,095	13,095
<b>Total Hours</b>	13,645	13,645	14,029	14,029	14,029

Table 30. SPRINTER FY2027-FY2031 Ridership and Service Levels

<b>SPRINTER</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	1,671,683	1,688,400	1,705,284	1,722,337	1,739,560
<b>Total Revenue Miles</b>	518,926	518,926	518,926	518,926	518,926
<b>Total Miles</b>	521,147	521,147	521,147	521,147	521,147
<b>Total Revenue Hours</b>	23,588	23,588	23,588	23,588	23,588
<b>Total Hours</b>	23,742	23,742	23,742	23,742	23,742

Table 31. NCTD FY2027-FY2031 Ridership and Service Levels \*

<b>NCTD+</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	46,897	67,076	67,747	68,424	69,108
<b>Total Revenue Miles</b>	134,527	267,055	269,727	272,422	275,145
<b>Total Miles</b>	180,977	340,545	343,952	347,389	350,861
<b>Total Revenue Hours</b>	12,695	26,063	26,324	26,587	26,853
<b>Total Hours</b>	16,628	36,504	36,869	37,238	37,610

\* Projected increases in FY2028–FY2031 service levels, revenue miles, revenue hours, and ridership are contingent upon securing external funding for additional NCTD+ zones.

**10-Year Long Range Planning**

This section highlights the long-term implications of operating revenues and expenditures needed to support core functions and to achieve NCTD initiatives. This section provides three forecasts for the next ten fiscal years through FY2036, with revenue and expense assumptions primarily driven by low, medium, and high grant revenue forecasts. FY2027 through FY2031 remain the same under the three scenarios in alignment with the 5-Year Plan (assumptions are described on pages 94-95). The high and low ranges for FY2032 through FY2036 are determined by beginning with the prior year midpoint, applying the estimated growth rate for the current year, and then adding and subtracting the confidence interval range from the midpoint. In addition to evaluating mid-range grant revenue forecasts, NCTD performs sensitivity analysis using low-range grant revenue forecasts to develop contingency strategies to address expense structure and service levels should these conditions occur. For years six through ten, all scenarios assume a minimum investment of \$15 million into NCTD annual capital program. Under all scenarios (low, medium, high), in the absence of additional funding, beginning in FY2029, NCTD will be required to reduce services and capital investments will require full funding from competitive and discretionary grants.

**Mid-Range Forecast**

This scenario represents the more likely scenario based on historical trends. FTA revenues from FY2027 to FY2031 are based on FY2027 FTA apportionments. The federal transportation bill passed in the Bipartisan Infrastructure Law (as enacted in the Infrastructure Investment and Jobs Act (IIJA)) increased funding each year through FY2027; FY2028 through FY2036 are outside of the last year of the IIJA, however, the forecast assumes a continuation of the program through FY2036. TDA and TransNet revenues from FY2027 to FY2031 are based on SANDAG's forecasts and anticipated to grow by 3% thereafter. State Transit Assistance and State Rail Assistance funds are assumed to remain similar to FY2027 levels. The passenger fares forecast is based on the 5-Year Service Implementation Plan and projections provided by the Service Planning department. Other revenues are projected to increase by 3% annually. Payroll expenses are forecast to grow by 2%, other operating expenses are forecast to grow by 3% annually, and capital expenditures remain at \$15 million annually. Under the mid-range forecast scenario, the total 10-Year projected net operating and capital deficit totals \$222.2 million.

*Table 32. 10-Year Outlook - Mid-Range Grant Revenue Forecast*

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 13,651,575	\$ 15,168,231	\$ 15,727,979	\$ 15,897,877	\$ 16,050,156
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	4,026,440	4,147,233	4,271,650	4,399,800	4,531,794
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	13,448,025	13,851,466	14,267,010	14,695,020	15,135,871
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	51,217,047	51,217,047	51,217,047	51,217,047	51,217,047
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	93,359,135	96,159,909	99,044,707	102,016,049	105,076,530
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>192,691,628</b>	<b>197,533,292</b>	<b>201,517,799</b>	<b>205,215,199</b>	<b>209,000,804</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	49,190,885	7,813,025	-	-	-	-	-	-	-	-
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	205,376,207	210,468,123	215,691,409	221,049,580	226,546,245
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>220,376,207</b>	<b>225,468,123</b>	<b>230,691,409</b>	<b>236,049,580</b>	<b>241,546,245</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(27,684,579)	(27,934,831)	(29,173,610)	(30,834,381)	(32,545,441)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	-	-	-	-	-
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (27,684,579)</b>	<b>\$ (27,934,831)</b>	<b>\$ (29,173,610)</b>	<b>\$ (30,834,381)</b>	<b>\$ (32,545,441)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	4,280,762	4,451,603	4,937,095	4,997,562	5,041,221	4,745,224	4,689,704	4,246,382	4,107,159	3,869,482
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000	1,750,000	1,800,000	-
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 6,445,224</b>	<b>\$ 6,439,704</b>	<b>\$ 5,996,382</b>	<b>\$ 5,907,159</b>	<b>\$ 3,869,482</b>

\* Funding has not been received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

**Low-Range Forecast**

NCTD prepared the low-range forecast utilizing internal cost containment initiatives. The forecast for FY2027-FY2031 remains the same as the mid-range scenario; however, both payroll expenses and other operating expenses are forecast to grow at a rate of 2% beginning in FY2032. FTA, TDA, and TransNet revenues from FY2027 through FY2031 are based on SANDAG's forecasts and are anticipated to grow by 2% thereafter. State Transit Assistance and State Rail Assistance funds are assumed to remain similar to FY2027 levels. The passenger fares forecast is based on the 5-Year Service Implementation Plan and projections provided by the Service Planning department. Other revenues are projected to increase by 3% annually. Under the low-range forecast scenario, the total 10-Year projected net operating and capital deficit totals \$216.5 million.

*Table 33. 10-Year Outlook - Low-Range Grant Revenue Forecast*

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 13,651,575	\$ 15,168,231	\$ 15,727,979	\$ 15,897,877	\$ 16,050,156
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	4,026,440	4,147,233	4,271,650	4,399,800	4,531,794
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	13,448,025	13,851,466	14,267,010	14,695,020	15,135,871
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	51,217,047	51,217,047	51,217,047	51,217,047	51,217,047
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	16,900,723	16,900,723	16,900,723	16,900,723	16,900,723
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	92,452,736	94,301,790	96,187,825	98,111,582	100,073,814
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>191,696,546</b>	<b>195,586,490</b>	<b>198,572,234</b>	<b>201,222,049</b>	<b>203,909,405</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	49,190,885	7,813,025	-	-	-	-	-	-	-	-
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	203,387,216	207,454,960	211,604,060	215,836,140	220,152,863
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>218,387,216</b>	<b>222,454,960</b>	<b>226,604,060</b>	<b>230,836,140</b>	<b>235,152,863</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(26,690,670)	(26,868,470)	(28,031,826)	(29,614,091)	(31,243,458)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	-	-	-	-	-
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (26,690,670)</b>	<b>\$ (26,868,470)</b>	<b>\$ (28,031,826)</b>	<b>\$ (29,614,091)</b>	<b>\$ (31,243,458)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	4,280,762	4,451,603	4,937,095	4,997,562	5,041,221	4,745,224	4,689,704	4,246,382	4,107,159	3,869,482
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000	1,750,000	1,800,000	-
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 6,445,224</b>	<b>\$ 6,439,704</b>	<b>\$ 5,996,382</b>	<b>\$ 5,907,159</b>	<b>\$ 3,869,482</b>

\* Funding has not been received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

**High-Range Forecast**

The forecast for FY2027-FY2031 remains the same as the mid-range scenario. Beginning in FY2032, the high-range forecast assumes a 5% growth for TDA and TransNet revenues and 4% for STA revenues. Operating expenses remain at the same level as the mid-range forecast. Under the low-range forecast scenario, the total 10-Year projected net operating and capital deficit totals \$181.7 million.

*Table 34. 10-Year Outlook - High-Range Grant Revenue Forecast*

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 13,651,575	\$ 15,168,231	\$ 15,727,979	\$ 15,897,877	\$ 16,050,156
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	4,026,440	4,147,233	4,271,650	4,399,800	4,531,794
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	13,448,025	13,851,466	14,267,010	14,695,020	15,135,871
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	51,217,047	51,217,047	51,217,047	51,217,047	51,217,047
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	17,576,752	18,279,822	19,011,015	19,771,455	20,562,313
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	95,171,934	99,930,531	104,927,058	110,173,411	115,662,081
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>195,091,773</b>	<b>202,594,330</b>	<b>209,421,759</b>	<b>216,154,610</b>	<b>223,179,262</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	49,190,885	7,813,025	-	-	-	-	-	-	-	-
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	205,376,207	210,468,123	215,691,409	221,049,580	226,546,245
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>220,376,207</b>	<b>225,468,123</b>	<b>230,691,409</b>	<b>236,049,580</b>	<b>241,546,245</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(25,284,434)	(22,873,793)	(21,269,650)	(19,894,970)	(18,366,983)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	-	-	-	-	-
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (25,284,434)</b>	<b>\$ (22,873,793)</b>	<b>\$ (21,269,650)</b>	<b>\$ (19,894,970)</b>	<b>\$ (18,366,983)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	4,280,762	4,451,603	4,937,095	4,997,562	5,041,221	4,745,224	4,689,704	4,246,382	4,107,159	3,869,482
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000	1,750,000	1,800,000	-
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 6,445,224</b>	<b>\$ 6,439,704</b>	<b>\$ 5,996,382</b>	<b>\$ 5,907,159</b>	<b>\$ 3,869,482</b>

\* Funding has not been received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

**Appendices**

**Passenger Fare Rates**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>BREEZE Fixed Route</b>										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Senior/Disabled/Medicare	1.25	1.25	1.25	1.25	1.25	1.25	0.75	0.75	0.75	0.75
Youth	1.25	1.25	1.25	1.25	1.25	2.50	1.75	1.75	1.75	1.75
Regional Day Pass										
Adult	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*	*
Senior/Disabled/Medicare	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Youth	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Premium Day Pass										
Adult	12.00	12.00	12.00	12.00	12.00	12.00	12.00	*	*	*
Senior/Disabled/Medicare	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*
Youth	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*
COASTER Regional Day Pass										
Adult	15.00	15.00	15.00	15.00	15.00	15.00	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
SPRINTER/BREEZE Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	59.00	59.00	59.00	59.00	*	*	59.00	59.00	59.00	59.00
Senior/Disabled/Medicare	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Youth	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Regional Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00
Senior/Disabled/Medicare	23.00	23.00	23.00	23.00	23.00	23.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	23.00	23.00	23.00	36.00	36.00	36.00	36.00
Regional Premium Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Senior/Disabled/Medicare	32.00	32.00	32.00	32.00	32.00	32.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	32.00	32.00	32.00	50.00	50.00	50.00	50.00
Day Pass										
Adult	*	*	*	*	*	*	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	*	*	*	*	*	*	2.25	2.25	2.25	2.25
Youth	*	*	*	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	*	12.00	12.00	12.00	12.00
Regional 14 Day Pass	*	*	*	*	*	*	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	*	*	*	60.00	60.00	60.00	60.00
College Monthly Pass	(b)	(b)	(b)	(b)	(b)	(b)	49.00	49.00	49.00	49.00
<b>LIFT ADA/Paratransit</b>										
One-way Fare	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
<b>FLEX On Demand Bus Service</b>										
One-way Fare										
Adult	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Senior/Disabled/Medicare	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Youth	2.50	2.50	2.50	2.50	2.50	2.50	5.00	5.00	5.00	5.00

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>COASTER Commuter Train Service</b>										
ZONE 1										
One-way Fare										
Adult	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Senior/Disabled/Medicare	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00
Youth	2.50	2.50	2.50	2.50	2.50	2.50	4.00	4.00	4.00	4.00
Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	140.00	140.00	140.00	140.00	140.00	140.00	120.00	120.00	120.00	120.00
ZONE 2										
One-way Fare										
Adult	5.75	5.75	5.75	5.75	5.75	5.75	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.50
Youth	2.75	2.75	2.75	2.75	2.75	2.75	5.00	5.00	5.00	5.00
Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	161.00	161.00	161.00	161.00	161.00	161.00	150.00	150.00	150.00	150.00
ZONE 3										
One-way Fare										
Adult	6.50	6.50	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50
Senior/Disabled/Medicare	3.25	3.25	3.25	3.25	3.25	3.25	2.75	2.75	2.75	2.75
Youth	3.25	3.25	3.25	3.25	3.25	3.25	5.50	5.50	5.50	5.50
Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	182.00	182.00	182.00	182.00	182.00	182.00	165.00	165.00	165.00	165.00
Senior/Disabled/Medicare (all zones)	58.00	58.00	58.00	58.00	58.00	58.00	41.25	41.25	41.25	41.25
Youth (all zones)	58.00	58.00	58.00	58.00	58.00	58.00	82.50	82.50	82.50	82.50
COASTER Regional Day Pass										
Adult	15.00	15.00	15.00	15.00	15.00	15.00	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
COASTER Day 10-Pass Multi-Pack										
Adult	75.00	75.00	75.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare	37.50	37.50	37.50	*	*	*	*	*	*	*
Youth	37.50	37.50	37.50	*	*	*	*	*	*	*
COASTER Day 5-Pass Multi-Pack										
Adult	45.00	45.00	45.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare	22.50	22.50	22.50	*	*	*	*	*	*	*
Youth	22.50	22.50	22.50	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	*	12.00	12.00	12.00	12.00
<b>SPRINTER Hybrid Rail Train Service</b>										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Senior/Disabled/Medicare	1.25	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00
Youth	1.25	1.25	1.25	1.25	1.25	2.50	2.00	2.00	2.00	2.00
Regional Day Pass										
Adult	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*	*
Senior/Disabled/Medicare	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Youth	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Premium Day Pass										
Adult	12.00	12.00	12.00	12.00	12.00	12.00	12.00	*	*	*
Senior/Disabled/Medicare	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*
Youth	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>SPRINTER Hybrid Rail Train Service (continued)</b>										
COASTER Regional Day Pass										
Adult	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
SPRINTER/BREEZE Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	59.00	59.00	59.00	59.00	*	*	59.00	59.00	59.00	59.00
Senior/Disabled/Medicare	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Youth	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Regional Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00
Senior/Disabled/Medicare	23.00	23.00	23.00	23.00	23.00	23.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	23.00	23.00	23.00	36.00	36.00	36.00	36.00
Regional Premium Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Senior/Disabled/Medicare	32.00	32.00	32.00	32.00	32.00	32.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	32.00	32.00	32.00	50.00	50.00	50.00	50.00
Day Pass										
Adult	*	*	*	*	*	*	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	*	*	*	*	*	*	2.25	2.25	2.25	2.25
Youth	*	*	*	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	*	12.00	12.00	12.00	12.00
Regional 14 Day Pass	*	*	*	*	*	*	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	*	*	*	60.00	60.00	60.00	60.00
College Monthly Pass	(b)	(b)	(b)	(b)	(b)	(b)	49.00	49.00	49.00	49.00

**NCTD+ On Demand Microtransit**

One-way Fare										
Anywhere in service zone	\$ 3.00	\$ 3.00	*	*	*	*	*	*	*	*
To/from SPRINTER stations	1.50	1.50	*	*	*	*	*	*	*	*
Additional riders	1.50	1.50	*	*	*	*	*	*	*	*

**Fare Capping (Pay As You Go) (c)**

Regional Daily Cap										
Adult	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	3.00	3.00	3.00	3.00	*	*	*	*	*	*
Regional Monthly Cap										
Adult	72.00	72.00	72.00	72.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	23.00	23.00	23.00	23.00	*	*	*	*	*	*
Premium Daily Cap										
Adult	12.00	12.00	12.00	12.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	6.00	6.00	6.00	6.00	*	*	*	*	*	*
Premium Monthly Cap										
Adult	100.00	100.00	100.00	100.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	32.00	32.00	32.00	32.00	*	*	*	*	*	*

(a) Effective September 1, 2022, rolling 30-day passes are no longer available for sale.

(b) College Monthly Passes no longer have prescribed rates and are negotiated between the college/university and MTS.

(c) Effective September 1, 2022 with the implementation of PRONTO, customers have the option to "pay-as-you-go" and reach daily and monthly caps of fares.

\* Fare product not offered

NOTE: The SANDAG Board of Directors approves the region's Comprehensive Fare Ordinance encompassing fares charged on all public transit vehicles in San Diego County operated by Metropolitan Transit System (MTS) and the North County Transit District (NCTD).

Source: NCTD Rider's Guide

Operating Statistics

	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Budget</b>
<b>PASSENGER BOARDINGS</b>				
BREEZE	5,458,166	5,735,171	5,543,623	5,603,693
LIFT	111,204	118,861	113,610	115,147
FLEX	100,309	130,517	110,017	111,682
COASTER	927,557	919,746	1,037,616	1,080,628
SPRINTER	1,876,403	1,998,260	1,652,666	1,671,683
NCTD+	22,459	77,514	46,360	46,897
	<b>8,496,098</b>	<b>8,980,069</b>	<b>8,503,892</b>	<b>8,629,730</b>
<b>TOTAL MILES</b>				
BREEZE	5,866,238	5,759,795	5,812,044	5,755,046
LIFT	1,019,494	1,282,687	890,147	939,038
FLEX	473,179	466,507	454,565	441,931
COASTER	422,669	426,825	422,056	424,586
SPRINTER	504,792	521,083	514,299	521,147
NCTD+	121,163	312,883	178,983	180,977
	<b>8,407,535</b>	<b>8,769,780</b>	<b>8,272,093</b>	<b>8,262,725</b>
<b>REVENUE MILES</b>				
BREEZE	5,050,027	5,062,584	5,009,050	4,875,785
LIFT	938,401	1,186,922	826,398	871,853
FLEX	381,383	373,196	362,496	344,416
COASTER	397,260	401,139	403,087	407,220
SPRINTER	501,642	518,850	518,835	518,926
NCTD+	79,177	230,635	133,277	134,527
	<b>7,347,890</b>	<b>7,773,326</b>	<b>7,253,143</b>	<b>7,152,727</b>
<b>PASSENGER MILES</b>				
BREEZE	25,748,282	35,976,154	34,774,593	35,151,406
LIFT	1,616,489	1,974,162	1,886,948	1,912,477
FLEX	910,325	818,720	690,126	700,570
COASTER	25,716,924	25,508,236	28,777,242	29,970,137
SPRINTER	12,659,004	14,887,037	12,312,362	12,454,038
NCTD+	7,238	155,028	92,720	93,794
	<b>66,658,262</b>	<b>79,319,337</b>	<b>78,533,991</b>	<b>80,282,422</b>
<b>REVENUE HOURS</b>				
BREEZE	430,969	429,066	428,537	421,175
LIFT	54,739	66,037	46,971	49,558
FLEX	26,562	26,542	24,207	20,104
COASTER	12,199	12,302	12,577	12,737
SPRINTER	22,808	23,585	23,308	23,588
NCTD+	7,221	23,546	12,553	12,695
	<b>554,498</b>	<b>581,078</b>	<b>548,153</b>	<b>539,857</b>

	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Budget
<b>PASSENGER FARES</b>				
BREEZE	\$ 5,249,437	\$ 6,033,114	\$ 5,640,466	\$ 5,779,582
LIFT	754,128	594,305	748,838	575,735
FLEX	192,428	310,769	310,556	398,631
COASTER	4,144,971	4,240,722	4,598,812	4,874,715
SPRINTER	1,313,507	1,252,430	1,150,773	1,099,887
NCTD+	15,496	60,958	44,258	34,995
	<b>\$ 11,669,967</b>	<b>\$ 12,492,298</b>	<b>\$ 12,493,703</b>	<b>\$ 12,763,545</b>
<b>COST BY MODE *</b>				
BREEZE	\$ 66,838,267	\$ 62,864,934	\$ 62,556,883	\$ 62,841,215
LIFT	14,874,828	14,025,323	13,905,394	14,574,682
FLEX	4,901,784	7,279,846	6,842,705	7,809,218
COASTER	40,046,845	44,464,340	42,843,256	44,931,670
SPRINTER	35,556,715	35,832,702	33,711,079	36,796,207
NCTD+	476,484	1,766,782	1,723,901	2,670,028
	<b>\$ 162,694,923</b>	<b>\$ 166,233,927</b>	<b>\$ 161,583,218</b>	<b>\$ 169,623,020</b>
<b>PASSENGERS PER REVENUE MILE</b>				
BREEZE	1.08	1.13	1.11	1.15
LIFT	0.12	0.10	0.14	0.13
FLEX	0.26	0.35	0.30	0.32
COASTER	2.33	2.29	2.57	2.65
SPRINTER	3.74	3.85	3.19	3.22
NCTD+	0.28	0.34	0.35	0.35
	<b>1.16</b>	<b>1.16</b>	<b>1.17</b>	<b>1.21</b>
<b>PASSENGERS PER REVENUE HOUR</b>				
BREEZE	12.66	13.37	12.94	13.30
LIFT	2.03	1.80	2.42	2.32
FLEX	3.78	4.92	4.54	5.56
COASTER	76.04	74.76	82.50	84.84
SPRINTER	82.27	84.73	70.90	70.87
NCTD+	3.11	3.29	3.69	3.69
	<b>15.32</b>	<b>15.45</b>	<b>15.51</b>	<b>15.99</b>
<b>FARE REVENUE PER PASSENGER</b>				
BREEZE	\$ 0.96	\$ 1.05	\$ 1.02	\$ 1.03
LIFT	6.78	5.00	6.59	5.00
FLEX	1.92	2.38	2.82	3.57
COASTER	4.47	4.61	4.43	4.51
SPRINTER	0.70	0.63	0.70	0.66
NCTD+	0.69	0.79	0.95	0.75
	<b>\$ 1.37</b>	<b>\$ 1.39</b>	<b>\$ 1.47</b>	<b>\$ 1.48</b>

\* Excludes non-budgeted expenses (GASB68, GASB75, GASB87, GASB96, Pension Unfunded Accrued Liability payment) and will differ with amounts reported in the Annual Comprehensive Financial Report.

