

NORTH COUNTY TRANSIT

SAN DIEGO RAILROAD

810 Mission Avenue
Oceanside, CA 92054

(760) 966-6500

(760) 967-2001 (fax)
GoNCTD.com

Agenda

Thursday, June 26, 2025

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

North County Transit District'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 District 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.

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.

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. 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 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 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.

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 before entering the Board Room at NCTD, 810 Mission Avenue, Oceanside, CA. The completed form must be given to the Clerk of the Board before that agenda item is called. Members of the public may also submit their comments via email at 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/82846871954?pwd=ePwWP5oOePYu8jLGGr4qBW7AVaTH9h.1>
Passcode: 507406

Phone Participation:

To join the meeting by phone, dial 669-900-6833
Webinar ID: 828 4687 1954
Passcode: 507406

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. 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/>.

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.

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.

A. MINUTES

Approve Minutes for NCTD's Regular Board Meeting of May 15, 2025
(*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, Chief of Staff*)
2. Receive the Monthly Transit Operations Performance Report for April 2025 (S)
(Attachment 2A)
(*Katie Persons, Director of Service Planning*)
3. Receive the Marketing, Service Planning and Business Development Committee Report for the Meeting held on June 11, 2025 (MSPBD) (Attachments 3A and 3B)
(*Mary Dover, Chief of Staff*)
4. Receive the Unaudited Quarterly Investment Report for the Third Quarter of FY2025 (S)
(*Eun Park-Lynch, Chief Financial Officer*)
5. Receive the Unaudited Quarterly Financial Report for the Third Quarter of FY2025 (S)
(Attachment 5A)
(*Eun Park-Lynch, Chief Financial Officer*)
6. Receive the Quarterly Safety Report for the Third Quarter of FY2025 (S) (Attachment 6A)
(*Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel*)

7. Receive the Quarterly Security Report for the Third Quarter of FY2025 (S) (Attachment 7A)
(Lilia Montoya, Chief Operating Officer)
8. Receive the Quarterly Customer Experience Report for the Third Quarter of FY2025 (S) (Attachment 8A)
(Alicia Peat-Watson, Director of Customer Experience)
9. Receive the Quarterly Report of Contract Actions Under the Chief Executive Officer's Authority for the Third Quarter of FY2025 (S) (Attachment 9A)
(Alex Denis, Chief Operating Officer)
10. Receive the Quarterly Report of Ratification of Contract Items for the Bus Transition for the Third Quarter of FY2025 (S) (Attachment 10A)
(Alex Denis, Chief Operating Officer)
11. Approve the Memorandum of Understanding Between NCTD and Palomar College Concerning the Accelerate Clean Public Transit Program (S) (Attachment 11A)
(Nick Sofoul, Director of Strategic Planning)
12. Authorize the Chief Executive Officer to Finalize and Execute an Employment and Training Agreement with The Arc of San Diego for Interior Vehicle Detailing Services and Job Coaching Support (S) (Attachment 12A)
(Joy Freeman, Chief People Officer)
13. Adopt Resolution No. 25-04 Approving Revisions to Board Policy No. 24 – *Drug and Alcohol Program* (S) (Attachments 13A and 13B)
(Joy Freeman, Chief People Officer)

D. OTHER BUSINESS ITEMS 14 AND 15

14. Conduct Public Hearing and Adopt the FY2026 Operating Budget and FY2026-2030 Capital Improvement Plan and Related Documents and Approve the FY2026-FY2030 Service Implementation Plan (Attachments 14A – 14G)
(Eun Park-Lynch, Chief Financial Officer)
15. Set Public Hearing and Authorize Staff to Receive Public Comment for the Proposed Elimination of BREEZE Route 323 (Attachment 15A)
(Katie Persons, Director of Service Planning)

- **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 6)