	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Budget
<b>COST PER PASSENGER</b>				
BREEZE	\$ 12.25	\$ 10.96	\$ 11.28	\$ 11.21
LIFT	133.76	118.00	122.40	126.57
FLEX	48.87	55.78	62.20	69.92
COASTER	43.17	48.34	41.29	41.58
SPRINTER	18.95	17.93	20.40	22.01
NCTD+	21.22	22.79	37.18	56.93
	<b>\$ 19.15</b>	<b>\$ 18.51</b>	<b>\$ 19.00</b>	<b>\$ 19.66</b>
<b>FAREBOX RECOVERY RATIO</b>				
BREEZE	7.9%	9.6%	9.0%	9.2%
LIFT	5.1%	4.2%	5.4%	4.0%
FLEX	3.9%	4.3%	4.5%	5.1%
COASTER	10.4%	9.5%	10.7%	10.8%
SPRINTER	3.7%	3.5%	3.4%	3.0%
NCTD+	3.3%	3.5%	2.6%	1.3%
	<b>7.2%</b>	<b>7.5%</b>	<b>7.7%</b>	<b>7.5%</b>
<b>COST PER PASSENGER MILE</b>				
BREEZE	\$ 2.60	\$ 1.75	\$ 1.80	\$ 1.79
LIFT	9.20	7.10	7.37	7.62
FLEX	5.38	8.89	9.92	11.15
COASTER	1.56	1.74	1.49	1.50
SPRINTER	2.81	2.41	2.74	2.95
NCTD+	65.83	11.40	18.59	28.47
	<b>\$ 2.44</b>	<b>\$ 2.10</b>	<b>\$ 2.06</b>	<b>\$ 2.11</b>
<b>COST PER REVENUE MILE</b>				
BREEZE	\$ 13.24	\$ 12.42	\$ 12.49	\$ 12.89
LIFT	15.85	11.82	16.83	16.72
FLEX	12.85	19.51	18.88	22.67
COASTER	100.81	110.85	106.29	110.34
SPRINTER	70.88	69.06	64.97	70.91
NCTD+	6.02	7.66	12.93	19.85
	<b>\$ 22.14</b>	<b>\$ 21.39</b>	<b>\$ 22.28</b>	<b>\$ 23.71</b>
<b>COST PER REVENUE HOUR</b>				
BREEZE	\$ 155.09	\$ 146.52	\$ 145.98	\$ 149.20
LIFT	271.74	212.39	296.04	294.09
FLEX	184.54	274.28	282.68	388.44
COASTER	3,282.80	3,614.40	3,406.39	3,527.65
SPRINTER	1,558.96	1,519.30	1,446.30	1,559.95
NCTD+	65.99	75.04	137.33	210.32
	<b>\$ 293.41</b>	<b>\$ 286.08</b>	<b>\$ 294.78</b>	<b>\$ 314.20</b>

**North San Diego County Community Profile**

City	Population									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carlsbad	112,046	112,799	113,321	113,994	113,986	115,029	115,889	115,997	116,455	116,652
Del Mar	4,272	4,278	4,286	4,289	4,288	3,951	3,951	3,924	3,939	3,948
Encinitas	61,921	62,225	62,347	62,394	62,296	61,506	61,713	61,570	61,716	61,851
Escondido	150,218	150,480	150,798	151,068	151,311	151,289	151,389	150,778	151,256	151,386
Oceanside	175,429	175,826	176,145	176,569	177,365	173,283	173,685	172,991	173,253	173,569
San Marcos	92,595	93,582	94,081	95,032	96,865	94,287	93,561	94,286	95,514	97,261
Solana Beach	13,578	13,736	13,774	13,866	13,876	12,931	12,936	12,848	12,919	13,054
Vista	98,075	99,395	102,136	102,498	102,277	98,690	99,752	100,650	101,121	101,740

Source: SANDAG Open Data Portal, by Jurisdiction, <https://opendata.sandag.org/>

City	Total Households									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carlsbad	42,823	43,077	43,302	43,628	43,835	44,353	44,771	45,138	45,222	45,389
Del Mar	2,062	2,063	2,068	2,073	2,083	1,963	1,962	1,962	1,976	1,982
Encinitas	24,389	24,489	24,551	24,607	24,687	24,325	24,363	24,627	24,772	24,882
Escondido	46,227	46,245	46,370	46,524	46,805	47,291	47,447	47,711	48,349	48,419
Oceanside	60,539	60,626	60,771	61,011	61,583	62,363	62,884	63,319	63,765	63,984
San Marcos	28,998	29,313	29,479	29,812	30,533	31,065	31,268	31,413	31,904	31,956
Solana Beach	5,801	5,863	5,883	5,931	5,964	5,589	5,594	5,595	5,625	5,642
Vista	29,810	30,230	31,096	31,236	31,312	31,328	31,702	32,463	32,625	32,811

Source: SANDAG Open Data Portal, by Jurisdiction, <https://opendata.sandag.org/>

City	Median Household Income									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carlsbad	\$ 92,463	\$ 98,413	\$102,722	\$107,172	\$110,478	\$112,933	\$119,302	\$134,139	\$139,326	\$142,748
Del Mar	Unavailable	Unavailable	\$122,563	\$110,966	\$129,063	\$161,705	\$157,708	\$185,335	\$192,845	\$199,152
Encinitas	\$ 93,586	\$ 98,887	\$103,842	\$113,175	\$116,022	\$120,488	\$132,276	\$142,506	\$150,471	\$162,229
Escondido	\$ 54,284	\$ 53,241	\$ 58,834	\$ 62,319	\$ 64,038	\$ 65,326	\$ 70,115	\$ 77,554	\$ 84,477	\$ 91,967
Oceanside	\$ 57,656	\$ 58,699	\$ 61,778	\$ 68,652	\$ 72,697	\$ 75,411	\$ 80,837	\$ 86,701	\$ 93,724	\$ 97,737
San Marcos	\$ 56,395	\$ 61,153	\$ 70,417	\$ 76,619	\$ 78,797	\$ 86,408	\$ 90,620	\$ 99,413	\$105,286	\$109,377
Solana Beach	Unavailable	Unavailable	\$103,864	\$105,821	\$108,118	\$106,904	\$113,903	\$137,647	\$150,820	\$152,167
Vista	\$ 51,345	\$ 55,331	\$ 59,833	\$ 65,696	\$ 72,125	\$ 73,163	\$ 79,196	\$ 88,715	\$ 91,854	\$ 94,975

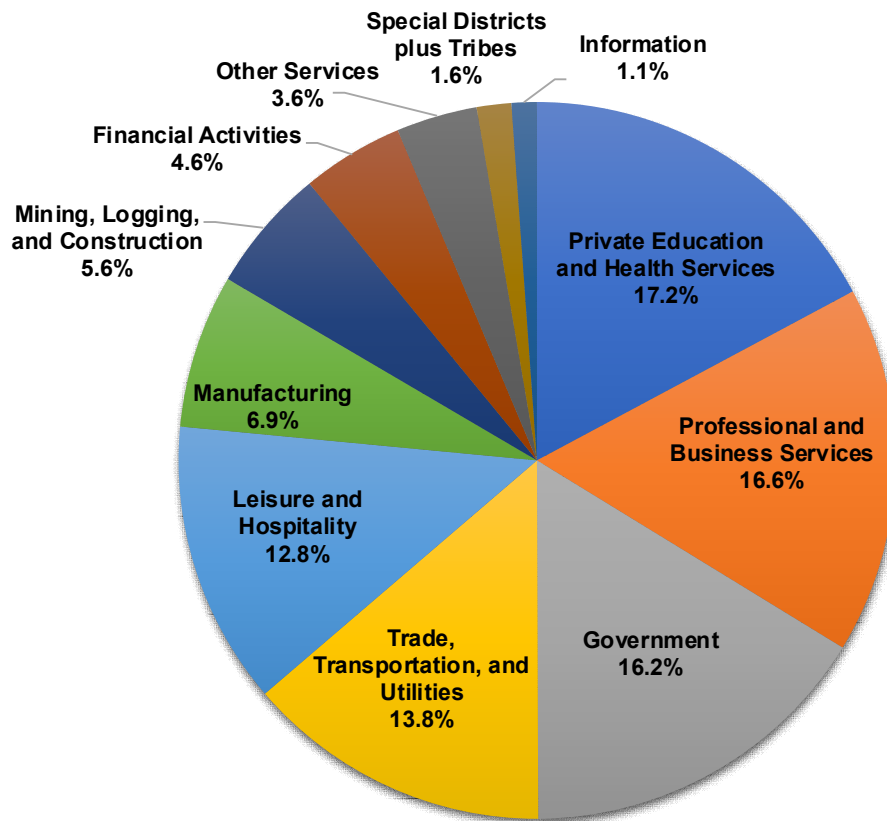
Source: U.S. Census Bureau (American Community Survey)

**San Diego County Employment by Industry**

INDUSTRY	Percentage of Total Employment					
	2020	2021	2022	2023	2024	2025
Private Education and Health Services	14.9%	14.8%	14.7%	15.6%	16.5%	17.2%
Professional and Business Services	17.6%	18.1%	18.1%	17.5%	16.8%	16.6%
Government	16.8%	16.2%	15.8%	15.8%	16.2%	16.2%
Trade, Transportation, and Utilities	14.7%	14.8%	14.3%	14.2%	14.0%	13.8%
Leisure and Hospitality	10.2%	11.0%	12.4%	12.7%	12.7%	12.8%
Manufacturing	8.1%	7.8%	7.5%	7.3%	7.1%	6.9%
Mining, Logging, and Construction	5.8%	5.7%	5.6%	5.7%	5.7%	5.6%
Financial Activities	5.3%	5.2%	4.9%	4.6%	4.6%	4.6%
Other Services	3.2%	3.2%	3.5%	3.6%	3.6%	3.6%
Special Districts plus Tribes	1.9%	1.8%	1.7%	1.6%	1.5%	1.6%
Information	1.6%	1.5%	1.4%	1.4%	1.3%	1.1%

Source: California Employment Development Department; <https://labormarketinfo.edd.ca.gov/data/employment-by-industry.html>

Figure 21. 2025 Percentage of Employment by Industry



**North San Diego County Major Employers**

2024				
Employer	Rank	Number of Employees	Percent of Total Employment	Source
Marine Corps Base, Camp Pendleton	1	70,000	4.25%	a
ViaSat	2	4,135	0.25%	b
San Marcos Unified School District	3	3,239	0.20%	c
Palomar Medical Center	4	2,906	0.18%	d
California State University San Marcos	5	2,873	0.17%	c
Vista Unified School District	6	2,568	0.16%	e
Legoland California LLC	7	2,300	0.14%	b
Escondido Union School District	8	2,077	0.13%	d
Thermo Fisher Scientific (Life Technologies)	9	1,982	0.12%	b
Palomar Community College	10	1,941	0.12%	c
Total San Diego County Labor Force		1,648,500		f

**Sources:**

- a *www.pendleton.marines.mil/Main-Menu/Introduction. Includes active duty personnel, reserve personnel, and civilian organizations.*
- b *City of Carlsbad, Annual Comprehensive Financial Report FY24*
- c *City of San Marcos, Annual Comprehensive Financial Report FY24*
- d *City of Escondido, Annual Comprehensive Financial Report FY24*
- e *City of Vista, Annual Comprehensive Financial Report FY24*
- f *State of California Employment Development Department:  
<https://www.labormarketinfo.edd.ca.gov/geography/msa/san-diego-carlsbad.html>*

**San Diego County Demographics and Economic Statistics**

Calendar Year	North San Diego County Population (a)	San Diego County Population (b)	California Population (c)	San Diego County Per Capita Personal Income (d)	California Per Capita Personal Income (e)	San Diego County Sales & Use Tax Revenues Distribution (f)	San Diego County Transportation Tax Revenues Distribution (g)	San Diego County Unemployment Rate (h)	California Unemployment Rate (h)	US Unemployment Rate (i)
2015	883,304	3,280,825	38,904,296	\$53,366	\$53,816	\$449,627,397	\$136,355,183	8.70%	6.20%	5.30%
2016	886,796	3,305,462	39,149,186	\$55,082	\$55,862	\$562,678,663	\$140,009,151	7.80%	5.50%	4.90%
2017	892,461	3,319,019	39,337,785	\$56,977	\$58,214	\$573,363,388	\$144,039,585	3.50%	4.80%	4.40%
2018	896,030	3,332,483	39,437,463	\$59,022	\$60,984	\$613,506,282	\$153,246,887	3.40%	4.30%	3.90%
2019	897,896	3,330,459	39,437,610	\$62,058	\$64,219	\$593,473,571	\$148,027,000	3.20%	4.00%	3.70%
2020	890,852	3,301,110	39,538,223	\$67,479	\$70,090	\$633,554,470	\$156,915,000	9.20%	10.10%	8.10%
2021	889,331	3,272,601	39,152,927	\$73,319	\$77,113	\$776,197,728	\$194,078,000	6.50%	7.30%	5.30%
2022	888,590	3,279,089	39,125,347	\$75,055	\$77,230	\$810,999,407	\$202,683,000	3.50%	4.30%	3.50%
2023	892,674	3,279,736	39,181,667	\$79,921	\$81,231	\$804,054,543	\$201,781,552	3.70%	4.70%	3.60%
2024	894,991	3,287,542	39,364,774	\$84,312	\$86,378	\$825,140,960	\$205,737,568	4.30%	5.30%	4.00%

a SANDAG Open Data Portal, North County East and West based on major statistical area; <https://opendata.sandag.org/>

b U.S. Census Bureau (series CASAND5POP)

c U.S. Census Bureau (series CAPOP)

d U.S. Department of Commerce Bureau of Economic Analysis (series PCPI06073)

e U.S. Department of Commerce Bureau of Economic Analysis (series CAPCPI)

f California State Board of Equalization Table 21A, <https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCityCounty>

g California State Board of Equalization Table 21B, [data;https://cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCountiesCountyTransTax](https://cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCountiesCountyTransTax)

h California Employment Development Department Annual Averages, <https://labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>

i US Bureau of Labor Statistics; <https://www.bls.gov>

## **Glossary of Terms**

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**Accessible Service:** Transit vehicles equipped with wheelchair lifts.

**Accounting System:** The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis Accounting:** Financial records are based on economic rather than cash activity. Revenues are recognized when they are earned and realized, regardless of when actual payment is received. Expenses are recognized when incurred, regardless of when such expenses are paid.

**Activity Line Item (ALI):** An ALI is a code for project scope that is used by the Federal Transit Administration (FTA) to track and report on grant activities. FTA grants budgets are developed by listing the description, ALI, and dollar amount of the projects within the grant application.

**ADA:** Americans with Disabilities Act, enacted by Congress in 1990 and subsequent amendments.

**Amtrak:** The National Railroad Passenger Corporation, doing business as Amtrak, is the national passenger railroad company of the United States. It operates inter-city rail service in 46 of the 48 contiguous U.S. states.

**Annual Budget:** A budget applicable to a single fiscal year. NCTD's fiscal year begins on July 1 and ends on June 30.

**Annual Comprehensive Financial Report (ACFR):** The official financial report of a government agency that includes an audit opinion, management discussion and analysis, basic financial statements, notes disclosures, and supplementary schedules. Previously known as Comprehensive Annual Financial Report (CAFR).

**BNSF:** BNSF is a Class I rail carrier with operating rights over tracks owned or controlled by NCTD.

**Budget Calendar:** The schedule of key dates which NCTD follows in the preparation and adoption of the budget.

**Budget Document:** The official financial spending and resource plan submitted by the Chief Executive Officer, adopted by NCTD's Board of Directors, and made available to the public and other interested parties.

**Budget Message:** A general discussion of the budget that is included as a part of the budget document.

**Budget Year:** Fiscal year for which the budget is being considered.

**CalPERS:** The California Public Employees Retirement System (CalPERS) is an agency that manages pension and health benefits for California public employees, retirees, and their families. CalPERS is the nation's largest public pension fund.

**Caltrans:** The California Department of Transportation (Caltrans) is an executive department of the state of California. Caltrans manages the state's highway system, which includes the California Freeway and Expressway System, supports public transportation systems throughout the state, and provides funding and oversight for three state-supported Amtrak intercity rail routes.

**Capital Asset:** NCTD's Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contains guidelines for defining a capital asset, generally described as a unit of rolling stock, land, a facility, a unit of equipment, an element of infrastructure, and intellectual property (including software) that has an individual unit value of \$10,000 or greater, has an expected useful life of more than one year, and can be capitalized in accordance with Generally Accepted Accounting Principles.

**CARB:** The California Air Resources Board (CARB) is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

**CIP:** The Capital Improvement Program (CIP) is a multi-year plan of capital projects with estimated costs and funding resources.

**Cash Basis Accounting:** A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CNG:** Compressed Natural Gas (CNG) is a fuel gas compressed to less than 1% of the volume it occupies at standard atmospheric pressure. The majority of the BREEZE fleet utilizes CNG as its fuel source.

**Coach:** Bus used for public mass transit.

**Constrained CIP:** Projects that NCTD has committed funding to implement.

**Contract Services:** Services provided to NCTD under contract with vendors from the private sector or other public agencies.

**Contributed Capital:** Resources that are externally restricted for the acquisition or construction of capital assets. This category includes, but is not limited to, capital grants, residual equity transfers in, and contributions from developers.

**CPI:** The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

**DBE:** A Disadvantaged Business Enterprise (DBE) is a small for-profit business where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations.

**Deficit:** The excess of an entity's expenses over its revenues.

**Department:** A sub-section of operational activities within a division which provides specific services. Also known as Business Unit.

**Depreciation:** Allocation of the costs, less salvage value, of fixed assets, including equipment, buildings, and other structures, over their useful lives in a systematic and rational manner. Depreciation reflects the use of the asset(s) during specific operating periods to match costs with related revenues in measuring income or determining the costs of carrying out program activities.

**DMU:** Self-propelled diesel multiple unit used for light or hybrid rail transit. The SPRINTER service is provided by DMUs.

**DOT:** The U.S. Department of Transportation (DOT) was established by an act of Congress on October 15, 1966, that is responsible for helping maintain and develop the nation's transportation systems and infrastructure.

**EIR:** An Environmental Impact Report (EIR) is a detailed, written analysis of all the effects that a land development or construction project would have on the local environment, such as on the air quality, noise levels, population, traffic patterns, fire danger, endangered species, archeological artifacts, and community beauty. Many states require submission of such reports to local governments, with a process for public comment, before a development or project can be approved.

**Employee Benefits:** Benefits paid in full or partially by NCTD on behalf of its employees.

**Encumbrance:** Funds not yet expended but obligated or set aside in anticipation of expenditures to be paid.

**Enterprise Fund:** In governmental accounting, a fund that provides good or service to the public for a fee that makes the entity self-supporting. It follows GAAP as does a commercial enterprise.

**ETC:** The Escondido Transit Center (ETC) is a bus and train station located in Escondido, California.

**Expenditures:** Also known as expenses. Where financial records are kept on an accrual accounting basis, expenditures are recognized when goods are received, or services are rendered. Where financial records accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

**Farebox Recovery Ratio:** Measurement of total customer fare revenues received divided by total operating costs.

**Financial Forecast:** Estimates of future revenues and expenditures to help predict the future financial condition of NCTD.

**Fiscal Year (FY):** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. NCTD's fiscal year starts on July 1 and ends on June 30.

**Fixed Asset:** Also known as capital asset. Refer to definition above.

**FRA:** The Federal Railroad Administration (FRA) was created by the Department of Transportation Act of 1966. The purpose of the FRA is to promulgate and enforce rail safety regulations, administer railroad assistance programs, conduct research and development in support of improved railroad safety and national rail transportation policy, provide for the rehabilitation of Northeast Corridor rail passenger service, and consolidate government support of rail transportation activities.

**FTA:** The Federal Transit Administration (FTA) is an agency within the United States Department of Transportation (DOT) that provides financial and technical assistance to local public transportation systems.

**FTE:** Full-time equivalent. Employee positions are budgeted for the time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year, while a 0.5 FTE would work 1,040 hours per year.

**GAO:** General Administration Office. NCTD administrative office located at 810 Mission Avenue, Oceanside, CA 92054.

**Generally Accepted Accounting Principles (GAAP):** Uniform standards for financial accounting and reporting which govern the form and content of the basic financial statements of an entity.

**GFOA:** Government Finance Officers Association. GFOA is an association comprised of federal, state/provincial, and local finance officer members. GFOA's mission is to advance excellence in state and local government financial management. GFOA best practice guidance, consulting, networking opportunities, publications including books, e-books, and periodicals, recognition programs, research, and training opportunities for those in the profession.

**Headway:** The elapsed time between the arrival of transit vehicles traveling in the same direction on a given route, usually expressed in minutes.

**Hybrid Rail (YR):** Rail system primarily operating routes on the national system of railroads, but not operating with the characteristics of commuter rail. This service typically operates light rail-type vehicles as diesel multiple-unit trains (DMUs). These trains, if they do not meet Federal Railroad Administration standards, must operate with temporal separation from freight rail traffic.

**Intermodal:** Passengers on more than one type of transportation, such as from bus to rail.

**LOSSAN:** Los Angeles-San Diego-San Luis Obispo Corridor. LOSSAN is a 351-mile Corridor that travels through a six-county coastal region in Southern California and is the second busiest intercity passenger rail corridor in the United States and the busiest state-supported Amtrak route. The LOSSAN Corridor service includes 41 stations.

**Metrolink:** The regional commuter system connecting Los Angeles with Orange County, Riverside, San Bernardino, San Diego, and Ventura Counties. Service began in October 1991.

**Mode:** A particular form of transportation identified by the vehicle used, such as bus, rail, and paratransit.

**MOW:** Maintenance of the railway right-of-way.

**MTS:** San Diego Metropolitan Transit System.

**Multimodal:** Public transportation system which provides more than mode of transit service, such as bus, rail, ferry, or demand-response service.

**NCTD:** North County Transit - San Diego Railroad.

**Net Assets:** Net assets represent the residual interest in NCTD's assets after liabilities are deducted. In accordance with GASB statement No. 34, the equity section on the statement of net assets reports total net assets in three broad components: invested in capital assets, restricted; and unrestricted. Net assets invested in capital assets included capital assets net of accumulated depreciation and related debt. Net assets are restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net assets are unrestricted. When both restricted and unrestricted resources are available for use, it is NCTD's policy to use restricted resources first and then unrestricted resources as they are needed.

**Non-revenue Vehicles:** Vehicles that do not carry fare-paying passengers.

**Operating Budget:** The operating budget is the primary means by which most of the spending and service delivery activities of NCTD are controlled.

**OTC:** The Oceanside Transit Center (OTC) is a bus and train station located in Oceanside, California.

**Paratransit:** Paratransit refers to equivalent transportation service provided by vehicles accessible to mobility devices.

**PCA:** A Personal care attendant (PCA) is someone whose services or presence is required by the customer to meet his or her personal needs or to assist in traveling.

**Performance Objective:** Relates to employee's evaluation.

**Performance Results:** A summary of major accomplishments and objectives that are met.

**Personnel:** NCTD's employees.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically during a fiscal year.

**Revenue Vehicle Hours:** Total number of schedule hours that a vehicle is in service. Excludes hours spent traveling to and from storage facilities and during other non-service travel.

**Revenue Vehicle Miles:** Total number of miles traveled by a vehicle operating on rail or tracks, bus, van, trolley, ferry, cable car, or other vehicle use to provide public transportation for which a fare is collected. Excludes miles spent traveling to and from storage facilities and during other no-service travel.

**Revenue Vehicle:** Vehicle that carries fare-paying passengers.

**Ridership:** The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

**ROW:** Right-of-way; land purchase or reserved for a transit system's route, such as a bus lane, or a railway line.

**RTIP:** The Regional Transportation Improvement Program (RTIP) is a plan required for the region to qualify for federal funding.

**RTMS:** The Regional Transit Management System (RTMS) is a radio communication system that supports the fixed-route bus transit operations.

**SANDAG:** The San Diego Association of Governments (SANDAG) is the metropolitan planning agency for the County of San Diego and is the primary public planning, transportation, and research agency of the region.

**Service Area:** A measure of access to transit service in terms of population served and area coverage (square miles). The reporting transit agency determines the service area boundaries and population for most transit services using the definitions contained in the Americans with Disabilities Act of 1990 (ADA), i.e., a corridor surrounding the routes  $\frac{3}{4}$  of a mile on either side, or for rail, a series of circles of radius  $\frac{3}{4}$  mile centered on each station.

**Service Efficiency:** Cost savings that are generated due to more efficient scheduling of routes.

**Single Audit:** Previously known as the OMB Circular A-133 audit, is an organization-wide financial statement and federal awards' audit of a non-federal entity that expends \$750,000 or more in federal funds in one year.

**STIP:** The State Transportation Improvement Program (STIP) is a multi-year capital improvement program of transportation projects on and off the State Highway System.

**TCRP:** The Traffic Congestion Relief Program (TCRP) was created by California's legislature in 2000 to provide funding for transportation projects that improve traffic mobility and relieve congestion, connect transportation systems, and provide for better goods movement.

**TDA:** The Transportation Development Act (TDA) was enacted in 1971 by the California legislature to provide a major source of funding for public transportation. These funds are generated by a  $\frac{1}{4}$  of a percent sales tax collected in each region of the state and allocated to each county based on population, taxable sales, and transit performance.

**Temporary Employees:** Employees who work full or part-time but only for a limited period for the completion of a set task. These people are not entitled to receive any benefits and do not have any job security rights.

**TOPR:** The Transit Operations Performance Report (TOPR) is a monthly and quarterly report produced by NCTD staff that provides a report on key performance indicators.

**TransNet:** A funding source created by Proposition A, the  $\frac{1}{2}$  cent sales tax enacted in November 1987. A 40-year extension of TransNet was approved by voters in November 2004.

**TVM:** A ticket vending machine (TVM) is a vending machine that produces paper or electronic tickets, or recharges stored value on a transit card.

**Unconstrained CIP:** The total amount of funding needed to implement all approved projects.

**VTC:** The Vista Transit Center (OTC) is a bus and train station located in Vista, California.

**YOP:** The Youth Opportunity Pass (YOP) program grants unlimited free access to San Diego public transportation for all riders under the age of 18.

# ATTACHMENT 15D

## North County Transit - San Diego Railroad FY 2027 CLASSIFICATION SALARY RANGE TABLE (July 1, 2026 - June 30, 2027)

Class No	POSITION CLASSIFICATIONS	HOURLY SALARY RANGE			ANNUAL SALARY RANGES		
		Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
<b>RB01</b>	<b>CLASS SALARY RANGE</b> .....	\$18.57	\$23.12	\$27.68	\$38,616.76	\$48,094.42	\$57,572.08
	Control Center Technician						
	Facility Maintenance Technician I						
	Facility Custodian						
	Facilities Technician I (Bus Ops)						
	Reservationist						
	Train Attendant (SPRINTER Ops)						
<b>RB02</b>	<b>CLASS SALARY RANGE</b> .....	\$22.01	\$27.52	\$33.02	\$45,790.60	\$57,232.47	\$68,674.33
	Code Compliance Inspector						
	Facility Maintenance Technician I Lead						
	Fleet Servicer						
	Inventory Clerk						
	Maintenance Clerk						
<b>RB03</b>	<b>CLASS SALARY RANGE</b> .....	\$24.66	\$31.23	\$37.80	\$51,283.06	\$64,953.39	\$78,623.72
	Coach Operator						
	Demand Response Dispatcher						
	Demand Response Driver						
	Facility Maintenance Technician II						
	Facilities Technician II (Bus Ops)						
	Train Operator (SPRINTER Ops)						
<b>RB04</b>	<b>CLASS SALARY RANGE</b> .....	\$30.77	\$38.46	\$46.15	\$63,993.49	\$79,991.86	\$95,990.23
	Assistant Dispatcher						
	Assistant Signal Maintainer						
	Conductor (COASTER)						
	Facility Maintenance Technician III						
	Facility Maintenance Technician III Lead						
	Facilities Technician III (Bus Ops)						
	Fleet Technician II						
	Heavy Equipment Operator I						
	Material Handler/Driver						
	MOE Technician (COASTER)						
	MOE Technician (SPRINTER)						
	Operations Control Supervisor						
	Overhaul and Repair Mechanic						
	Road Supervisor / Dispatch Supervisor						
	Track Maintainer						
	Track Maintainer Foreman						
<b>RB05</b>	<b>CLASS SALARY RANGE</b> .....	\$37.31	\$48.49	\$59.68	\$77,596.69	\$100,860.99	\$124,125.30
	Body Technician III						
	Electronics Technician						
	Equipment Operator Foreman						
	Fleet Technician III						
	Heavy Equipment Operator II						
	Locomotive Engineer (COASTER)						
	Rail Systems & Communications Technician						
	Signal Inspector						
	Signal Maintainer						
	Track Inspector						
	Track Welder						
	Train Dispatcher						

# ATTACHMENT 15E

## North County Transit - San Diego Railroad FY 2027 CLASSIFICATION SALARY RANGE TABLE (July 1, 2026 - June 30, 2027)

Class No	POSITION CLASSIFICATIONS	HOURLY SALARY RANGE			ANNUAL SALARY RANGES		
		Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
A01	CLASS SALARY RANGE..... Intern	\$16.90	\$20.28	\$23.66	\$35,152.00	\$42,182.40	\$49,212.59
A02	CLASS SALARY RANGE..... Receptionist	\$18.28	\$21.94	\$25.59	\$38,024.00	\$45,628.75	\$53,233.58
B01	CLASS SALARY RANGE..... Customer Experience Assistant	\$18.57	\$23.12	\$27.68	\$38,616.76	\$48,094.38	\$57,572.08
B02	CLASS SALARY RANGE..... Accounting Technician I Administrative Assistant Eligibility and Administrative Coordinator Fare Revenue Specialist Human Resources Coordinator Payroll Assistant Senior Customer Experience Assistant	\$22.01	\$27.52	\$33.02	\$45,790.60	\$57,232.45	\$68,674.33
B03	CLASS SALARY RANGE..... Accounting Technician II Document Control Coordinator Grants Analyst Paratransit Scheduler Payroll Specialist I Senior Administrative Assistant Transit Clerk	\$24.66	\$31.23	\$37.80	\$51,283.06	\$64,953.41	\$78,623.72
B04	CLASS SALARY RANGE..... Help Desk Administrator I Information Technology Technician I Payroll Specialist II	\$30.77	\$38.46	\$46.15	\$63,993.49	\$79,991.81	\$95,990.23
B05	CLASS SALARY RANGE..... Help Desk Administrator II Information Technology Technician II	\$37.31	\$48.49	\$59.68	\$77,596.69	\$100,861.07	\$124,125.30
C01	CLASS SALARY RANGE..... Asset Administrator I Graphic Communication Designer Human Resources Specialist Information Technology Project Coordinator Management Analyst I Operations Instructor Planner Quality Control Supervisor Real Estate Administrator Staff Accountant	\$33.80	\$39.80	\$45.80	\$70,304.00	\$82,783.02	\$95,262.03
C02	CLASS SALARY RANGE..... Administrative Analyst Associate Project Manager Engineering Technician I Grants Coordinator/Government Affairs Officer IT Software Training Specialist Marketing & Communications Associate I Procurement Contracting Officer Quality Assurance/Quality Control Specialist Senior Accountant I Senior Planner Senior Quality Control Supervisor Senior Real Estate Administrator Senior Right of Way Coordinator Systems Engineer I	\$33.80	\$41.52	\$49.25	\$70,304.00	\$86,368.86	\$102,433.71

**North County Transit - San Diego Railroad**  
**FY 2027 CLASSIFICATION SALARY RANGE TABLE**  
**(July 1, 2026 - June 30, 2027)**

Class No	POSITION CLASSIFICATIONS	HOURLY SALARY RANGE			ANNUAL SALARY RANGES		
		Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
<b>C03</b>	<b>CLASS SALARY RANGE</b> .....	\$38.35	\$49.01	\$59.68	\$79,771.19	\$101,948.25	\$124,125.30
	Asset Administrator II						
	Engineering Technician II						
	Executive Assistant/Deputy Clerk						
	Field Safety Specialist						
	General Services Supervisor						
	Human Resources Business Partner						
	Labor Relations Specialist						
	Maintenance Supervisor						
	Management Analyst II						
	Operations Supervisor (All)						
	Project Analyst						
	Recruiter						
	Senior Accountant II						
	Senior Financial Analyst						
	Senior Graphic Communications Designer						
	Senior Marketing and Communications Associate						
	Senior Procurement Contracting Officer						
	Senior Strategic Planner						
	System Safety & Compliance Inspector						
	Systems Engineer II						
	Training Analyst						
<b>C04</b>	<b>CLASS SALARY RANGE</b> .....	\$39.76	\$53.16	\$66.56	\$82,706.06	\$110,576.34	\$138,446.61
	Business Intelligence Analyst						
	Paralegal						
	Principal Contracting Officer						
	Senior Human Resources Business Partner						
	Senior Operations Instructor						
	Senior Project Analyst						
	Senior Systems Engineer I						
	Senior Trainer						
	Senior Training Analyst						
	Technical Trainer						
	Telecommunications Engineer						
	Transit On-Boards Systems Technician						
<b>C05</b>	<b>CLASS SALARY RANGE</b> .....	\$46.79	\$64.19	\$81.59	\$97,314.24	\$133,514.69	\$169,715.14
	Architect I						
	Civil Engineer I						
	Drug & Alcohol Program Administrator						
	Facilities Engineer						
	Program Manager						
	Project Manager						
	Rail Structures Engineer						
	Safety Trainer						
	Senior Network Engineer						
	Senior Quality Control Supervisor - Signals						
	Senior Systems Engineer II						
	Supervisor of Rail Operations						
	Supervisor, Maintenance of Equipment						
	System Safety Specialist (All)						
<b>C06</b>	<b>CLASS SALARY RANGE</b> .....	\$58.69	\$76.29	\$93.90	\$122,073.10	\$158,692.82	\$195,312.53
	Architect II						
	Civil Engineer II						
	Program Network Operations Manager						
	Senior Rail Engineer						
	Senior Systems Engineer III						
<b>D01</b>	<b>CLASS SALARY RANGE</b> .....	\$42.70	\$57.27	\$71.84	\$88,807.40	\$119,121.62	\$149,435.83
	Maintenance of Way Supervisor						
	Manager (All)						
	Principal Management Analyst						

**North County Transit - San Diego Railroad**  
**FY 2027 CLASSIFICATION SALARY RANGE TABLE**  
**(July 1, 2026 - June 30, 2027)**

Class No	POSITION CLASSIFICATIONS	HOURLY SALARY RANGE			ANNUAL SALARY RANGES		
		Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
D02	<b>CLASS SALARY RANGE</b> ..... Senior Manager ( All)	\$58.69	\$76.29	\$93.90	\$122,073.10	\$158,692.82	\$195,312.53
D03	<b>CLASS SALARY RANGE</b> ..... Controller Director (All) Staff Attorney (All)	\$66.10	\$86.85	\$107.60	\$137,496.88	\$180,648.46	\$223,800.04
E01	<b>CLASS SALARY RANGE</b> ..... Deputy Chief (All) Senior Legal Counsel	\$73.53	\$97.41	\$121.29	\$152,940.91	\$202,614.86	\$252,288.81
E02	<b>CLASS SALARY RANGE</b> ..... Chief Development Officer Chief Financial Officer Chief Operating Officer Deputy General Counsel	\$101.41	\$126.76	\$152.12	\$210,935.78	\$263,669.72	\$316,403.66
E03	<b>CLASS SALARY RANGE</b> ..... Deputy Chief Executive Officer	\$109.85	\$140.60	\$171.35	\$228,481.75	\$292,441.78	\$356,401.81
BOARD -GC	<b>CLASS SALARY RANGE</b> ..... Deputy Chief Executive Officer /Chief General Counsel	\$104.70	\$142.10	\$179.51	\$217,780.87	\$295,577.10	\$373,373.32
BOARD-CEO	<b>CLASS SALARY RANGE</b> ..... Chief Executive Officer	\$135.99	\$176.78	\$217.58	\$282,851.21	\$367,708.79	\$452,566.36



**BOARD APPROVED COST RECOVERY FEE SCHEDULE**  
Fiscal Year 2027

**Permit Cost Recovery Schedule (One Time)**

<b>Right-of-Entry Permit</b>	Actual Cost *
<b>Right-of-Entry Permit Amendment/Extension</b>	Actual Cost *
<b>Special Event Permit</b>	Actual Cost *
<b>Plan/Work Plan Review Process (hourly rate):</b>	
Submittal Review	Actual Cost *

**Right-of-Way Support Services**

<b>Contractor Safety Training (Roadway Worker Protection):</b>	
Class per participant	\$183.36
<b>Flagging Protection (prevailing wage projects)</b>	
Hourly rate	\$179.33
Overtime rate	\$208.07
Double time rate	\$236.82
<b>Flagging Protection (none prevailing wage projects)</b>	
Hourly rate	\$149.87
Overtime rate	\$228.80
Signal Mark-Out/Signal Support/Track Inspection	Actual Cost *
<b>Maintenance/Repair Work</b>	Actual Cost *

**Incidental Use Fees**

**Set-Up and Administration**

Incidental Use Viability, Negotiations & License Set-Up Fee (One-Time)	\$1,800
Administration Fee (Recurring Annually)	\$228

**Incidental Use Fees (Recurring Annually)**

Standard Transverse Wireline Crossing (Electric, Telephone, CATV)	\$2,400
Telecommunication Fiber Optic Cable (0 - 432 strands)	\$5,400
Telecommunication Fiber Optic Cable (>432 strands)	\$12.50/strand per cable
Pipeline Utility Crossing (Sewer/Water/Storm Drain)	
<0"-10" diameter	\$1,740
>10"-24" diameter	\$2,280
>24"-30" diameter	\$3,000
>30"-42" diameter	\$4,200
>42"-52" diameter	\$5,400
>52" diameter	Case by Case
<b>Longitudinal Installations</b>	
Standard Wireline (Electric, Telephone, CATV) (≤ 200 feet in length)	\$2,400
Standard Wireline (Electric, Telephone, CATV) (> 200 feet in length)	\$12/linear foot
Pipeline Utility (Sewer/Water/Storm Drain)	
<0"-10" diameter (≤ 200 feet in length)	\$1,740
<0"-10" diameter (> 200 feet in length)	\$8.70/linear foot
>10"-24" diameter (≤ 200 feet in length)	\$2,280
>10"-24" diameter (> 200 feet in length)	\$11.40/linear foot
>24"-30" diameter (≤ 200 feet in length)	\$3,000
>24"-30" diameter (> 200 feet in length)	\$15.00/linear foot
>30"-42" diameter (≤ 200 feet in length)	\$4,200
>30"-42" diameter (> 200 feet in length)	\$21.00/linear foot
>42"-52" diameter (≤ 200 feet in length)	\$5,400
>42"-52" diameter (> 200 feet in length)	\$27.00/linear foot
>52" diameter	Case by Case

**Incidental Use Fees (One-Time)**

Guy wires, arms, brackets and service drops	\$600
Cabinets and other permanent structures	Fair Market Value

\* Actual cost is generated from NCTD labor time applied to a specific process at a fully burdened hourly rate, plus costs incurred by NCTD directly related to the requested activity. Fully burdened hourly rates applied by NCTD include the base compensation of NCTD staff that are engaged in the requested activity, plus the associated employee benefits incurred by NCTD for that staff member such as payroll taxes, medical benefits, retirement plans, etc.



# Service Implementation Plan

FY2027

*Presented June 2026*

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# Introduction

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# Background

The Service Implementation Plan (SIP) outlines North County Transit District, operating as North County Transit – San Diego Railroad (NCTD) plans to provide multimodal transit services over the next five (5) years. The SIP is a requirement under the Master Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) and is used to inform NCTD’s annual operating budget.

The SIP development process consists of the compilation and review of historic service levels, ridership, and studies that outline capital and operating investments for the District. Planning coordinates with Finance, Bus Operations, and Rail Operations to review and develop the assumptions. Finance staff calculates the costs associated with the proposed services. The costs are then included in the proposed NCTD annual operating budget for Board approval.

## Key Assumptions

NCTD uses conservative estimates to forecast ridership. The conservative projection is consistent with Board Policy No. 17 - Budget Development, which requires staff to conservatively estimate revenues and expenses. The conservative forecast allows NCTD to stress test and confirm that the budget for the upcoming fiscal year will be balanced under the assumed worst-case scenario.

Ridership estimates for the FY2027 SIP are based on observed mode-specific ridership trends. Both year-over-year (YOY) ridership changes and anticipated service levels for each mode factor into projections. Miles and hours projections are based primarily on scheduled daily service, while service statistics for on-demand modes, such as LIFT and NCTD+, are based on projected ridership. Absolute work windows, holidays, and special events are also considered in both service and ridership projections. Other factors—such as uncertain funding projections, changing travel patterns, station redevelopment efforts, and evolving land use and development patterns—influence the phasing of proposed service changes.