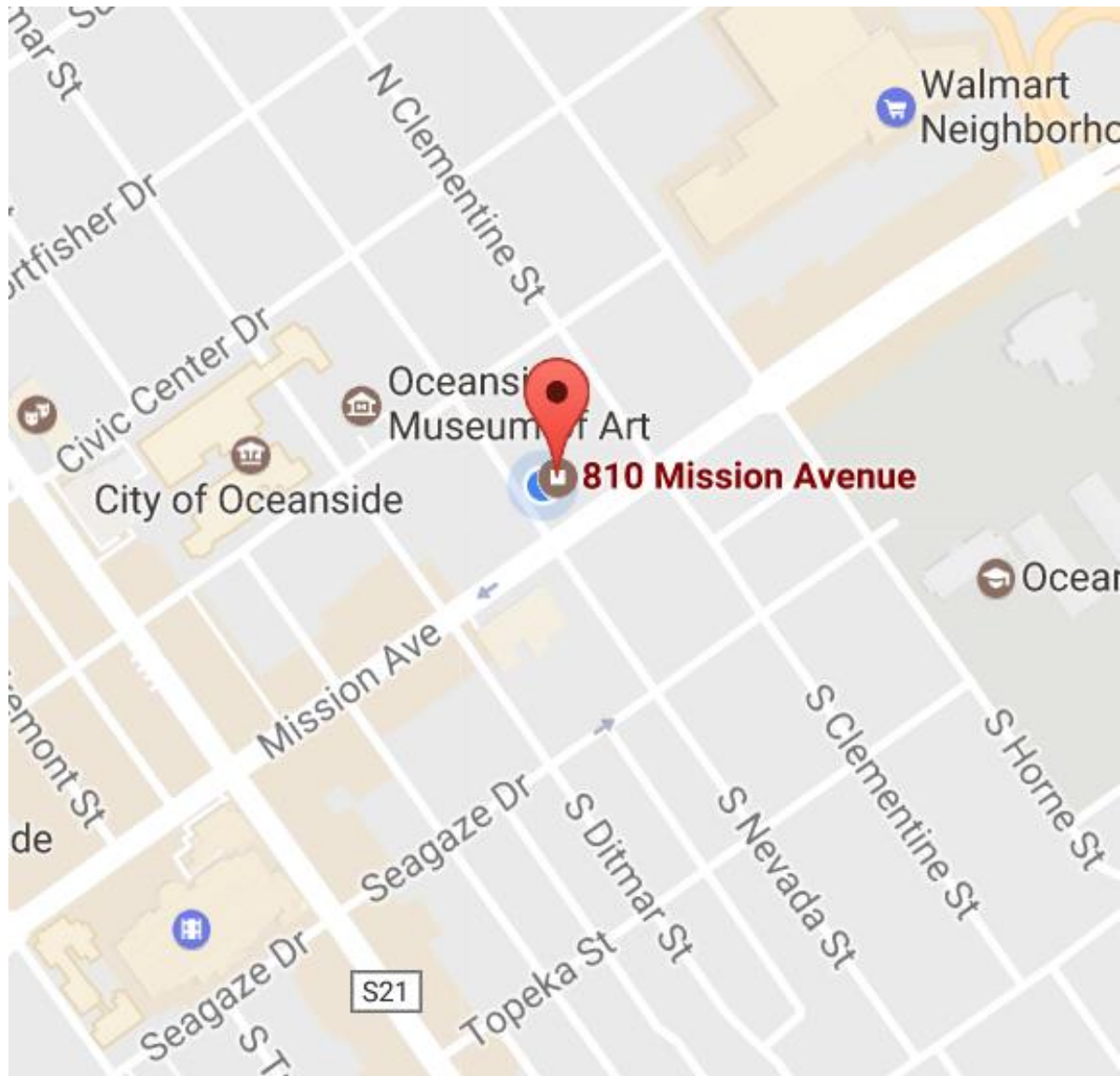
- Rules for Public Speakers at meetings of the North County Transit District (Page 7)

- Quorum and Voting Information (Page 8)

Upcoming Meetings:

- **Regular Board Meeting: Thursday, July 17, 2025 at 2:00 p.m.**

MAP OF NORTH COUNTY TRANSIT DISTRICT 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 to check our current routes and schedules, or call 1-800-COMMUTE.

NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD

June 18, 2025

To: North County Transit District 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 26, 2025 at 2:00 p.m.

Posted At: 810 Mission Avenue, Oceanside, CA

Posted Online At: www.goNCTD.com

Date & Time of Posting: June 18, 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 District

Per Board policy, all public communications at meetings of the North County Transit District 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 able to address the Board of Directors in the order they were 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 are 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.

4. MODIFICATION OF RULES BY CHAIR

- A. The Board Chair may, in his or her absolute discretion, relax the requirements of 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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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.

Jurisdiction	2023 Estimate	Percentage	Vote
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
Total	951,394	100.0%	100
<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 DISTRICT BOARD OF DIRECTORS HELD ON MAY 15, 2025

REGULAR BOARD MEETING

CALL TO ORDER

Board Chair Priya Bhat-Patel called the Regular Meeting to order at 2:00 p.m.