# Strategic Priorities

Uncertain funding projections at all levels of government, coupled with decreasing sales tax revenues, pose significant challenges in projecting future service levels. Should the current forecast continue without the introduction of a new funding source, NCTD will likely need to reduce service levels in future years. This service reduction may impact all NCTD modes. With this uncertainty in mind, the FY2027 Service Implementation Plan has been developed to support strategic investments that can be implemented over a five-year period. These strategic investments aim to increase ridership and address capital priority needs while being mindful of the constrained resource environment. Key strategic service priorities that are relevant to the five-year horizon of the Service Implementation Plan include:

- **Maintain existing service levels across all modes during the FY2027 - FY2031 planning horizon**
- **Continue monitoring system performance and evaluating opportunities for service adjustments that improve customer experience and system efficiency in a cost-effective manner.**
- **Implement future NCTD+ zones contingent upon operational conditions and available funding**
- **Complete the planned Convention Center COASTER Station in FY2029 without increasing total daily COASTER trips**



# FY2026 Service Statistics & Ridership



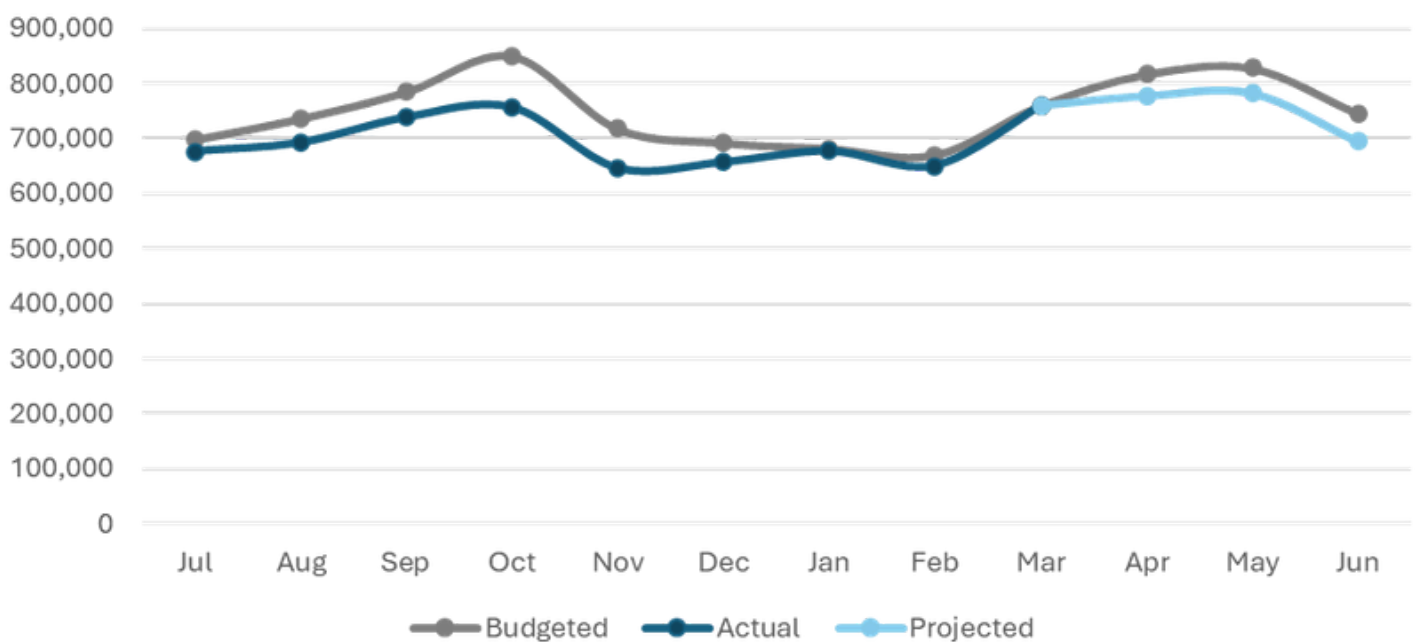
# System Summary

Service statistics and ridership projections are reviewed each budget cycle to reflect actual performance and assess the accuracy of previous forecasts. The FY2026 SIP, developed in spring 2025, projected a 4.9% increase in systemwide ridership driven by the transition to in-house bus operations, continued benefits from the Youth Opportunity Pass program and special event service, and planned service initiatives, including the implementation of the Fallbrook-Pala NCTD+ zone. As shown in **Figure 1**, systemwide ridership throughout FY2026 has generally remained below budgeted projections, and total FY2026 ridership is currently estimated to be approximately 5.3% lower than originally budgeted for the year. While ridership continued to recover in FY2026, growth was lower than initially projected, with systemwide ridership currently estimated to increase approximately 0.1% over FY2025 levels.

During FY2026, NCTD implemented several service adjustments to improve system efficiency and align service levels with demand, including the discontinuation of FLEX Routes 471, 472, and 478, as well as BREEZE Route 323 due to low performance. In addition, implementation of the Fallbrook-Pala NCTD+ zone was deferred due to operational capacity constraints and fiscal considerations and remains contingent upon receipt of external funding through SANDAG's Flexible Fleets program. FY2027 service levels and ridership forecasts by mode are summarized in **Table 1**.

For FY2027, NCTD anticipates systemwide ridership growth to stabilize, with a projected increase of approximately 1.5%.

**Figure 1.** Systemwide Monthly Ridership, FY2026



**Table 1. Projected Ridership & Operating Statistics, FY2027**

Mode/Metric	Ridership	Revenue Miles	Total Miles	Revenue Hours	Total Hours
<b>BREEZE</b>	5,603,693	4,875,785	5,755,046	421,175	457,592
<b>SPRINTER</b>	1,671,683	518,926	521,147	23,588	23,742
<b>COASTER</b>	1,080,628	407,220	424,586	12,737	13,645
<b>LIFT</b>	115,147	871,853	939,038	49,558	54,044
<b>FLEX</b>	111,682	344,416	441,931	20,104	24,023
<b>NCTD+</b>	46,897	134,527	180,977	12,695	16,628
<b>System Total</b>	8,629,730	7,152,727	8,262,725	539,857	589,674

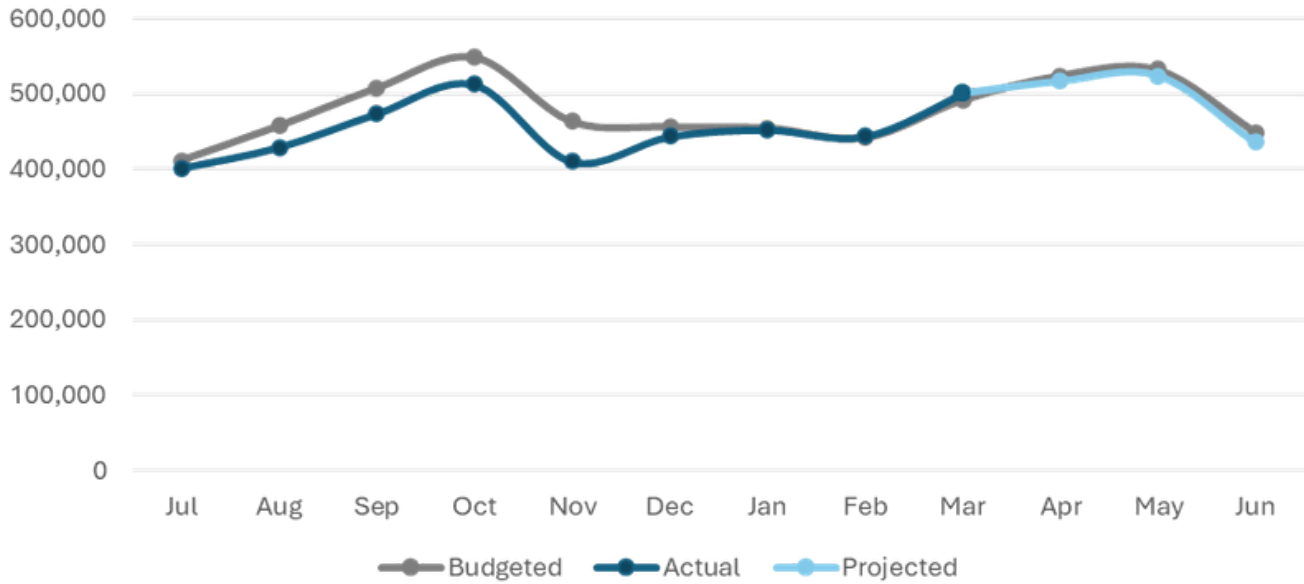
## BREEZE

BREEZE service changes outlined in the FY2026 SIP included the planned reintroduction of BREEZE 408 special event service and continued ridership growth associated with customer-focused service improvements. The FY2026 SIP projected a 4.4% increase in ridership, from approximately 5.5 million boardings in FY2025 to 5.7 million boardings in FY2026.



However, the reintroduction of BREEZE 408 was deferred due to operational and fiscal constraints. At the end of FY2025, NCTD discontinued BREEZE Routes 334 and 444 due to low performance and replaced Route 334 with NCTD+ service in Vista. During FY2026, NCTD also discontinued BREEZE Route 323 and rerouted BREEZE Routes 311, 313, and 325 to serve portions of the former Route 323 corridor and provide new connections within the region. As shown in **Figure 2**, actual FY2026 ridership growth has been lower than originally anticipated, with the FY2026 ridership projected to be 3.3% below the budgeted ridership for the year. Given ongoing fiscal uncertainty, no major BREEZE service expansions are currently planned for FY2027.

Figure 2. BREEZE Monthly Ridership, FY2026



As detailed in **Table 2** and shown in **Figure 3**, FY2027 ridership is projected to increase modestly by approximately 1.1% to 5.6 million boardings, reflecting stabilized service levels and anticipated year-over-year transit ridership growth trends.

Figure 3. BREEZE Actual & Projected Ridership, FY25-FY27

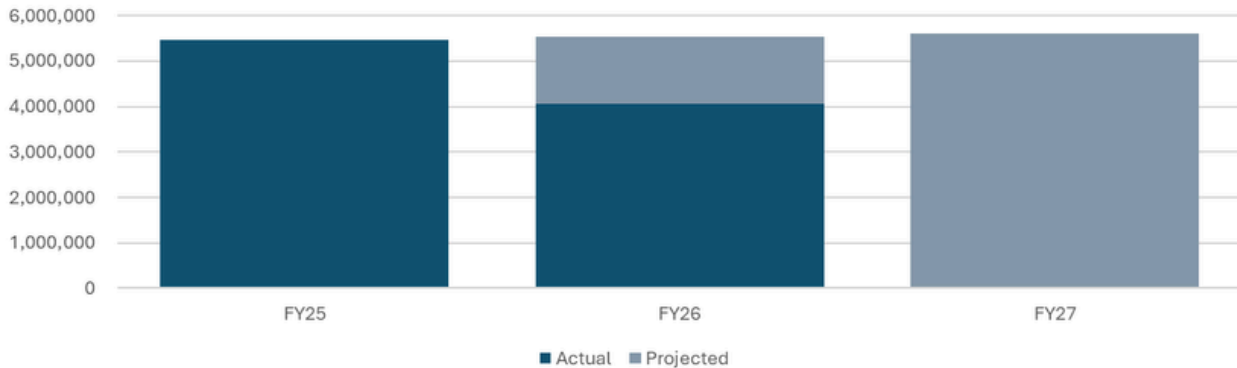


Table 2. BREEZE Ridership & Operating Statistics, FY25-FY27

BREEZE	FY25 Actuals	FY26 Actuals & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
<b>Total Ridership</b>	5,458,166	5,543,623	5,603,693	2.7%	1.1%
<b>Total Revenue Miles</b>	5,050,027	5,009,050	4,875,785	-3.5%	-2.7%
<b>Total Miles</b>	5,866,238	5,812,044	5,755,046	-1.9%	-1.0%
<b>Total Revenue Hours</b>	430,969	428,537	421,175	-2.3%	-1.7%
<b>Total Hours</b>	465,290	460,445	457,592	-1.7%	-0.6%

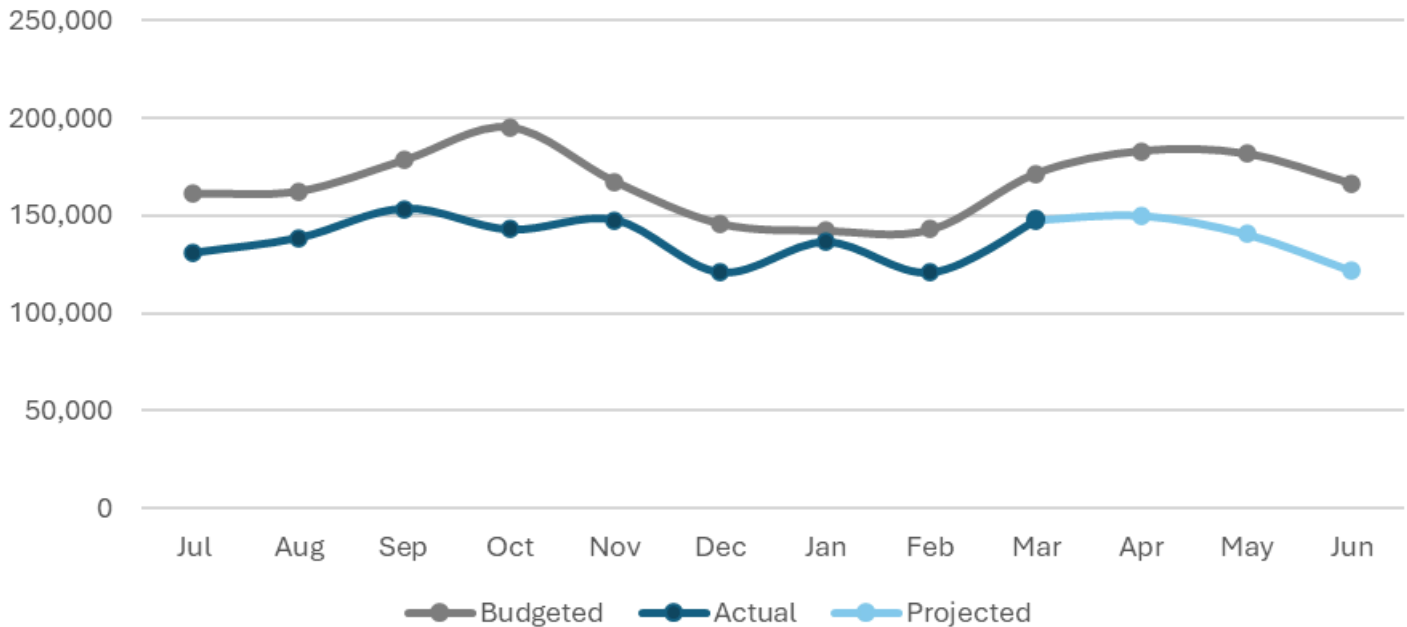
# SPRINTER

The FY2026 SIP projected continued ridership growth on SPRINTER, with ridership anticipated to increase by approximately 4% in FY2026. However, beginning in FY2026, NCTD implemented updates to its ridership reporting methodology, resulting in a one-time reduction in reported ridership compared to both FY2025 actual ridership and the ridership projections originally budgeted for FY2026, which did not anticipate the methodology change.



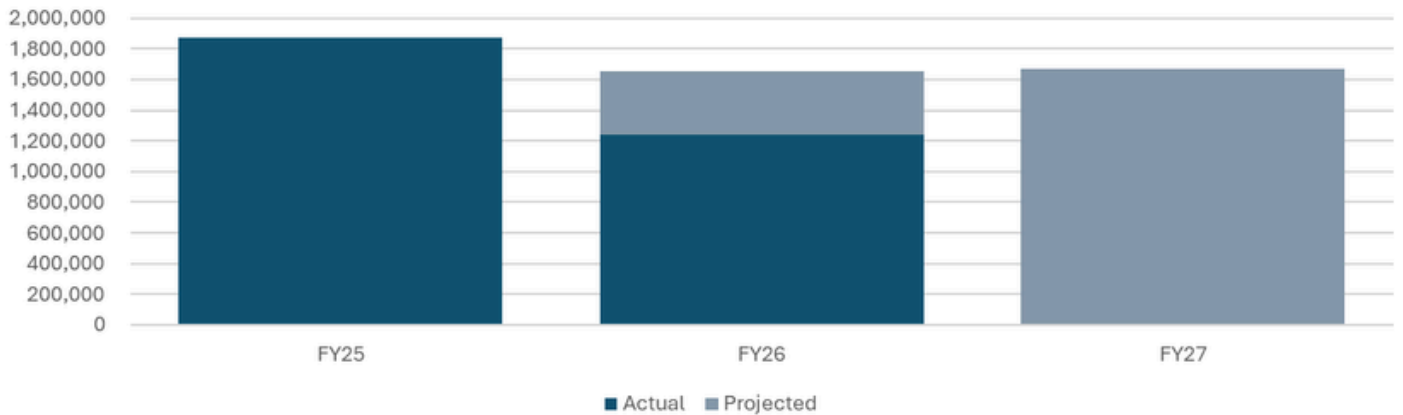
As a result of this change, and as evidenced in **Figure 4**, monthly FY2026 ridership has remained below budgeted projections. However, FY2026 ridership will serve as the new baseline for future reporting.

**Figure 4.** SPRINTER Monthly Ridership, FY2026



No major SPRINTER service changes were implemented during FY2026, and service levels are expected to remain consistent moving forward. FY2027 ridership projections are, therefore, based on the revised reporting methodology established in FY2026. As illustrated in **Figure 5** and detailed in **Table 3**, SPRINTER ridership is projected to increase modestly by approximately 1.2% in FY2027 compared to projected FY2026 levels.

**Figure 5. SPRINTER Actual & Projected Ridership, FY25-FY27**



**Table 3. SPRINTER Ridership & Operating Statistics, FY25-FY27**

SPRINTER	FY25 Actuals	FY26 Actuals & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
<b>Total Ridership</b>	1,876,403	1,652,666	1,671,683	-10.9%	1.2%
<b>Total Revenue Miles</b>	501,642	518,835	518,926	3.4%	0.0%
<b>Total Miles</b>	504,792	514,299	521,147	3.2%	1.3%
<b>Total Revenue Hours</b>	22,808	23,308	23,588	3.4%	1.2%
<b>Total Hours</b>	22,984	23,461	23,742	3.3%	1.2%

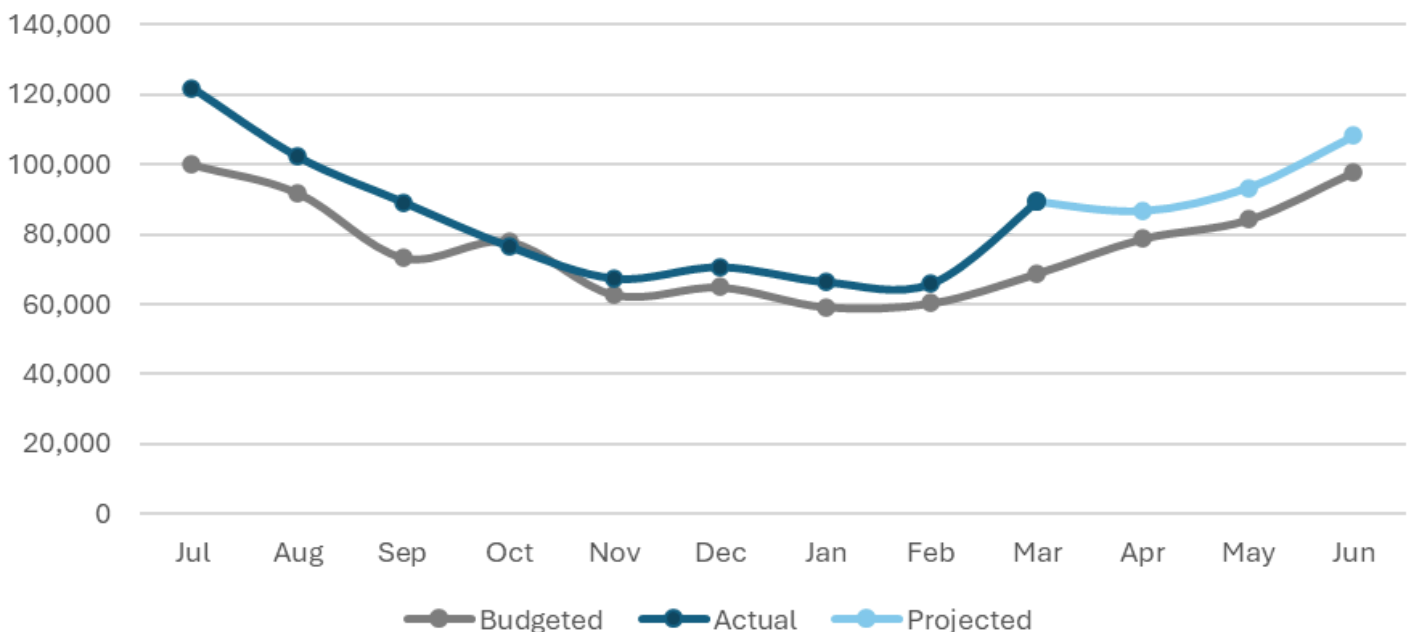
# COASTER

Year-to-date ridership on COASTER has increased significantly compared to the previous fiscal year, exceeding the growth projected in the FY2026 SIP. The FY2026 SIP projected over 900,000 boardings in FY2026; however, current estimates indicate ridership will exceed 1 million boardings, representing an approximately 11.9% increase compared to FY2025.



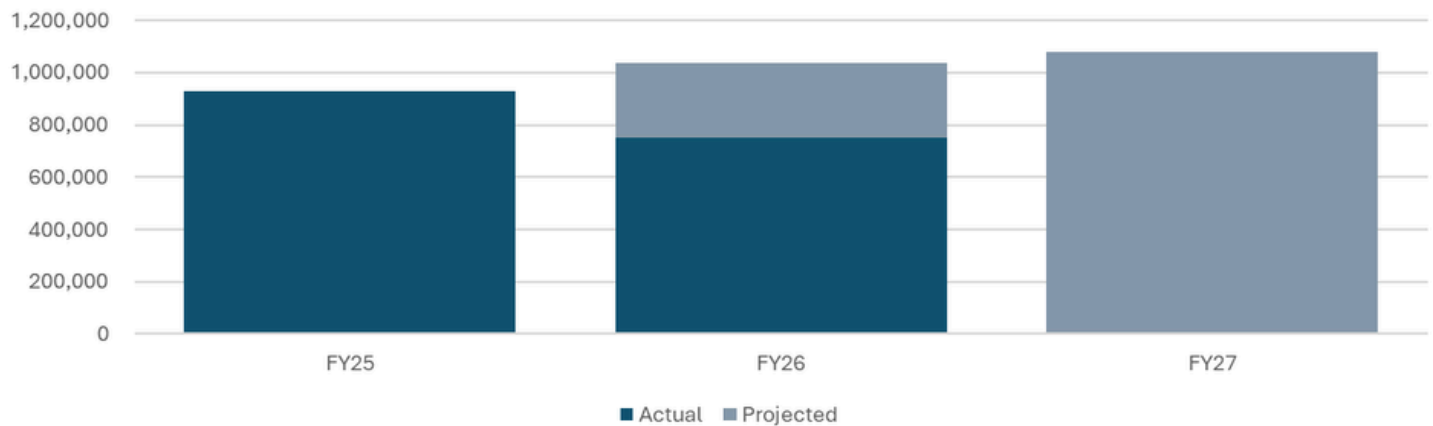
As shown in **Figure 6**, monthly COASTER ridership has generally exceeded budgeted goals throughout FY2026, with the exception of October, which may be partially attributed to an additional Absolute Work Window (AWW) day compared to the previous year. Continued demand associated with Padres games and other regional events has also contributed to increased ridership. In October 2025, NCTD implemented a COASTER schedule adjustment that redistributed trips throughout the day to better align service with evolving travel demand patterns while maintaining the same overall number of trips operated.

Figure 6. COASTER Monthly Ridership, FY2026



As illustrated in **Figure 7** and detailed in **Table 4**, COASTER ridership is projected to continue increasing in FY2027, from a projected 1.03 million boardings in FY2026 to a projected 1.08 million boardings in FY2027, representing an estimated increase of approximately 4.1%. Due to ongoing fiscal uncertainty, no major COASTER service expansions are currently planned for FY2027.

**Figure 7. COASTER Actual & Projected Ridership, FY25-FY27**



**Table 4. COASTER Ridership & Operating Statistics, FY25-FY27**

COASTER	FY25 Actuals	FY26 Actuals & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
<b>Total Ridership</b>	927,557	1,037,616	1,080,628	16.5%	4.1%
<b>Total Revenue Miles</b>	397,260	403,087	407,220	2.5%	1.0%
<b>Total Miles</b>	422,669	422,056	424,586	0.5%	0.6%
<b>Total Revenue Hours</b>	12,199	12,577	12,737	4.4%	1.3%
<b>Total Hours</b>	13,588	13,579	13,645	0.4%	0.5%

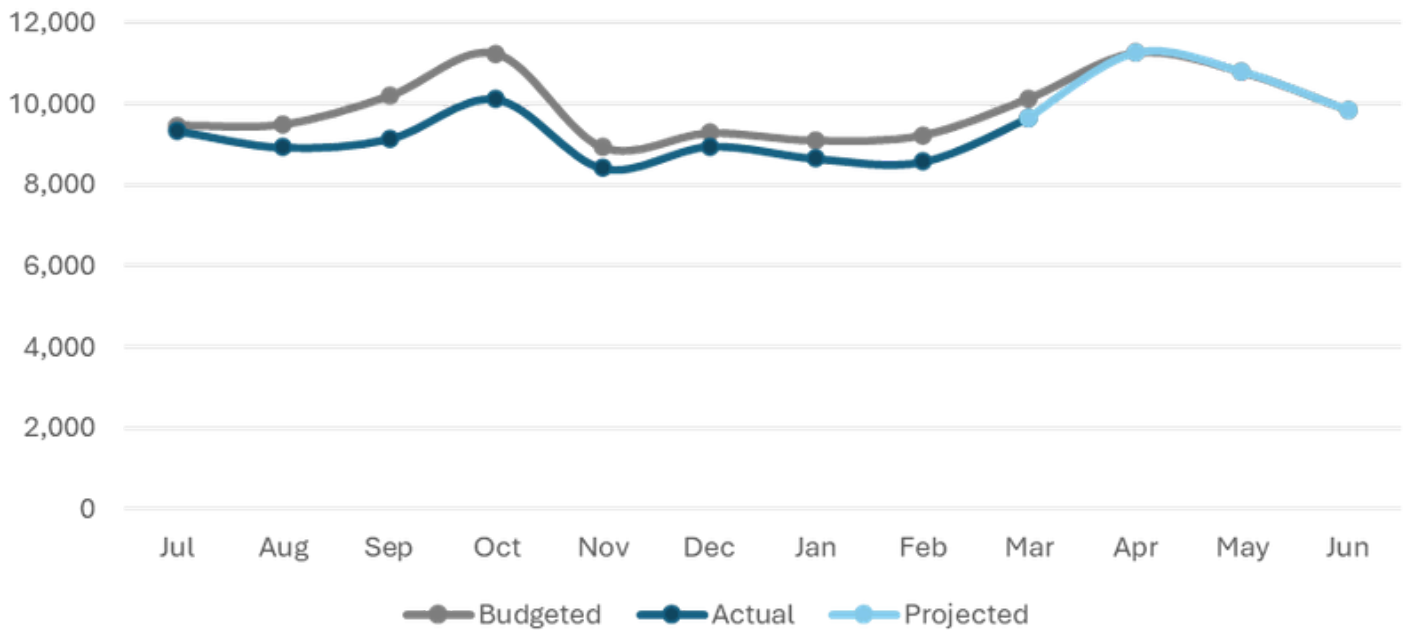
# LIFT

The FY2026 SIP projected a 2.7% increase in LIFT ridership based on the significant ridership growth experienced between FY2024 and FY2025, during which ridership increased approximately 9.9% year-over-year. As shown in **Figure 8**, actual FY2026 ridership growth has been lower than originally anticipated, and monthly ridership has generally remained below budgeted goals throughout the year.



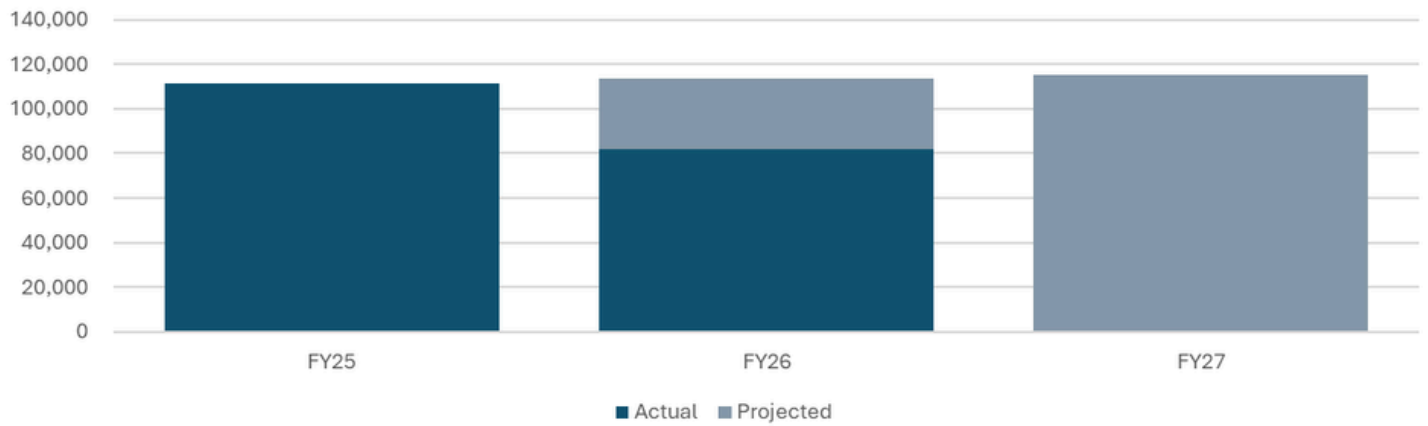
FY2026 ridership is currently projected to increase approximately 2.2% over FY2025 levels, reaching an estimated 113,000 boardings.

**Figure 8.** LIFT Monthly Ridership, FY2026



As illustrated in **Figure 9** and detailed in **Table 5**, LIFT ridership growth is expected to stabilize in FY2027, with boardings projected to increase approximately 1.4%, from a projected 113,000 boardings in FY2026 to 115,000 boardings in FY2027.

**Figure 9. LIFT Actual & Projected Ridership, FY25-FY27**



**Table 5. LIFT Ridership & Operating Statistics, FY25-FY27**

LIFT	FY25 Actuals	FY26 Actuals & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
<b>Total Ridership</b>	111,204	113,610	115,147	3.5%	1.4%
<b>Total Revenue Miles</b>	938,401	826,398	871,853	-7.1%	5.5%
<b>Total Miles</b>	1,019,494	890,147	939,038	-7.9%	5.5%
<b>Total Revenue Hours</b>	54,739	46,971	49,558	-9.5%	5.5%
<b>Total Hours</b>	61,558	51,225	54,044	-12.2%	5.5%

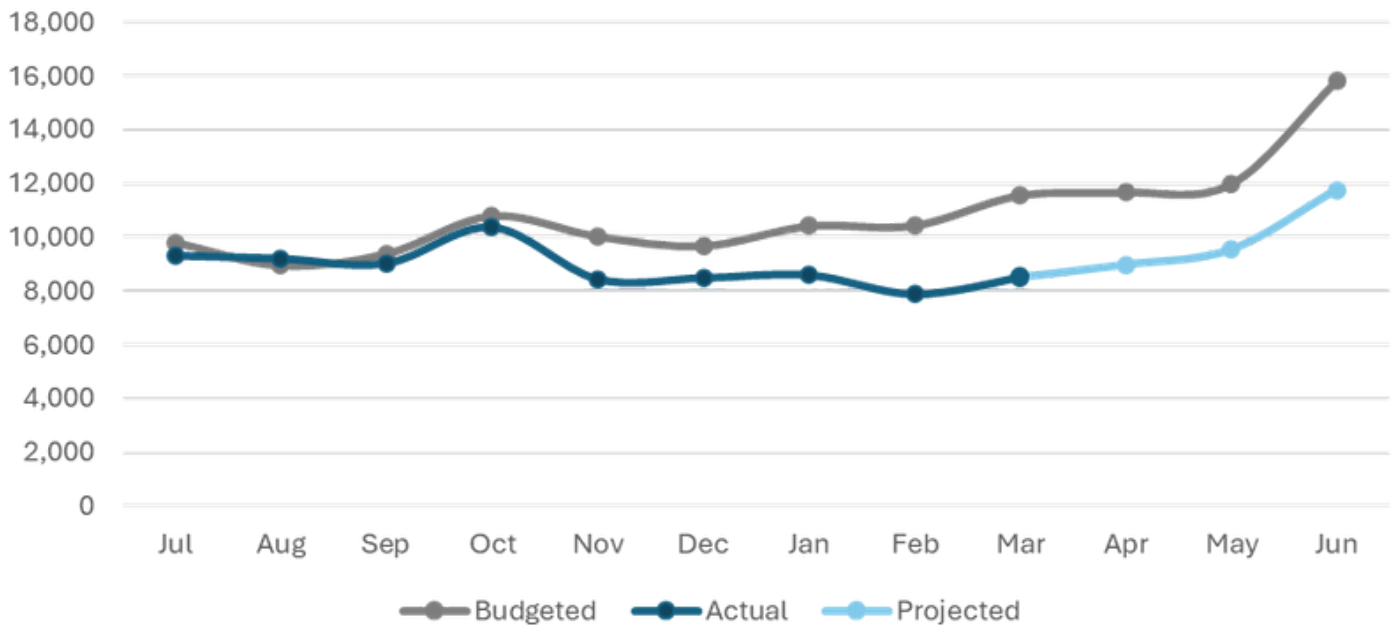
# FLEX

The FY2026 SIP projected continued strong growth in FLEX ridership, including a projected 29.4% increase in FY2026 associated with the inclusion of COASTER and FLEX services in University of California, San Diego’s (UCSD) U-Pass Program and continued demand for COASTER Connection services. As shown in **Figure 10**, actual FY2026 ridership growth has been lower than originally anticipated, and monthly ridership has generally remained below budgeted goals throughout the year.



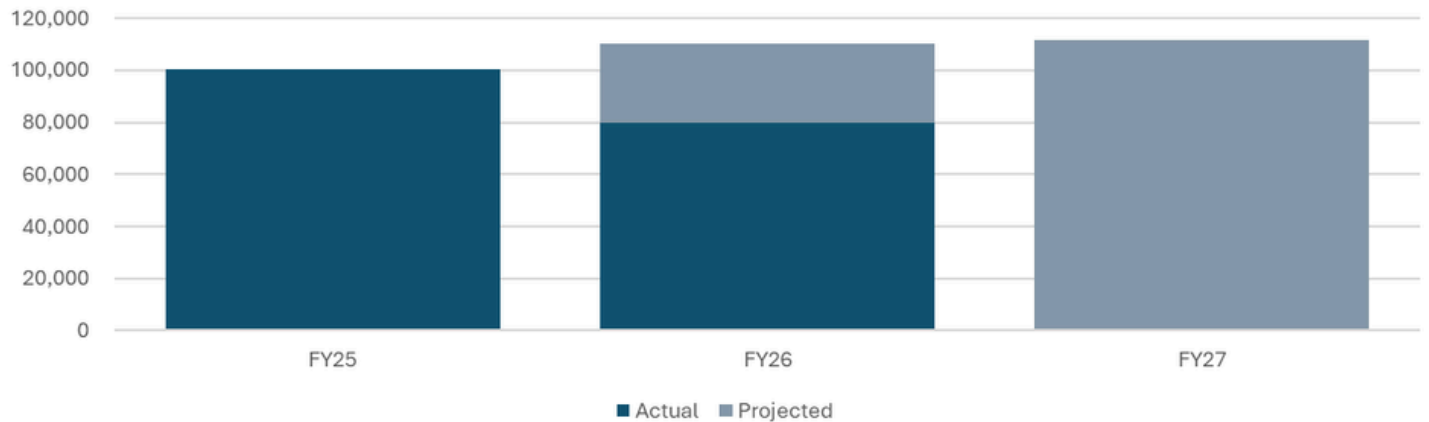
FLEX ridership is currently projected to increase approximately 9.7% compared to actual FY2025 ridership. In February 2026, NCTD discontinued FLEX Routes 471, 472, and 478 due to low performance. While these service changes are expected to slow future ridership growth, overall FLEX ridership is still projected to increase.

**Figure 10.** FLEX Monthly Ridership, FY2026



Due to ongoing fiscal uncertainty, no major FLEX service expansions are currently planned for FY2027. As illustrated in **Figure 11** and detailed in **Table 6**, FY2027 ridership is projected to increase approximately 1.5%, from just over 110,000 boardings in FY2026 to nearly 112,000 boardings in FY2027.

**Figure 11. FLEX Actual & Projected Ridership, FY25-FY27**



**Table 6. FLEX Ridership & Operating Statistics, FY25-FY27**

FLEX	FY25 Actuals	FY26 Actuals & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
<b>Total Ridership</b>	100,309	110,017	111,682	11.3%	1.5%
<b>Total Revenue Miles</b>	381,383	362,496	344,416	-9.7%	-5.0%
<b>Total Miles</b>	473,179	454,565	441,931	-6.6%	-2.8%
<b>Total Revenue Hours</b>	26,562	24,207	20,104	-24.3%	-16.9%
<b>Total Hours</b>	30,750	28,359	24,023	-21.9%	-15.3%

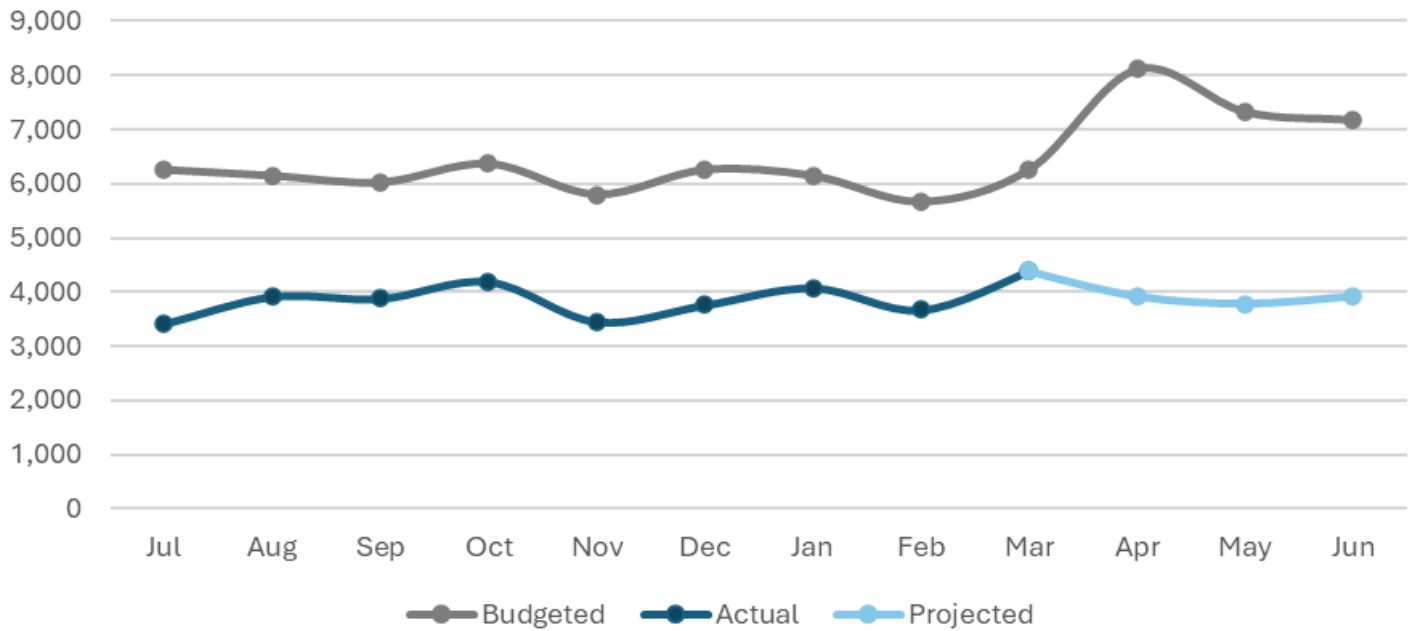
# NCTD+

In late FY2024, NCTD introduced its on-demand microtransit service, NCTD+, as a pilot in San Marcos, followed by the implementation of the Vista pilot zone in FY2025. The FY2026 SIP projected significant ridership growth for NCTD+, including the anticipated implementation of a third pilot zone in Fallbrook and Pala supported through SANDAG Flexible Fleets funding.



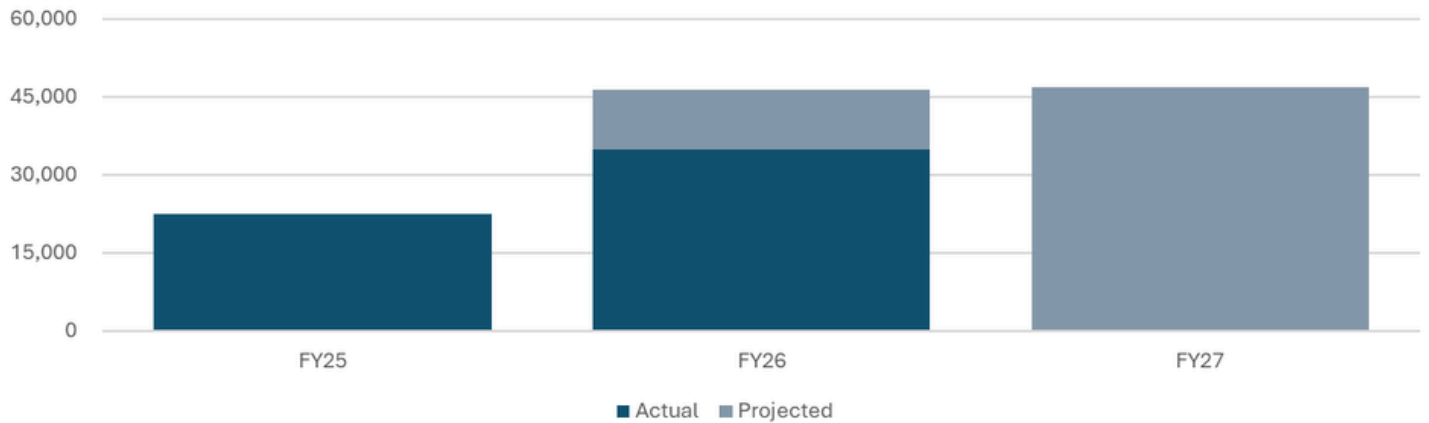
As shown in **Figure 12**, FY2026 ridership has remained below budgeted projections largely because the Fallbrook-Pala zone was not implemented as originally anticipated. Due to fiscal and operational uncertainty, implementation of the Fallbrook-Pala NCTD+ zone has been deferred to FY2028 and remains contingent upon receipt of SANDAG Flexible Fleets funding.

**Figure 12.** NCTD+ Monthly Ridership, FY2026



Ridership in the existing San Marcos and Vista zones has remained steady throughout FY2026. As illustrated in **Figure 13** and detailed in **Table 7**, NCTD+ ridership is projected to increase modestly by approximately 1.2% from FY2026 to FY2027, reflecting continued operation of the existing service zones without further expansion.

**Figure 13. NCTD+ Actual & Projected Ridership, FY25-FY27**



**Table 7. NCTD+ Ridership & Operating Statistics, FY25-FY27**

NCTD+	FY25 Actuals	FY26 Actuals & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
<b>Total Ridership</b>	22,459	46,360	46,897	108.8%	1.2%
<b>Total Revenue Miles</b>	79,177	133,277	134,527	69.9%	0.9%
<b>Total Miles</b>	121,163	178,983	180,977	49.4%	1.1%
<b>Total Revenue Hours</b>	7,221	12,553	12,695	75.8%	1.1%
<b>Total Hours</b>	11,025	16,446	16,628	50.8%	1.1%

# Five-Year Outlook



The Service Implementation Plan includes a five-year outlook that is updated annually with each budget cycle. This planning horizon allows the District to align major capital and operations projects with future operating projections. The FY2027 Service Implementation Plan was developed within the context of continued fiscal uncertainty and constrained operating resources. As a result, the District’s focus over the five-year planning horizon is on maintaining existing service levels, monitoring system performance, and identifying cost-effective service adjustments that improve customer access and better align the network with evolving travel patterns. **Figure 14** outlines the key objectives of the FY2027 SIP.