ROLL CALL OF BOARD MEMBERS

1. Priya Bhat-Patel (City of Carlsbad)
2. Mike Sannella (City of San Marcos)
3. Tracy Martinez (City of Del Mar) – arrived at 2:12 p.m.
4. Jim O'Hara (City of Encinitas) - Absent
5. Joe Garcia (City of Escondido)
6. Eric Joyce (City of Oceanside)
7. Jim Desmond (County of San Diego) - Absent
8. Jewel Edson (City of Solana Beach)
9. Corinna Contreras (City of Vista)
10. Madison Coleman (City of San Diego) – Board Alternate, arrived at 2:01 p.m.

PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG

Board Member Martinez 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

None

PUBLIC COMMUNICATIONS

Chris Kolek, Carlsbad, spoke regarding the Board discussing Transit Orientated Development (TOD) at a future meeting. He believes the cities of Oceanside and Carlsbad would benefit from a TOD and future improvements at their respective stations.

APPROVAL OF THE MINUTES OF THE MARCH 20, 2025 REGULAR BOARD MEETING

ON THE MOTION OF BOARD VICE-CHAIR SANNELLA TO APPROVE THE MINUTES OF THE MARCH 20, 2025 REGULAR BOARD MEETING, SECONDED BY BOARD MEMBER EDSON.

AYES: BHAT-PATEL, SANNELLA, MARTINEZ, GARCIA, JOYCE, EDSON, CONTRERAS

NOES: NONE

ABSENT: DESMOND, O'HARA

ABSTAIN: NONE

MOTION PASSES.

APPROVAL OF THE MINUTES OF THE APRIL 17, 2025 SPECIAL BOARD MEETING

ON THE MOTION OF BOARD MEMBER JOYCE TO APPROVE THE MINUTES OF THE APRIL 17, 2025 SPECIAL BOARD MEETING, SECONDED BY BOARD MEMBER EDSON.

AYES: BHAT-PATEL, SANNELLA, MARTINEZ, GARCIA, JOYCE, EDSON, CONTRERAS

NOES: NONE

ABSENT: DESMOND, O'HARA

ABSTAIN: NONE

MOTION PASSES.

APPROVAL OF CONSENT ITEMS 1 – 7

1. Receive the Monthly Intergovernmental Affairs Report
2. Receive the Monthly Transit Operations Performance Report for February and March 2025
3. Receive the Marketing, Service Planning, and Business Development Committee Report
4. Approve Supplemental Agreement No. 05 to Agreement No. 20015 with Swiftly, Inc. for Ridership Analytics and Automatic Passenger Counter Certification Services
5. Authorize the Chief Executive Officer to Execute Change Order No. 01 to Agreement No. 25013 with Vincor Construction, Inc. for the General Administration Office Building Third Floor Improvements
6. Approve the Public Transportation Agency Safety Plan for Bus and the Combined Public Transportation Agency Safety Plan/System Safety Plan for COASTER and SPRINTER Services
7. Adopt Resolution No. 25-03 Authorizing the Execution of the Certifications, Assurances, and Authorized Agent Forms for the Low Carbon Transit Operations Program for the Purchase of Zero Emission Hydrogen Replacement Buses

ON THE MOTION OF BOARD MEMBER CONTRERAS TO APPROVE CONSENT ITEMS 1 – 7, SECONDED BY BOARD MEMBER EDSON.

AYES: BHAT-PATEL, SANNELLA, MARTINEZ, GARCIA, JOYCE, EDSON, CONTRERAS

NOES: NONE

ABSENT: DESMOND, O'HARA

ABSTAIN: NONE

MOTION PASSES.

INFORMATION ITEM 8

8. Receive an Update Regarding the Development of the Proposed FY2026 Operating Budget and FY2026-2030 Capital Improvement Program (CIP)

Eun Park-Lynch, Chief Financial Officer, and Mary Dover, Chief of Staff, presented an overview of the development of the FY2026 Operating Budget that will be considered for adoption by the Board in June 2025.

Board Member Contreras commented that she would like to see connectivity improvements between Vista Transit Center and Downtown Vista.