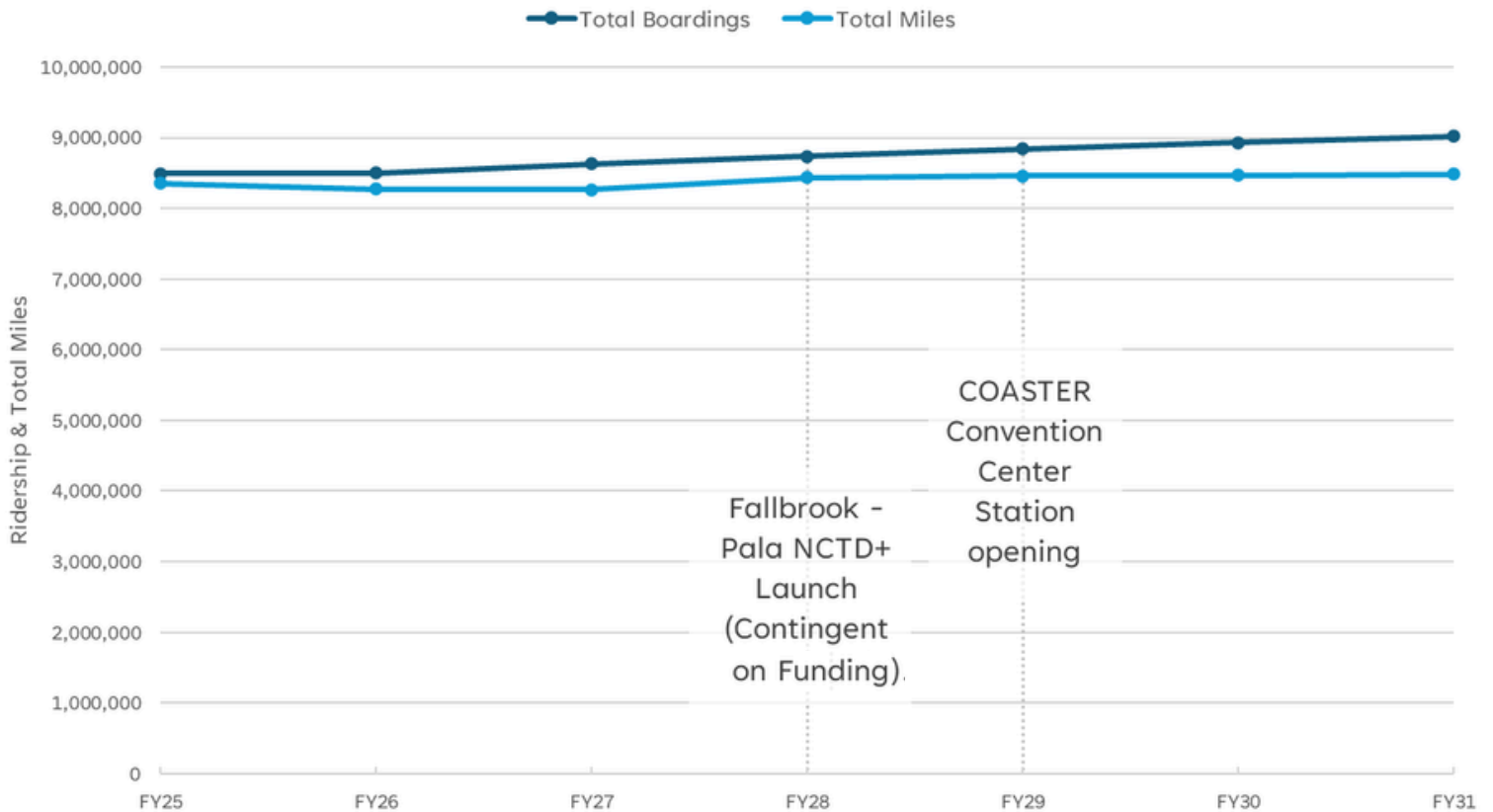
*Figure 14. SIP Objectives*



**Figure 15** charts current and projected ridership and service levels from FY2025 through FY2031. Because no major service expansions are currently planned, ridership growth over the five-year outlook is projected to remain modest and generally align with typical year-over-year transit growth trends. The only potential service expansion currently identified is the implementation of the Fallbrook-Pala NCTD+ zone in FY2028, which remains contingent upon receipt of SANDAG Flexible Fleets funding.

In addition, NCTD anticipates completion of the COASTER Convention Center Platform in FY2029, which is expected to result in modest increases in ridership and operating mileage without increasing the total number of scheduled COASTER trips. For demand-responsive services such as LIFT and NCTD+, projected operating statistics fluctuate in proportion to ridership demand due to the nature of those service models. **Tables 8 through 13** detail projected modal ridership and operating statistics from FY2027 through FY2031.

**Figure 15. Systemwide Actual & Projected Ridership and Service Levels, FY25 - FY31**



**Table 8. BREEZE Ridership & Service Forecast, FY27 - FY31**

<b>BREEZE</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	5,603,693	5,659,730	5,716,327	5,773,490	5,831,225
<b>Total Revenue Miles</b>	4,875,785	4,875,785	4,875,785	4,875,785	4,875,785
<b>Total Miles</b>	5,755,046	5,755,046	5,755,046	5,755,046	5,755,046
<b>Total Revenue Hours</b>	421,175	421,175	421,175	421,175	421,175
<b>Total Hours</b>	457,592	457,592	457,592	457,592	457,592

**Table 9. SPRINTER Ridership & Service Forecast, FY27 - FY31**

<b>SPRINTER</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	1,671,683	1,688,400	1,705,284	1,722,337	1,739,560
<b>Total Revenue Miles</b>	518,926	518,926	518,926	518,926	518,926
<b>Total Miles</b>	521,147	521,147	521,147	521,147	521,147
<b>Total Revenue Hours</b>	23,588	23,588	23,588	23,588	23,588
<b>Total Hours</b>	23,742	23,742	23,742	23,742	23,742

**Table 10. COASTER Ridership & Service Forecast, FY27 - FY31**

<b>COASTER</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	1,080,628	1,091,434	1,117,846	1,129,024	1,140,314
<b>Total Revenue Miles</b>	407,220	407,220	418,670	418,670	418,670
<b>Total Miles</b>	424,586	424,586	436,525	436,525	436,525
<b>Total Revenue Hours</b>	12,737	12,737	13,095	13,095	13,095
<b>Total Hours</b>	13,645	13,645	14,029	14,029	14,029

**Table 11. LIFT Ridership & Service Forecast, FY27 - FY31**

LIFT	FY2027	FY2028	FY2029	FY2030	FY2031
Total Ridership	115,147	116,575	117,741	118,918	120,107
Total Revenue Miles	871,853	882,665	891,494	900,406	909,408
Total Miles	939,038	950,684	960,192	969,791	979,487
Total Revenue Hours	49,558	50,173	50,674	51,181	51,693
Total Hours	54,044	54,714	55,261	55,814	56,372

**Table 12. FLEX Ridership & Service Forecast, FY27 - FY31**

FLEX	FY2027	FY2028	FY2029	FY2030	FY2031
Total Ridership	111,682	115,064	116,806	117,974	119,154
Total Revenue Miles	344,416	344,416	344,416	344,416	344,416
Total Miles	441,931	441,931	441,931	441,931	441,931
Total Revenue Hours	20,104	20,104	20,104	20,104	20,104
Total Hours	24,023	24,023	24,023	24,023	24,023

**Table 13. NCTD+ Ridership & Service Forecast, FY27 - FY31 \***

NCTD+	FY2027	FY2028	FY2029	FY2030	FY2031
Total Ridership	46,897	67,076	67,747	68,424	69,108
Total Revenue Miles	134,527	267,055	269,727	272,422	275,145
Total Miles	180,977	340,545	343,952	347,389	350,861
Total Revenue Hours	12,695	26,063	26,324	26,587	26,853
Total Hours	16,628	36,504	36,869	37,238	37,610

\*Projected increases in FY2028–FY2031 service levels, revenue miles, revenue hours, and ridership are contingent upon securing external funding for additional NCTD+ zones.

# ATTACHMENT 15H

	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year Total
<b>TOTAL REVENUES</b>						
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 65,521,506
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	20,132,378
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	61,588,019
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	277,684,437
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	109,975,711
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	434,837,741
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>969,739,792</b>
<b>FUNDS ALLOCATION</b>						
Capital Improvement Program	49,190,885	7,813,025	-	-	-	57,003,910
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	950,136,686
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>1,059,327,571</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(89,587,779)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	15,581,212
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (74,006,567)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>						
CalPERS Unfunded Accrued Liability Payments	\$ 4,280,762	\$ 4,451,603	\$ 4,937,095	\$ 4,997,562	\$ 5,041,221	\$ 23,708,243
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	7,900,000
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 31,608,243</b>

\* Funding has not being received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

RELATED TO  
AGENDA ITEM 15



# Conduct Public Hearing and Adopt the FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program

Board Meeting  
June 18, 2026

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

# Background

- On May 21, 2026, staff presented the proposed FY2027 Operating and Capital Budget to the Performance, Administration, and Finance Committee and to the Board of Directors
- On May 21, 2026, the Board set a public hearing for June 18, 2026 to consider adoption of the FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Program
- On May 19, 2026, the Clerk of the Board published notice of the Public Hearing indicating that the budget documents would be made available for public review and comment at least 15 days prior to the public hearing
- On June 3, 2026, NCTD posted the budget document for public review and comment. To date, NCTD has received two public comments.

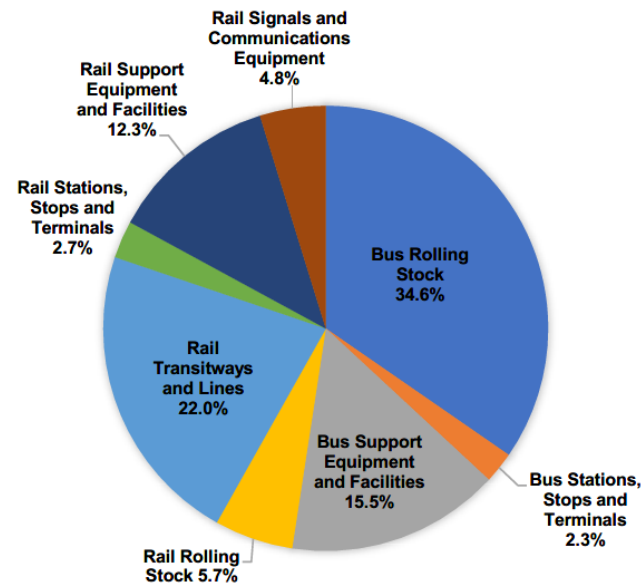
# Proposed FY2027 Operating Budget

	FY2026 *		FY2027	Increase/	Increase/
	Adopted	FY2026	Proposed	(Decrease) from	(Decrease) from
	Budget	Forecast	Budget	FY2026 Budget	FY2026 Budget
				(#)	(%)
<b>Operating Revenues</b>					
Passenger Fares	\$ 12,492,298	\$ 12,493,703	\$ 12,763,545	\$ 271,247	2.17%
Non-Transportation Revenues	4,731,200	5,951,011	4,557,736	(173,464)	-3.67%
Auxiliary Revenues	11,199,184	11,352,783	11,600,386	401,202	3.58%
Federal Grants	37,254,595	37,283,786	37,962,816	708,221	1.90%
State Grants	33,654,670	26,241,500	30,968,107	(2,686,563)	-7.98%
Local Grants	79,473,630	81,460,337	83,037,787	3,564,157	4.48%
	<b>178,805,577</b>	<b>174,783,120</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>
<b>Operating Expenditures</b>					
Salaries, Wages, and Benefits	\$ 92,866,801	\$ 94,377,105	\$ 95,915,714	\$ 3,048,913	3.28%
Professional Services	43,190,410	39,807,650	38,206,981	(4,983,429)	-11.54%
Fuel, Materials, and Supplies	22,700,459	20,312,433	25,232,595	2,532,136	11.15%
Utilities	3,867,188	3,667,324	4,083,591	216,403	5.60%
Casualty and Liability	9,709,267	10,569,851	11,750,000	2,040,733	21.02%
Fuel Taxes	1,270,553	1,251,589	1,433,547	162,994	12.83%
Purchased Transportation	1,033,000	1,443,613	913,000	(120,000)	-11.62%
Miscellaneous Expenses	1,847,204	1,213,347	1,676,190	(171,014)	-9.26%
Debt-Related Expense	674,300	531,124	522,000	(152,300)	-22.59%
Leases and Rentals	1,146,395	883,834	656,759	(489,636)	-42.71%
Contingency	500,000	-	500,000	-	0.00%
	<b>178,805,577</b>	<b>174,057,870</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>
	<b>\$ -</b>	<b>\$ 725,250</b>	<b>\$ -</b>	<b>\$ -</b>	

\* As originally adopted and does not reflect budget transfers made during the fiscal year

# FY2027-FY2031 Capital Improvement Program

FTA Scope	FTA Scope Description	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year
111	Bus Rolling Stock	\$ 19,734,360	\$ -	\$ -	\$ -	\$ -	\$ 19,734,360
113	Bus Stations, Stops and Terminals	950,000	350,000	-	-	-	1,300,000
114	Bus Support Equipment and Facilities	8,020,000	825,000	-	-	-	8,845,000
121	Rail Rolling Stock	3,270,000	-	-	-	-	3,270,000
122	Rail Transitways and Lines	7,060,025	5,500,025	-	-	-	12,560,050
123	Rail Stations, Stops and Terminals	1,560,000	-	-	-	-	1,560,000
124	Rail Support Equipment and Facilities	5,876,500	1,138,000	-	-	-	7,014,500
126	Rail Signals and Communications Equipment	2,720,000	-	-	-	-	2,720,000
<b>Total Constrained CIP</b>		<b>\$ 49,190,885</b>	<b>\$ 7,813,025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,003,910</b>



# 5-Year Forecast

	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year Total
<b>TOTAL REVENUES</b>						
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 65,521,506
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	20,132,378
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<b>FUNDS ALLOCATION</b>						
Capital Improvement Program	49,190,885	7,813,025	-	-	-	57,003,910
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
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\* Funding has not been received from the State for half of the TIRCP allocation of Year #2. NCTD is coordinating with SANDAG to reprogram \$49.6 million from the San Dieguito Double-Track and Platform project for transit operations. The forecast does not include these funds.

# Requested Board Action

- Close the Public Hearing on the Proposed FY2027 Operating Budget and FY2027-2031 Capital Improvement Program
- Take the following actions:
  - Adopt the Proposed FY2027 Operating Budget and FY2027–2031 Capital Improvement Program
  - Approve the Proposed FY2027 Classification and Compensation Schedules for Represented and Non-Represented Employees
  - Approve the Proposed FY2027 Cost Recovery Fee Schedule
  - Approve the Proposed FY2027-FY2031 Service Implementation Plan

**Questions?**

**STAFF REPORT**

**RECEIVE SENATE BILL 1098 REPORT REGARDING THE LOSSAN RAIL CORRIDOR**

**Time Sensitive:**  **Consent:**

**STAFF  
RECOMMENDATION:**

Receive a report regarding the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor as required by California Senate Bill (SB) 1098.

**BACKGROUND  
INFORMATION:**

In September of 2024, California Governor Gavin Newsom signed Senate Bill 1098 (Chapter 777, Statutes of 2024) into law. Authored by Senator Catherine Blakespear, SB 1098 requires the California State Transportation Agency (CalSTA) to convene a working group of stakeholders on the LOSSAN Rail Corridor to submit consensus recommendations and feedback in a report to the Legislature to ensure the long-term viability of comprehensive and coordinated passenger and freight rail services. The report is required to include the following information:

- Strategies to increase rail service coordination and reduce disruptions or delays, including, but not limited to, those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing.
- Alternative management and operations models or structures that improve intercity and regional rail services.
- Changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services with a focus on streamlining, clarifying, and improving existing processes or procedures.
- Coordination of planning and project development through the federal Corridor Identification and Development Program to streamline processes and expand opportunities for federal capital funding.

On February 19, 2026, CalSTA officially convened the working group of stakeholders on the LOSSAN Rail Corridor, including representatives from North County Transit – San Diego Railroad (NCTD). The working group also included other railroad infrastructure owners, passenger rail operators, transportation commissions, metropolitan planning organizations, and other stakeholders. From February to April of 2026, the working group met three times to discuss regional perspectives and find consensus on recommendations for the report as required by SB 1098. On May 11, 2026, the working group met again to discuss the draft consensus recommendations for the report.

SB 1098 also requires CalSTA to submit the working group recommendations to the governing boards of the LOSSAN Rail Corridor Agency, the Southern California Regional Rail Authority (Metrolink), and NCTD for review and feedback. The governing board of each agency shall notify CalSTA of any action taken in response to these recommendations or feedback to be included in the final working group report.

At the time of posting this agenda, CalSTA had not published the report for review. When CalSTA releases the report, NCTD will include the report as an attachment to this item.

Staff will present an overview of the report and highlight NCTD's perspective on the recommendations and strategies provided in the report.

**ATTACHMENT:** 16A – SB 1098 LOSSAN Rail Corridor Working Group Report  
16B – SB 1098 Report Presentation

**FISCAL IMPACT:** This staff report has no fiscal impact.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** **Mary Dover, Deputy Chief Operating Officer – Bus**  
E-mail: [mdover@nctd.org](mailto:mdover@nctd.org) Phone: 760-967-2895

# Senate Bill 1098

## LOSSAN Rail Corridor Working Group

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*Report to the Legislature  
Pursuant to the Southern California Rail Revitalization Act*

**June 10, 2026**

**PUBLIC COMMENT DRAFT**

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## Executive Summary

The Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor is among California's most critical transportation assets. The Pacific Surfliner is the second-busiest intercity rail service in the United States, second only behind the Northeast Corridor, and carries millions of passengers annually between San Diego and San Luis Obispo along one of the most congested highway corridors in the country. Metrolink provides commuter rail service across six counties in the greater Los Angeles Basin, connecting workers to major employment centers and relieving pressure on freeway infrastructure that is often at or beyond capacity. The North County Transit District's (NCTD) COASTER service links San Diego's North County communities to downtown San Diego, serving a corridor where highway capacity is limited and congestion continues to worsen. The corridor passes through some of California's most economically productive and densely populated communities, and its reliability, resilience, and long-term viability are matters of statewide significance.

Senate Bill 1098 (Chapter 777, Statutes of 2024) directed the California State Transportation Agency (CalSTA) to convene a LOSSAN Rail Corridor Working Group, including representatives from rail infrastructure owners; passenger and freight rail operators; regional transportation and planning agencies; stakeholder organizations representing business, community, environmental, labor, transportation, and civic interests; and relevant state agencies with regulatory and rail oversight responsibilities. The Working Group is tasked with developing consensus recommendations on strategies to strengthen the corridor's coordination, management, and performance of all passenger rail services in the corridor. The Working Group, composed of representatives from LOSSAN member agencies, rail operators, convened to develop recommendations intended to strengthen coordination, management, and performance across the corridor. This report transmits the Working Group's draft consensus recommendations and feedback to the Legislature. To facilitate broader stakeholder input, CalSTA conducted targeted public outreach through small group listening sessions as well as a public comment period on the draft report prior to finalizing the working group recommendations.

Pursuant to statute, prior to submitting this report to the Legislature, CalSTA, on behalf of the Working Group, will share the report recommendations with the

governing boards of NCTD, LOSSAN, and Metrolink to solicit input and feedback.<sup>1</sup> Any resulting feedback received will be compiled and transmitted to the Legislature as Appendix C in a supplement to this report.

The timing of this report is significant. This work was informed by the context of growing fiscal pressure across the corridor's three primary passenger operators. The Pacific Surfliner, Metrolink, and NCTD services each face structural operating deficits in the coming years, which coincides with the buildup to the 2028 Summer Olympic and Paralympic Games and an expected surge in corridor demand. The 2028 Summer Olympic and Paralympic Games will be hosted across the greater Los Angeles region, with competition venues spanning from San Diego to Los Angeles. The LOSSAN Corridor will serve as a primary transportation spine connecting the Southern California megaregion with ridership demand expected to reach levels that will stress current operational capacity. The Olympics will generate a sustained surge in transit usage across the region, with elevated demand occurring over multiple weeks rather than a single event period. The increase in ridership is expected to generate additional fare revenue for the system while placing significant pressure on service capacity and operational resources.

Consistent with statutory requirements, the report addresses the following policy areas<sup>2</sup>:

Of the required report topics identified in statute, the following four policy areas are a primary focus of this report:

- (A)** strategies to increase rail service coordination and reduce disruptions or delays;
- (B)** alternative management and operations models or structures that improve intercity and regional rail services;
- (C)** changes to state statutes, rules, or funding necessary to improve corridor performance; and

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<sup>1</sup> California Senate Bill 1098 (Blakespear, 2024), *Passenger and Freight Rail: LOSSAN Rail Corridor*, Chapter 777, Statutes of 2024, California Legislature.

<sup>2</sup> California Senate Bill 1098 (Blakespear, 2024) § 1, subd. (c)(1) (A - (D)), Chapter 777, Statutes of 2024.

**(D)** coordination of planning and project development through the federal Corridor Identification and Development Program (CIDP).

Pursuant to statute, CalSTA convened the Working Group and facilitated development of this report through a collaborative process involving Working Group participants, partner agencies, stakeholders, and other consulted parties. The recommendations contained in this report reflect an effort to identify consensus perspectives and areas of alignment across the diverse interests and operational realities present throughout the corridor and, unless otherwise noted, are intended to reflect Working Group input rather than formal positions adopted by CalSTA.

**Key findings and recommendations include:**

- Establishing a corridor-wide asset management and written fleet strategy that aligns equipment, facilities, and infrastructure needs with funding.
- Encourage state grant programs to fund State of Good Repair (SGR) projects and develop administrative flexibility to accommodate the inherent uncertainties of complex rail capital projects.
- Formalizing a cooperative agreement or memorandum of understanding (MOU) between CalSTA, the LOSSAN Corridor, and the California Coastal Commission to identify where streamlining solutions for rail projects in the coastal zone can be identified and other solutions to assist in the delivery of rail projects.
- Establishing a Vision Zero framework for rail safety along the LOSSAN Corridor, with a data-driven pipeline of safety improvement investments.
- Aligning state grant programs with the Federal Corridor Identification and development Program (CIDP) project development pipeline to strengthen the corridor's competitiveness for federal capital funding.
- Streamlining the California Environmental Quality Act (CEQA) review for passenger rail projects by establishing agency comment deadlines, a conflict resolution protocol for multi-jurisdictional projects, and a pathway to make permanent the judicial review provisions introduced under Chapter 60, Statutes of 2023 SB 149 (Chapter 60, Statutes of 2023).
- Review opportunities to modernize the Transportation Development Act (TDA) by removing the farebox recovery ratio penalty and developing new metrics and performance measures that replace the farebox

recovery penalty, which also aligns with consensus recommendations from the final Transit Transformation Task Force.<sup>3</sup>

- Developing and issuing statewide guidance for how intercity passenger rail, including the Pacific Surfliner, is documented and coordinated in Regional Transportation Plans (RTPs).

The sections that follow provide additional context on these findings and recommendations, including the operational, governance, funding, resiliency, and policy considerations that informed the Working Group's discussions and consensus recommendations.

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<sup>3</sup> California State Transportation Agency. *Transit Transformation Task Force Final Report*. 2025. [https://calsta.ca.gov/-/media/calsta-media/documents/ttff\\_final\\_report-ally.pdf](https://calsta.ca.gov/-/media/calsta-media/documents/ttff_final_report-ally.pdf)

## 1.0 Background and Statutory Context

The LOSSAN Rail Corridor is one of the most complex rail environments in the country. Spanning 351 miles, the Pacific Surfliner is the second busiest passenger rail corridor in the country, with approximately 8.3 million passenger trips in 2019, the last full year pre-COVID pandemic. In addition, the corridor supports more than \$1 billion in annual freight volume, transported by two Class 1 Freight operators—Union Pacific (UPRR) and Burlington Northern-Santa Fe (BNSF)—and serves multiple ports of national significance, including those in Los Angeles, Long Beach, San Diego, and Port Hueneme. The U.S. Department of Defense also has designated a section of LOSSAN as part of the Strategic Rail Corridor Network.<sup>4</sup>

Infrastructure ownership and operating authority along the corridor is distributed among multiple public agencies and freight railroads. Pacific Surfliner intercity service is managed by the LOSSAN Agency and operated by Amtrak. Commuter rail services are provided by Metrolink in the greater Los Angeles Basin and Inland Empire with NCTD's COASTER operating between Oceanside and Downtown in San Diego County. Both the UPRR and BNSF hold freight rights and own segments of corridor infrastructure in portions of the alignment, and the corridor traverses a complex web of grade crossings, interlockings, and shared track arrangements.<sup>5</sup>

This structural complexity has historically presented challenges to corridor-wide coordination. The Legislature recognized these challenges in enacting SB 1098, which established the Working Group process as a vehicle for developing actionable, consensus-based reforms.

SB 1098 directed the Working Group to report to the Legislature on all the following policy areas:

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<sup>4</sup> California State Senate. (2023). *The LOSSAN rail corridor report*.

<https://sor.senate.ca.gov/sites/sor.senate.ca.gov/files/LOSSAN%20Rail%20Corridor%20Report.pdf>

<sup>5</sup> California Department of Transportation. (2024). *California State Rail Plan 2024*. <https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/california-state-rail-plan/2024-ca-state-rail-plan-a11y.pdf>

- Policy Area A: Strategies to increase rail service coordination and reduce disruptions or delays, including those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing.
- Policy Area B: Alternative management and operations models or structures that improve intercity and regional rail services.
- Policy Area C: Changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services, including a review of how local and regional planning agencies incorporate train service information in planning documents.
- Policy Area D: Coordination of planning and project development through the federal Corridor Identification and Development Program.<sup>6</sup>

The Working Group included representatives from:

- California Senate Staff
- California Coastal Commission
- Caltrans
- Federal Transit Administration (FTA)
- The Los Angeles County Metropolitan Transportation Authority (LA Metro)
- LOSSAN Agency
- Metrolink
- North County Transit District (NCTD)
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission (RCTC)
- San Diego Association of Governments (SANDAG)
- Santa Barbara County Association of Governments (SBCAG)
- Southern California Association of Governments (SCAG)
- Ventura County Transportation Commission (VCTC)

The initial restart of this group convened in person four times between February 2026 and May 2026 to deliver this draft report, which included full working group meetings as well as agency-specific consultations to augment the full working group meetings. Recommendations were developed through a deliberative

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<sup>6</sup> California Legislature. (2024). *Senate Bill No. 1098 (2023–2024 Regular Session)*. [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB1098](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1098)

process and reflect consensus positions of the Working Group membership unless otherwise noted.

The Working Group's deliberations unfolded against a backdrop of significant fiscal pressure across the corridor's three primary passenger operators. To illustrate this, NCTD is expected to have a projected funding gap of over \$60 million through Fiscal Year (FY) 2030 and is proposing their first rate hike since 2009<sup>7</sup>. Metrolink faces a \$35 million operating shortfall in fiscal year 2026–27. In response to equipment reliability issues, it has already reduced service and is considering deeper cuts of at least one-third of remaining service as soon as October 2026, along with a possible fare increase<sup>8</sup>. The Pacific Surfliner, while having recently achieved pre-pandemic service levels, may need to consider service cuts starting in FY 2027-28 as the recent restoration of service has been buoyed by a three-year augmentation to the state-supported intercity passenger rail program from Public Transportation Account, which is set to expire after FY 2026-27<sup>9</sup>.

In addition, ridership recovery and farebox recovery continue to lag pre-pandemic numbers while operating costs have grown substantially due to a mix of inflationary pressure impacting the entire rail and transit industry<sup>10</sup>. These challenges are not unique to California rail operators, but the impact on the LOSSAN Corridor is compounded by the complex decision-making environment that SB 1098 was enacted to address.

The Working Group deliberated, but did not make recommendations on, specific appropriations or funding levels, but the broader fiscal context facing the agencies help inform the urgency of the recommendations in this report.

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<sup>7</sup> NCTD Board Agenda Packet: April 16, 2026 (Revised). 16 Apr. 2026, <https://d4lp5oxce4dvw.cloudfront.net/wp-content/uploads/Board-Agenda-Packet-April-16-2026-REVISED.pdf>. Accessed 5 May 2026.

<sup>8</sup> Southern California Regional Rail Authority. Board Meeting Packet, 27 Mar. 2026. Metrolink, <https://d2kbbkoa27fdvtw.cloudfront.net/metrolink/81b4bd133a38182c6f558799b51329fe0.pdf>

<sup>9</sup> Legislative Analyst's Office. Overview of California's State-Supported Intercity Rail Routes and Funding. 30 May 2025, <https://lao.ca.gov/handouts/transportation/2025/Overview-of-Intercity-Rail-Routes-and-Funding-053025.pdf>

<sup>10</sup> California State Transportation Agency. Transit Transformation Task Force Final Report. 2025. <https://calsta.ca.gov/-/media/calsta-media/documents/ttff-final-report-a11y.pdf>

## 2.0 Policy Area A: Strategies to Increase Rail Service Coordination and Reduce Disruptions or Delays

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations to increase rail service coordination and reduce disruptions or delays, including, but not limited to, those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing. The recommendations made pursuant to this should result in improved maintenance and conditions of assets, reduced track closures, and greater on-time performance.

### 2.1 State of Good Repair

#### CHALLENGE

The corridor lacks a comprehensive corridor-wide asset management framework or plan that integrates infrastructure, equipment, and facility conditions across all partners. Without a unified planning instrument, agencies operate against different asset inventories, performance standards, and replacement cycles, making it difficult to align investments, identify gaps, and present a coherent funding strategy to state and federal partners.

#### RECOMMENDATIONS

1. The corridor should develop a written fleet and asset management plan that aligns equipment, facilities, and infrastructure needs with funding. The plan should identify investment gaps with sufficient specificity to support grant applications and capital programming.
2. Require that the written fleet and facilities plan analyze opportunities for future shared equipment, maintenance and layover facilities, and processes that can drive efficiencies across all operators in the corridor. This should be complementary to the intercity fleet plan and layer analysis relevant to commuter rail operations where feasible.

### CHALLENGE

State of good repair (SGR) projects remain needed and face significant hurdles. Administrative and policy barriers have adversely affected these projects and current federal, state, and local funding sources have proven inadequate in meeting increasing SGR needs.

### RECOMMENDATIONS

1. Review state program for opportunities to support SGR rail projects where feasible. Program guidelines are encouraged to develop and incorporate specific considerations for SGR eligibility, emphasizing safety, reliability, and maintaining existing infrastructure.
2. Programs are encouraged to prioritize projects that include meaningful non-state local and federal funding contributions, while also recognizing circumstances where state investment may be necessary to address critical needs that exceed local fiscal capacity.

### CHALLENGE

Grant funding deadlines for allocation and timely use of funds are often inflexible, creating potential funding gaps. Rigid timelines fail to account for common rail project uncertainties that are outside the control of project sponsors and may result in funding expiring before project completion. Additionally, while local agencies play a critical role in funding participation, non-state local and federal funding sources do not always prioritize regional and intercity rail investments when faced with competing needs.

### RECOMMENDATIONS

1. Program criteria should allow for the prioritization of projects that demonstrate significant non-state local/federal funding contributions, recognizing local commitment as an indicator of project readiness and shared investment.

## 2.2 Coastal Resiliency

### CHALLENGE

There is a need to carefully balance Coastal Commission policies that prioritize natural bluff, shoreline, and coastal access, with the need to protect critical rail infrastructure that supports statewide passenger service. In locations where existing improvements are vulnerable, there is a need to facilitate the timely repair or replacement of protective infrastructure necessary to maintain safe and reliable operations.

### RECOMMENDATIONS

1. In coordination with the LOSSAN Working Group, the California State Transportation Agency (CalSTA) and the California Coastal Commission (CCC) should develop a cooperative agreement or MOU to identify where streamlining solutions for rail projects in the coastal zone can be identified and other solutions to assist in the delivery of rail projects. For example, if a federal nexus is identified project sponsors may coordinate with the Coastal Commission to determine whether the project can proceed through the federal consistency process in lieu of the traditional Coastal Development Permit (CDP). Additional clarity from the Coastal Commission on when each process applies would help project sponsors make informed decisions early and further improve permitting efficiency.
2. In coordination with the Coastal Commission, evaluate options to streamline and deliver projects that repair, maintain, or enhance *existing* passenger rail infrastructure, including existing protective measures such as seawalls. This could include clearly defined pathways for the repair or replacement of existing protective infrastructure where necessary to maintain safe and reliable rail operations, particularly in areas vulnerable to erosion and slope instability.

## CHALLENGE

Emergency closures resulting from bluff failures, slope instability, storm damage, sea level rise, or other coastal resiliency challenges have historically lacked a standardized, systemwide response protocol. In many cases, responses are developed in an ad hoc manner, varying by jurisdiction, owning agency, or incident type. This lack of a unified framework can complicate coordination among state agencies, local jurisdictions, rail operators, emergency responders, and regulatory bodies, particularly when rapid action is required to ensure public safety and restore essential transportation services.

## RECOMMENDATIONS

1. Develop a corridor-wide playbook that defines roles, decision thresholds, and timelines for agencies when bluff instability is detected. Include pre-defined triggers (e.g., erosion rates, track exposure, geotechnical warnings) to reduce ad hoc decision-making. This should include standardized communication protocols across agencies and to the public to avoid fragmented messaging during closures.
2. The State may develop a state emergency response protocol that mirrors the state's established role in freeway incidents for emergency incidents that exceeds a defined threshold. This may include, but is not limited to, Caltrans activating a standardized incident command structure for rail-related emergencies, including rapid deployment of field crews, engineers, and operations coordination. Utilize pre-positioned emergency contracts and resources to immediately stabilize infrastructure and protect the rail right-of-way. Coordinate directly with regional partners with authority to elevate issues to the Caltrans Director or CalSTA Secretary of Transportation as appropriate.

## 2.3 Track Closures

### CHALLENGE

Track closures resulting from trespassers and vehicle strikes along the LOSSAN corridor occur with relative frequency and can lead to significant service disruptions, delays, and cascading impacts across the regional rail network. These incidents often involve interactions at grade crossings or along the right-of-way, where a lack of physical separation, inconsistent safety treatments, and human factors contribute to vulnerability. There is a need for a standardized, corridor-wide approach to reduce the frequency and severity of passenger and vehicle strikes.

### RECOMMENDATIONS

1. The LOSSAN Working Group should establish a Vision Zero framework for rail within the LOSSAN Corridor, with the explicit goal of eliminating passenger and vehicle strike incidents through a combination of data-driven prioritization, targeted infrastructure investment, and coordinated interagency action.
2. Member agencies should compile and maintain a unified safety data set to identify and map high-risk locations with the greatest frequency and severity of incidents. Use that analysis to prioritize a ranked pipeline of targeted improvements: grade separations, enhanced barriers and fencing, upgraded crossing controls, and visibility and warning enhancements.
3. Implement ongoing performance monitoring to ensure continuous reduction of risk and measurable progress toward eliminating strikes corridor-wide.

### CHALLENGE

While corridor-wide coordination among operators and infrastructure owners has improved through regular monthly forums, maintenance scheduling practices remain misaligned in terms of advance confirmation and temporal distribution. Short lead times for finalizing Absolute Work Windows (AWWs), combined with a concentration of closures on weekends when intercity ridership is highest, creates uncertainty for long-term planning, complicates customer communication and ticketing, and contributes to service disruptions, reduced ridership, and increased operational costs, often disproportionately affecting intercity services.

### RECOMMENDATIONS

1. Commission an independent study to look at the most cost-effective way to implement work windows for all services across the corridor.
2. Establish a corridor-wide standard for earlier and more consistent confirmation of AWWs, aligning toward 60–90 day confirmation where feasible, while continuing annual and long-range AWW planning to preserve operational flexibility.
3. Expand coordination within existing monthly coordination calls to prioritize alignment of work windows — shifting where possible to nighttime or weekday closures that minimize intercity passenger impacts.
4. Proactively consolidate maintenance activities across operators to reduce the frequency and overlap of disruptions.

### CHALLENGE

Equipment spare availability is a contributor to operational challenges. LOSSAN, the San Joaquins Joint Powers Authority (SJJPA), and the Capitol Corridor Joint Powers Authority (CCJPA) share a common pool of passenger equipment. NCTD and Metrolink do not share a common pool of equipment.

## RECOMMENDATIONS

1. Leverage the Rail Fleet Consortium being led by the Caltrans Division of Rail as a primary vehicle for coordination. Use this venue to explore joint procurements and service contracting to attract more bidders and aggregate buying power statewide — broadening vendor competition, reducing unit costs, improving equipment interoperability, and strengthening overall fleet reliability and availability.

### 3.0 Policy Area B: Alternative management and operations models or structures that improve intercity and regional rail services.

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations for alternative management and operations models or structures that improve intercity and regional rail services.

#### 3.1 Alternative Management and Operations Models or Structures

##### CHALLENGE

There is a lack of an enforceable, corridor-wide decision-making forum or process, which often results in a reduced ability to align varying priorities, funding, interests between owners, operators, planners, regulators. As a result, corridor-wide outcomes are dependent on coordination that is largely voluntary and not always aligned with overall system performance.

## RECOMMENDATIONS

1. Rather than creating a new layer of coordination by formalizing the SB 1098 Working Group, use existing avenues to formalize this coordination. Specifically, the working group recommends using the Rail Leadership Group for strategic leadership engagement and the LOSSAN Technical Advisory Committee as a staff led forum to advance priorities established by the Leadership Group.

*The Working Group also discussed, but did not reach consensus on, two additional governance proposals considered during deliberations: establishing a*

*formal corridor operating review process with authority over schedule and work window approvals, and formalizing the SB 1098 Working Group as a permanent standing body with board-designated membership and a defined charter. These proposals are noted for the Legislature's awareness but are not carried forward as consensus recommendations of the Working Group.*

### **CHALLENGE**

There is a need for enhanced coordination at key transfer points between intercity and regional services in order to further improve the passenger experience across jurisdictions.

1. Encourage corridor operators to align schedule changes during the same periods of the year, with April and October identified as preferred implementation windows, while preserving flexibility for ad hoc changes to account for unanticipated extenuating circumstances. The goal is predictability for passengers and connecting services without creating an inflexible mandate that fails to account for operational realities.
2. Require regular updates and revisions to the LOSSAN schedule optimization study on a fixed cadence established in advance, to ensure that operations across corridor services are continually optimized.

*The Working Group also discussed, but did not reach consensus on, three additional proposals in this area: mandating that all corridor operators implement schedule changes on a single fixed date; establishing reciprocal Ex-Officio membership between the LOSSAN Agency board and the Metrolink board of directors; and creating an independent entity with authority to review and approve schedules across multiple corridor operators. These proposals are noted for the Legislature's awareness but are not carried forward as recommendations of the Working Group.*

### CHALLENGE

Passenger rail operations on the LOSSAN corridor are constrained by private freight railroad control over much of the infrastructure used by public operators. Dispatching authority on key corridor segments are retained by the private infrastructure owners, leaving public agencies without direct control over on-time performance and scheduling flexibility.

### RECOMMENDATIONS

1. In coordination with CalSTA and the Caltrans Division of Rail, designate a primary host railroad liaison and negotiator. This role may lead a coordinated freight railroad sub working group so that the LOSSAN corridor can speak with one voice on freight issues relevant to all member agencies, with a specific focus on Amtrak's federal statutory rights and how those rights can be more effectively leveraged across the corridor and statewide.

## 4.0 Policy Area C: Changes to state statutes, rules, or funding necessary to improve services in the corridor.

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations for changes to state statutes, rules, or funding necessary to improve the quality, performance, usage, management, or frequency of passenger rail services with a focus on streamlining, clarifying, and improving existing processes or procedures. In making recommendations and providing feedback, the working group shall review how local and regional planning agencies responsible for recommending transportation strategies include information about train service, operations, capital projects, resiliency, and performance in their respective planning documents, including, but not limited to, sustainable communities strategies, regional transportation plans, transportation demand management plans, and long-range transportation plans.

## 4.1 Changes to State Statutes or Rules

### CHALLENGE

There are opportunities to streamline or clarify CEQA requirements as they apply to passenger rail projects, in ways that maintain environmental protection while reducing time and cost.

### RECOMMENDATIONS

1. Define review deadlines for agency comments and approvals on passenger rail projects subject to CEQA and create a formal conflict resolution protocol applicable when multiple jurisdictions impose conflicting requirements. Clear timelines and a defined escalation pathway may reduce the ad hoc nature of multi-agency review coordination and provide project sponsors with greater certainty in scheduling environmental clearance.
2. Consider making permanent the CEQA streamlining judicial review provisions for certain transportation-related projects introduced through SB 149 (Statutes of 2023), once all ten authorized letters have been issued and program outcomes have been evaluated. If evaluation demonstrates that the streamlined process delivers timely and defensible environmental review, the Legislature should consider extending those provisions to provide a durable tool for accelerating high-priority passenger rail investments.
3. Clarify CEQA and add the following to the existing statutory exemption: "Activities by an rail carrier or on behalf of a rail carrier under the authority of the Surface Transportation Board for the 'construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one State.'"

## 4.2 Changes to Funding

As noted in the background section of this report, the Working Group's deliberations unfolded against a backdrop of significant fiscal pressure across the corridor's three primary passenger operators. Decreases in ridership and revenues, coupled with expensive capital projects (with costs rising faster than inflation), have led to a near-term funding crisis for some systems. Without

intervention, agencies risk cutting service to balance operating and capital budgets, a move that would undermine ridership, reliability, and public confidence, and lead to further budget, service and ridership reductions. Costs are rising due to a number of factors outside of typical transit agency control, from broader inflation, lack of control of underlying infrastructure, and land-use patterns.<sup>11</sup> Looking ahead, broader rail and transit funding also faces risks tied to shifting economic conditions and the transition to zero-emission vehicles, underscoring the urgency of finding solutions that stabilize operations both now and in the future.

The Working Group did not make recommendations on appropriations or funding levels, which are within the Legislature's purview, but the fiscal context informs the recommendations in this report. It should also be noted that the topic of funding is covered in other sections of this report, specifically as it relates to SGR projects and competitive grant funding programs.

### CHALLENGE

As currently written, the Transportation Development Act (TDA) contains features that have not kept pace with current operating conditions. The farebox recovery ratio penalty, currently suspended due to the COVID-19 pandemic but scheduled to resume in fiscal year 2027, is the most immediate example. Reinstating a metric that was designed for pre-pandemic ridership patterns would penalize agencies still rebuilding their ridership base and divert institutional attention toward compliance rather than performance improvement.