Board Member Edson asked about funds for the Youth Opportunity Pass. CEO Donaghy responded that NCTD is looking for a long-term revenue solution for the continuation of this program. She further asked about the budget line item for the paratransit service taxi services. CEO Donaghy responded that NCTD's Bus Operations team is looking to see what can be absorbed by its current paratransit employees but there may still be a need for contracted same-day paratransit service. Board Member Edson also asked what is considered non-transportation costs. Park-Lynch responded that NCTD receives credits for using 100% renewable natural gas (CNG). However, as the District transitions to hydrogen fuel, it will lose those credits. The District also receives revenue for investment income, totaling \$2 million in FY2025.

Vice-Chair Sannella asked about the \$9 million difference in the budget compared to last year's budget. Park-Lynch responded that NCTD will be using prior year's capital reserve funding as opposed to local dollars to cover the match needed for NCTD's CIP. She further commented that although using capital reserve funding is acceptable for this year's budget NCTD may face future financial challenges if it doesn't find operating dollars to sustain operations. Vice-Chair Sannella encouraged NCTD staff to have a future Board workshop to discuss any potential impacts that NCTD may encounter if service is reduced due to limited funding availability and how to maximize available funding to serve its riding public.

Board Member Martinez asked if NCTD has sufficient capital reserve funding to cover the needs of the District. Park-Lynch responded affirmatively.

Board Alternate Coleman asked if NCTD is obligated to have a minimum level of reserves available. Park-Lynch responded that the current Board Policy states that NCTD must keep a

minimum of \$15 million as reserves or have sustainable cash to maintain up to six months of operations; NCTD is meeting this requirement.

Board Member Joyce asked if the projections for passenger fares for FY2026 are on track per the budget. Park-Lynch responded that the projections are on track and added that partnerships with local universities and colleges will allow for NCTD to receive reimbursements for students that take public transit, which will increase passenger fare revenue in the coming years.

Board Chair Bhat-Patel asked how the budget will be impacted due to impending state and federal budget cuts. Park-Lynch responded that aside from NCTD's conservative approach, any funding that is derived from SANDAG or the Federal Transit Administration is projected to be received based on their assumptions. Chair Bhat-Patel further asked how the Board can help NCTD advocate for more funding. Ms. Dover responded that NCTD will visit the capitol to speak to the state Legislature regarding transportation funding availability. Her and CEO Donaghy will also visit the nation's capital to talk about the federal surface transportation reauthorization bill, specifically how federal dollars can be used for safety and security purposes. A fact sheet is being drafted to provide talking points for the Board Members to lobby for NCTD. She also invited Board Members to be present when NCTD meets with their respective city's jurisdictional representatives.

CHIEF EXECUTIVE OFFICER'S REPORT

CEO Donaghy provided the Board with the following updates:

- Fare Study workshop and Transit Oriented Development Project items will be added to the Board agenda for discussion in the coming months.
- His visit to Sacramento was productive and was an opportunity to discuss how state policies may impact NCTD. Future visit to DC will allow NCTD to speak to federal legislators regarding how federal policies may impact local funding.
- Caltrans discussions continue regarding SPRINTER long-term plans.
- The FTA Triennial Review is complete and NCTD achieved a perfect score. He stated that less than 7% of transit agencies nationally have zero findings during an FTA review. He thanked staff for their hard work during the entire process.

BOARD MEMBER REPORTS, COMMENTS, AND CORRESPONDENCE

Board Member Edson mentioned that Metrolink will complete the rehabilitation project in San Clemente by June 10, 2025. She also invited all to attend the Solana Beach Fiesta del Sol Festival at Fletcher Cove Park on May 31 and June 1, easily reached by taking the COASTER.

Board Member Joyce asked when the NCTD+ app will be available in Spanish. Katie Persons, Director of Service Planning, responded that the user's phone native language setting must be set to Spanish in order for the app to be available in Spanish. He also added that El Camino High School students will be presenting an ethnic studies project regarding bus safety. The students were able to ride the bus and use their Youth Opportunity Passes. NCTD is invited to see their presentation and findings on Monday, May 19th from 8:30 a.m. to 3:00 p.m.

Board Member Garcia asked why a bus that was labeled "Not in Service" but was full of passengers. CEO Donaghy mentioned that this happens when Dispatch designates a bus as "drop-off" mode only when it is at full capacity.

Board Chair Bhat-Patel mentioned that she attended a meeting with NCTD and the City of Carlsbad constituents regarding safety at at-grade crossings. CEO Donaghy stated he is always delighted to speak to members of the public regarding safety matters in their communities. Additionally, Board Chair Bhat-Patel thanked NCTD staff on their social media presence, the highlights to employees and raising awareness on different groups in our communities.

REMAINING PUBLIC COMMUNICATIONS

None

ADJOURNMENT

Board Chair Bhat-Patel adjourned the meeting at 3:03 p.m. Submitted by Suheil Rodriguez, Clerk of the Board, for the North County Transit District.

BOARD CHAIR
North County Transit District

CERTIFICATION

I, Suheil Rodriguez, duly appointed and qualified, Clerk of the Board of the North County Transit District, do hereby certify that the above is a true and correct copy of the Minutes of the Regular Board Meeting held on May 15, 2025 approved by the Board of Directors of the North County Transit District adopted at a legally convened meeting of the Board of Directors of the North County Transit District held on June 26, 2025.

CLERK OF THE BOARD
North County Transit District

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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 2025.

**BACKGROUND
INFORMATION:**

Attached are the Monthly Intergovernmental Affairs Reports for May as well as the Status of Tracked Legislation Report for May 2025 (Attachments A, B, and C) submitted by Holland & Knight and Townsend Public Affairs. The monthly reports provide updates on federal and state legislative activity impacting the North County Transit District (NCTD). Highlights of the May reports include:

Legislative Activity and Updates – Federal:

Federal Budget Update – On May 30, President Trump released his Fiscal Year (FY) 2026 Budget request. The request includes \$21.2 billion for public transit and \$16.5 billion for passenger rail in FY2026 when combined with advance appropriations in the Infrastructure Investment and Jobs Act (IIJA). For passenger and freight rail, the Budget provides \$7.2 billion for Federal-State Partnership for Intercity Passenger Rail grants, \$1.5 billion for Consolidated Rail Infrastructure and Safety Improvements (CRISI) grants, and \$600 million for Railroad Crossing Elimination (RCE) grants. The President's budget also proposes new policy provisions for these grant programs. For CRISI, the President proposes to expand eligibility for trespassing prevention projects to any State, county, municipal, local and regional law enforcement agency, and waive the maximum Federal share for these projects. The proposal also would eliminate the preference for projects that maximize benefits (pursuant to a cost-benefit analysis) for certain CRISI-eligible projects. For the RCE grant program, the President's Budget proposes to expand applicant eligibility to nonprofit organizations. The President's Budget also requests \$2.5 billion for the Department of Transportation's Better Utilizing Investments to Leverage Development (BUILD) and Mega competitive grant programs.

House Passes Budget Reconciliation Bill – On May 22, the House passed the "One Big Beautiful Bill Act" budget reconciliation package. The transportation portions of this package include \$21 billion to the Coast Guard for drug and immigration enforcement and \$12.5 billion to the Federal Aviation Administration for air traffic control improvements. The bill rescinds unobligated funds from the Neighborhood Access and Equity, Environmental Review Implementation, and Low-Carbon Transportation Materials grant programs. The measure also includes a \$250 annual fee on zero emissions personal vehicles and \$100 fee on hybrids. Proceeds from these fees would be deposited in the Highway Trust Fund. However, the proposal does not include an allocation specified to the Mass Transit Account of the fund, which supports public transportation projects.

Bus Discretionary Grants Notice of Funding Opportunity – The Federal Transit Administration (FTA) released the FY 2025 Notice of Funding Opportunity (NOFO) for the Low or No Emissions program (Low-No) and the Bus and Bus Facilities program. The total funding under the NOFO is \$1.5 billion, with \$398 million for the Bus and Bus Facilities program and the remainder for the Low-No program. NCTD

will apply to both grant programs to request federal funding for new compressed natural gas (CNG) buses to replace existing CNG buses nearing the end of their useful life. Applications are due July 14, 2025. The FTA expects to announce grant awards in the fall.

Legislative Activity and Updates – State:

State Budget Update – Governor Newsom released his updated budget proposal, or May Revise, which seeks to address an estimated \$12 billion deficit in the 2025-26 budget year. To manage the deficit, the Governor’s proposal suggests a combination of fund shifts, borrowing, reserve spending, and cost reductions. The May Revise also proposes a 15-year extension of the state’s cap-and-trade program, which expires in 2030. The Governor’s proposal would rename the program “Cap-and-Invest” and create annual funding commitments from the Greenhouse Gas Reduction Fund (GGRF) of \$1 billion and \$1.5 billion to the California High Speed Rail Authority and the California Department of Forestry and Fire Protection (CalFire), respectively. The proposal shifts funding away from existing funding commitments to public transportation agencies through the Transit and Intercity Rail Capital program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and through SB 125 formula distributions. These three programs represent a significant source of capital and operations funding for NCTD. If the Legislature passes the budget as the Governor has outlined, NCTD would lose nearly \$200 million in funding for the San Dieguito Double Track project, the Eastbrook to Shell Double Track project, additional stabilization for the Del Mar Bluffs, and other capital and operating expenses. The Legislature must finalize the budget before the June 15 constitutional deadline.