## RECOMMENDATIONS

1. Consistent with approved recommendations in the Transit Transformation Task force:
  - a. Review opportunities to modernize the Transportation Development Act (TDA) by removing the farebox recovery ratio penalty and developing new metrics and performance measures that replace the farebox recovery penalty, which is currently suspended due to

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<sup>11</sup> California State Transportation Agency. *Transit Transformation Task Force Final Report*. 2025. [https://calsta.ca.gov/-/media/calsta-media/documents/ttff\\_final\\_report-a11y.pdf](https://calsta.ca.gov/-/media/calsta-media/documents/ttff_final_report-a11y.pdf)

the COVID-19 pandemic, but is set to resume beginning in fiscal year 2027.

- b. Review opportunities to develop new metrics and performance measures that replace the farebox recovery penalty and update these measures on a regular cadence.
- c. Review opportunities to update other formulaic funding programs (i.e., LCTOP, SGR) to align with revisions to TDA reporting requirements and incentives.

### 4.3 Guidance for Addressing Intercity Rail in Regional Transportation Plans

#### CHALLENGE

Regional Transportation Plans (RTPs) travel demand models do not consistently or accurately account for the benefits of intercity passenger rail, which often accrue beyond the boundaries of any single metropolitan planning region. This means that the Pacific Surfliner service, as the second busiest intercity service in the country, is often undercounted in single-region planning processes.

#### RECOMMENDATIONS

1. Request Caltrans to provide greater technical assistance for intercity rail modeling in RTP development. For example, the Pacific Surfliner traverses the jurisdictions of six Metropolitan Planning Organizations (MPO), each of which independently develop its own travel demand models. These models are not necessarily calibrated to a common standard for intercity rail and may not share consistent assumptions. As a result, the benefits tied to intercity rail are likely being understated.
2. Request Caltrans to develop standardized technical guidance for how intercity passenger rail services that span multiple regions should be modeled in travel demand models used in RTPs.

### CHALLENGE

There is a need to better integrate intercity passenger rail in regional planning processes.

### RECOMMENDATIONS

1. Statewide guidance should be issued to establish a common framework for how passenger rail is described and coordinated in RTPs.
2. This may include: expectations for baseline documentation of existing and planned rail services, key corridor characteristics, and coordination with operators and state agencies, as well as clarifying roles when corridors span multiple MPOs.
3. Statewide guidance should be issued for how MPOs should reference corridor-level resiliency needs, such as common data sources, definitions, and high-level assessment expectations.
4. Align guidance with existing state resilience funding programs to help ensure that identified needs can more easily move from planning into project development.

## 5.0 Policy Area D: Coordination of Planning and Project Development through the Federal Corridor Identification and Development Program

Pursuant to Government Code Section 14072.6(c)(1)(A), the Working Group was directed to develop recommendations on coordination of planning and project development through the federal Corridor Identification and Development Program (CIDP) established pursuant to 49 U.S.C. Section 25101. The CIDP represents a significant opportunity for the LOSSAN Corridor to access federal capital funding by embedding corridor projects in a nationally recognized, FRA-coordinated planning framework.

Further, California remains committed to the Corridor Identification and Development Program process as a planning and investment framework for the five Caltrans-sponsored corridors, including the LOSSAN Corridor, regardless of the federal program's status. The state will continue applying its core planning principles to the service development planning process, including capital project sequencing tied to key service outcomes and coordination between state, regional, and operating partners, as the organizing framework for corridor-wide planning and investment decisions.

## 5.1 Member Agency Participation in the CIDP Process

### RECOMMENDATIONS

1. Acknowledging that Caltrans serves as the lead agency and primary coordinator for California's participation in the CIDP, LOSSAN member agencies and the LOSSAN Agency will support and actively engage in the CIDP process by providing timely data, participating in federally required planning activities, and coordinating local project development work with the state-led corridor planning effort.
2. This approach is consistent with FRA's expectations for state rail authority involvement and positions California to speak with a unified voice in federal planning processes. Full LOSSAN corridor participation will strengthen the quality and credibility of the corridors selected for CIDP participation and improve the competitiveness of projects that emerge from the process for federal capital funding.

## 5.2 Alignment of Funding with CIDP Priorities

### RECOMMENDATIONS

1. To the extent possible, CalSTA and Caltrans should endeavor to align state grant programs, including TIRCP, TCEP, and SCCP, with the project priorities established through the CIDP process. Inclusion of projects on the CIDP capital project list should be an explicit selection consideration in grant evaluations, recognizing that CIDP inclusion reflects a rigorous, federally coordinated prioritization process.
2. This approach reinforces the integrity and utility of the CIDP project list as a planning tool and positions LOSSAN Corridor projects to present a coherent funding strategy that pairs state investment with competitive federal

applications under programs such as CRISI, the Federal-State Partnership Program, and other federal funding opportunities.

### **5.3 Standing Interagency Coordination Structure for CIDP Milestones**

#### **RECOMMENDATIONS**

1. The LOSSAN JPA, in coordination with Caltrans, should establish a standing interagency coordination structure specifically organized around Step 2 CIDP milestones and deliverables. This structure should provide regular touchpoints aligned with FRA's staged development process, with clear expectations for member agency participation and data contribution at each stage.
2. Structured milestone coordination reduces the risk of gaps in corridor-level data submissions, improves the quality of FRA deliverables, and builds institutional readiness for the capital project development that follows CIDP selection.

### **5.4 Federal Advocacy Grounded in CIDP Status**

#### **RECOMMENDATIONS**

1. CalSTA, Caltrans, and the LOSSAN member agencies should actively leverage California's participation in the CIDP as a foundation for federal legislative and policy advocacy on behalf of the LOSSAN Corridor. Corridors with formal CIDP status occupy a recognized position within FRA's national passenger rail framework, and that status should be used strategically in engagements with FRA leadership, the Office of the Secretary of Transportation, and California's congressional delegation.
2. Advocacy efforts should connect corridor-specific investment needs to national policy priorities and should seek to advance LOSSAN Corridor projects in FRA budget discussions and competitive program design.

## **5.0 Conclusion**

The LOSSAN Rail Corridor is one of California's most important transportation assets. It connects major metropolitan regions along the state's coast, serves millions of passengers annually, and supports the economic vitality of

communities from San Diego to San Luis Obispo. Sustaining and strengthening this corridor will require not only continued investment, but also the institutional structures capable of coordinating that investment effectively across a complex network of agencies, operators, jurisdictions, and infrastructure owners.

The Working Group approached its charge under SB 1098 with the recognition that many of the corridor's challenges reflect longstanding structural conditions. Governance arrangements, funding programs, and operational practices have evolved over time in ways that do not always align with the corridor's current scale, ridership, or performance expectations. The recommendations contained in this report reflect the Working Group's collective view that targeted and deliberate actions can improve coordination, strengthen reliability, and better position the corridor to meet future demand.

The recommendations in this report are intended to be actionable and designed to support both near-term implementation and long-term improvement. While some recommendations may be advanced administratively within existing authority, others may require additional coordination, policy development, or legislative action. Collectively, these recommendations are intended to improve corridor performance and strengthen the long-term viability, resiliency, coordination, and reliability of passenger and freight rail services.

The Working Group also recognizes that achieving the objectives outlined in this report will require sustained coordination among CalSTA, Caltrans, the LOSSAN Agency, corridor member agencies, the Legislature, as well as our partners at the federal, regional, and local levels. Continued collaboration, information sharing, and regular coordination among these entities will be important to maintaining momentum and advancing the recommendations identified in this report.

The California State Transportation Agency respectfully submits this report to the Legislature pursuant to SB 1098, and looks forward to continued collaboration with the Legislature, corridor partners, and federal stakeholders in support of these recommendations and the long-term performance of the LOSSAN Corridor.

## Appendix A: Reference Documents

#	Document Title	Author / Agency
1	LOSSAN Corridor wide Schedule Optimization Study <a href="https://www.octa.net/pdf/LOSSAN_Optimization_Report_2022.pdf">https://www.octa.net/pdf/LOSSAN_Optimization_Report_2022.pdf</a>	LOSSAN Agency 2022
2	LOSSAN Annual Business Plan <a href="https://www.octa.net/pdf/LOSSAN_Business_Plan_FY26-27-FY27-28.pdf?n=2026">https://www.octa.net/pdf/LOSSAN_Business_Plan_FY26-27-FY27-28.pdf?n=2026</a>	LOSSAN Agency 2026
3	The LOSSAN Rail Corridor: Advancing the Corridor's Capital Investment Priorities <a href="https://stran.senate.ca.gov/sites/stran.senate.ca.gov/files/LOSSAN%20Rail%20Corridor%20Report.pdf">https://stran.senate.ca.gov/sites/stran.senate.ca.gov/files/LOSSAN%20Rail%20Corridor%20Report.pdf</a>	California Senate Office of Research 2024
4	2024 California State Rail Plan <a href="https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan">https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan</a>	Caltrans 2024
5	Corridor Identification and Development Program: Guidance for Applicants <a href="https://railroads.dot.gov/corridor-identification-and-development-program">https://railroads.dot.gov/corridor-identification-and-development-program</a>	Federal Railroad Administration (FRA) 2023
6	Final Report from the Los Angeles-San Diego-San Luis Obispo (LOSSAN) San Diego Regional Rail Corridor Working Group <a href="https://calsta.ca.gov/-/media/calsta-media/documents/sdregrailcorridorfinalreportfinala11y.pdf">https://calsta.ca.gov/-/media/calsta-media/documents/sdregrailcorridorfinalreportfinala11y.pdf</a>	California State Transportation Agency (CalSTA) 2021
7	Transit Transformation Task Force <a href="https://calsta.ca.gov/-/media/calsta-media/documents/ttff_-final_report-a11y.pdf">https://calsta.ca.gov/-/media/calsta-media/documents/ttff_-final_report-a11y.pdf</a>	CalSTA 2025

## Appendix B: Working Group Meeting Agendas

[See Attachment]

Meeting Date	Meeting Title / Type	Location / Format	Agenda
February 19 <sup>th</sup> , 2026	LOSSAN Working Group Restart and Cadence	1 Gateway Plaza, Los Angeles, CA 90012	[Attached]
March 27 <sup>th</sup> , 2026	Review Policy Areas A & D	550 South Main Street, Orange, CA 92863	[Attached]
April 28 <sup>th</sup> , 2026	Review Policy Areas B & C	900 Wilshire Blvd, Los Angeles, CA 90017	[Attached]
May 11, 2026	Review Draft Report and Public Comment	Virtual	[Attached]

**LOSSAN Corridor Regional Working Group**  
 February 19, 2026, from 11:30 AM – 2:30 PM  
 LA Metro Headquarters  
 1 Gateway Plaza  
 Los Angeles, CA 90012  
*Mulholland Conference Room (15th floor)*

<u>Time</u>	<u>Agenda Item</u>	<u>Topic</u>	<u>Presenter</u>
11:30 am	Item 1	Welcome and introductions	Chair James Hacker, CalSTA
11:45 am	Item 2	LOSSAN Working Group Restart and Cadence	CalSTA
12:15 pm	Item 3	SB 1098 Overview, Framing and Discussion	CalSTA
1:00 pm	Item 4	LOSSAN Corridor ID Update + Discussion	Caltrans
1:30 pm	Item 5	Known Resiliency Projects	CalSTA, Caltrans + partner agencies
2:00 pm	Item 6	Open Discussion and Next steps	CalSTA + All
2:30 pm	Item 7	Adjourn	Chair James Hacker

**Gavin Newsom**  
Governor

**Toks Omishakin**  
Secretary

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## LOSSAN SB 1098 Working Group

**March 27, 2026**  
**1:00 PM**

**MEETING LOCATION:** 550 South Main Street  
Main Conference Room  
Orange, CA 92863

Questions or inquiries about the meeting may be directed to the California State Transportation Agency (CalSTA) by contacting CalSTA at [LOSSAN.SB1098@calsta.ca.gov](mailto:LOSSAN.SB1098@calsta.ca.gov), or by accessing the LOSSAN Working Group website located at <https://calsta.ca.gov/subject-areas/lossan-working-group>

### **AGENDA**

- 1) Welcome and Opening Remarks
- 2) Review Report Outline and Structure
- 3) Review Policy Area 1 (*Strategies to increase rail service coordination and reduce disruptions or delays including, but not limited to, those caused by resiliency vulnerabilities, track closures, state of good repair, equipment, and staffing*).
- 4) Review Policy Area 4 (*Coordination of planning and project development through the federal Corridor Identification and Development Program*)
- 5) Review Governing Board Approach for LOSSAN Agency, Metrolink and NCTD
- 6) Open Discussion
- 7) Next Steps

**Gavin Newsom**  
Governor

**Toks Omishakin**  
Secretary

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## LOSSAN SB 1098 Working Group

**April 28, 2026**  
**1:00 PM**

**MEETING LOCATION:** 900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017

Questions or inquiries about the meeting may be directed to the California State Transportation Agency (CalSTA) by contacting CalSTA at [LOSSAN.SB1098@calsta.ca.gov](mailto:LOSSAN.SB1098@calsta.ca.gov), or by accessing the LOSSAN Working Group website located at <https://calsta.ca.gov/subject-areas/lossan-working-group>

### **AGENDA**

- 1) Welcome and Opening Remarks
- 2) Review Recommendations for Policy Area 'A' from March 2026 meeting.
- 3) Review Recommendations for Policy Area 'D' from March 2026 meeting.
- 4) Review Policy Area 'B' (*Alternative Management Models or Structures*).
- 5) Review Policy Area 'C' (*Changes to Statutes, Rules, or Funding Necessary for Improvement*)
- 6) Open Discussion
- 7) Next Steps

**Gavin Newsom**  
Governor

**Toks Omishakin**  
Secretary

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## **LOSSAN SB 1098 Working Group**

**May 11, 2026**  
**1:00 PM**

**MEETING LOCATION:** VIRTUAL MEETING

Questions or inquiries about the meeting may be directed to the California State Transportation Agency (CalSTA) by contacting CalSTA at [LOSSAN.SB1098@calsta.ca.gov](mailto:LOSSAN.SB1098@calsta.ca.gov), or by accessing the LOSSAN Working Group website located at <https://calsta.ca.gov/subject-areas/lossan-working-group>

Interested parties may register using the following link:  
<https://events.gcc.teams.microsoft.com/event/f0d6042a-7d60-4099-8545-7b48adf92a33@621b0a64-1740-43cc-8d88-4540d3487556>

### **AGENDA**

- 1) Welcome and Opening Remarks
- 2) Review Draft Recommendations for Policy Area A – Public Comment
- 3) Review Draft Recommendations for Policy Area B – Public Comment
- 4) Review Draft Recommendations for Policy Area C – Public Comment
- 5) Review Draft Recommendations for Policy Area D – Public Comment
- 6) Open Discussion
- 7) Next Steps



# Receive SB 1098 Report Regarding the LOSSAN Rail Corridor

Board of Directors Regular Meeting  
June 18, 2026

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

# SB 1098 Report

- Senate Bill 1098 was signed into law in September of 2024
- Requires the California State Transportation Agency (CalSTA) to convene a working group of stakeholders on the LOSSAN Rail Corridor, including representatives from NCTD
- The working group was tasked to provide consensus recommendations and feedback in a report to the Legislature to ensure the long-term success of passenger and freight rail on the LOSSAN Rail Corridor
- The working group met four times between February and May of 2026
- Draft report is forthcoming and will be provided to NCTD's Board of Directors for review and feedback



# LOSSAN Working Group Public Comment Draft Recommendations Summary June 18, 2026



# Report Outline & Structure

Working Group Report to the California Legislature — SB 1098



# WORKING GROUP MANDATE — KEY TOPICS

*Report due to Legislature covering:*

## **(A) Service Coordination & Disruption Reduction**

Strategies to improve maintenance, reduce track closures, address resiliency vulnerabilities, and enhance on-time performance.

## **(B) Alternative Management Models**

Evaluation of management and operations structures that improve intercity and regional rail service delivery.

## **(C) Statutory & Funding Changes**

Recommended changes to state law, rules, or funding to improve quality, frequency, governance, and planning integration across the corridor.

## **(D) Federal Funding Coordination**

Alignment with the federal Corridor Identification and Development Program to expand capital funding opportunities.



# Report Structure: Key Sections

I-II

## Transmittal Letter & Executive Summary

Executive Summary and high-level findings across Topics A–D

III

## Introduction & Background

Corridor overview, SB 1098 legislative context

IV

## Topic A — Service Coordination

Findings and recommendations on resiliency, SGR, track closures, equipment, staffing

V

## Topic B — Alternative Management Models

Findings and recommendations on governance structures (TBD)

VI

## Topic C — Statutory & Funding Changes

Findings and recommendations on statutes, rules, funding (TBD)

VII

## Topic D — Federal CDP Coordination

Findings, background, and recommendations on CID Program participation

VIII–X

## Cross-Cutting Themes, Conclusion & Appendices

Summary, priorities, call to action, membership, meeting notes, glossary



# Review Draft Policy Recommendations for A



# Policy Area A – Strategies to increase rail service coordination and reduce disruptions or delays

1. The corridor should develop a written fleet and asset management plan that aligns equipment, facilities, and infrastructure needs with funding.
2. Review state programs for opportunities to support SGR rail projects where feasible.
3. In coordination with the LOSSAN Working Group, the California State Transportation Agency (CalSTA) and the California Coastal Commission (CCC) should develop a cooperative agreement or Memorandum of Understanding to identify where streamlining solutions for rail projects in the coastal zone can be identified and other solutions to assist in the delivery of rail projects.
4. Develop a corridor-wide playbook that defines roles, decision thresholds, and timelines for agencies when bluff instability is detected.

*DRAFT CONTENT*



# Policy Area A – Strategies to increase rail service coordination and reduce disruptions or delays

6. Establish a Vision Zero framework for rail within the LOSSAN Corridor, with the explicit goal of eliminating passenger and vehicle strike incidents through a combination of data-driven prioritization, targeted infrastructure investment, and coordinated interagency action.
7. Compile and maintain a unified safety dataset to identify and map high-risk locations with the greatest frequency and severity of incidents.
8. Implement ongoing performance monitoring to ensure continuous reduction of risk and measurable progress toward eliminating strikes corridor-wide.
9. Establish a corridor-wide standard for earlier and more consistent confirmation of AWWs
10. Proactively consolidate maintenance activities across operators to reduce the frequency and overlap of disruptions.
11. Leverage the Rail Fleet Consortium being led by the Caltrans Division of Rail as a primary vehicle for coordination. Use this venue to explore joint procurements and service contracting to attract more bidders and aggregate buying power statewide.

*DRAFT CONTENT*



# Review Draft Policy Recommendations for B



# Policy Area B – Alternative Management and Operations Models

1. The working group recommends using the Rail Leadership Group for strategic leadership engagement and the LOSSAN Technical Advisory Committee as a staff led forum to advance priorities established by the Leadership Group.
2. Encourage corridor operators to align schedule changes during the same periods of the year, with April and October identified as preferred implementation windows, while preserving flexibility for ad hoc changes to account for unanticipated extenuating circumstances.
3. Require regular updates and revisions to the LOSSAN schedule optimization study on a fixed cadence established in advance, to ensure that operations across corridor services are continually optimized.
4. In coordination with CalSTA and the Caltrans Division of Rail, designate a primary host railroad liaison and negotiator.

*DRAFT CONTENT*



# Review Draft Policy Recommendations for C



# Policy Area C – Changes to state statutes, rules, or funding

1. Establish review deadlines for agency comments and approvals and create a formal conflict resolution protocol when multiple jurisdictions impose conflicting requirements.
2. Consider making permanent the CEQA streamlining judicial review for certain transportation-related projects introduced with SB 149 (statutes of 2023) once all ten authorized letters have been used and outcomes have been evaluated.
3. Request Caltrans to issue statewide guidance to establish a common framework for how passenger rail is described and coordinated in RTPs.
4. Request Caltrans to develop standardized technical guidance for how intercity passenger rail services that span multiple regions should be modeled in travel demand models used in RTPs.

*DRAFT CONTENT*



# Policy Area C – Changes to state statutes, rules, or funding

1. Consistent with approved recommendations in the Transit Transformation Task force:
  - Review opportunities to modernize the Transportation Develop Act (TDA) by removing the farebox recovery penalty, which is currently suspended due to the COVID-19 pandemic, but is set to resume beginning in fiscal year 2027.
  - Review opportunities to develop new metrics and performance measures that replace the farebox recovery penalty and update these measures on a regular cadence.
  - Review opportunities to update other formulaic funding programs (i.e., LCTOP, SGR) to align with revisions to TDA reporting requirements and incentives.

*DRAFT CONTENT*



# Review Draft Policy Recommendations for D



# Policy Area D – Coordination of Planning and Project Development through the Federal CIDP

1. To the extent possible, CalSTA and Caltrans should endeavor to align state grant programs such as TIRCP, TCEP, SCCP, with the project priorities established through the CIDP process.
2. Recommend that the LOSSAN member agencies, in coordination with Caltrans, establish a standing interagency coordination structure specifically organized around stage 2 CID Program milestones and deliverables.
3. CalSTA, Caltrans and the LOSSAN member agencies should actively leverage California's participation in the CID Program as a foundation for federal legislative and advocacy on behalf of the LOSSAN Corridor. Corridors with formal CIDP status occupy a recognized position within FRA's national passenger rail framework, and that status should be used strategically in engagements with FRA leadership.

*DRAFT CONTENT*



# Next Steps

1

Public comment closes July 3<sup>rd</sup>, 2026.

2

Board feedback should be transmitted by this date for consideration and inclusion in the report.

3

Transmit report to legislature after board feedback is received by July 8<sup>th</sup>.

4

Resume regular quarterly cadence for future Working Group meetings, starting in August.

# Questions?