Appropriations Committees Suspense File Hearings – On May 23, the Assembly and Senate Appropriations Committees held Suspense File hearings to evaluate proposed bills with fiscal implications. Bills that advance from these hearings are sent to the floor in their house of origin for final consideration. In total, there were 1,098 bills in the Suspense Files between both Committees; 742 passed to their House Floors, with 356 measures held in committee. Bills notable to NCTD that advanced from the Assembly and Senate Appropriations Committees include:

- **SB 71 (Wiener)** would make permanent the statutory CEQA exemption for certain public transportation and active transportation projects and expand this exemption to include bus shelter and lighting, microtransit, paratransit, shuttle ferry, transit comprehensive operational analyses, and transit infrastructure maintenance. SB 71 passed the Senate floor on June 3, 2025.
- **SB 79 (Wiener)** would streamline approval of certain housing developments located near transit-oriented development (TOD) stops. This bill received amendments in the Appropriations Committee that removed proposed changes to the Surplus Land Act, eliminated provisions that would have allowed housing projects on “qualified light industrial sights,” clarified standards for residential developments, and added a severability clause to the bill. SB 79 passed the Senate on June 3, 2025.
- **AB 394 (Wilson)** expands the existing crime of battery against a transportation official to include acts against additional types of transit workers and makes changes to the scope and enforcement of temporary restraining orders (TROs) sought due to violence against transit workers. AB 394 passed the Assembly floor on June 2, 2025.

Grant Activity

Below is an overview of successful grant awards in Calendar Year (CY) 2024, as well as successful and pending awards year-to-date in CY 2025. NCTD was the lead applicant for these grant applications, except where otherwise noted.

CY 2024	CY 2025	
Successful Awards	Pending Awards	Successful Awards
San Dieguito Double Track Phase 2 (INFRA) \$53.9 million	SPRINTER Infrastructure Investment Program (BUILD) \$3.2 million	
Battery Electric Buses (Community Project Funding) \$500,000	Bus Network Redesign (Caltrans) \$446,307	
San Dieguito Double Track Phase 2 (SANDAG – ITIP) \$62 million	Buena Creek Grade Separation (Caltrans) \$262,467	
SPRINTER Double Tracking – East (RAISE) \$10.2 million	Bus Stop Improvements (Community Project Funding) \$715,200	
San Dieguito Double Track Phase 2 (SB 125) \$36.4 million	SPRINTER Platform and Track Design (Community Project Funding) \$1.2 million	
Eastbrook to Shell Double Track and DMB5 (TIRCP) \$38.5 million	Sorrento Valley Signal Modernization (Community Project Funding) \$3,816,000	
Gender Action Plan (Caltrans) \$367,591	LOSSAN PTC (Community Project Funding) \$1,880,000	
Transit Signal Priority – 303 (Caltrans) \$344,521	Buena Creek PSR (Community Project Funding) \$240,000	
Total Successful: \$202,212,112	Total Pending: \$11,759,974	

ATTACHMENT: 1A – Federal Monthly Legislative Report (Holland & Knight) – May 2025
1B – State Monthly Legislative Report (Townsend) – May 2025
1C – Status of Tracked Legislation Report (Townsend) – May 2025

FISCAL IMPACT: This staff report has no fiscal impact.

COMMITTEE REVIEW: None

STAFF CONTACT: **Mary Dover, Chief of Staff**
E-mail: mdover@nctd.org Phone: 760-967-2895

Memorandum

Date: June 17, 2025

To: North County Transit District

From: Holland & Knight LLP

Re: Federal Update – May 2025

This memorandum provides an overview of federal policy developments of importance to the North County Transit District, including those related to:

- NCTD Leadership Visits Washington, D.C.
- House Passes “One Big, Beautiful Bill” Act; Sends Reconciliation Package to Senate
- Senate Committees Release Reconciliation Bill Text
- House Appropriations Leadership Sets Summer Schedule for Appropriations Markups
- FY26 DOT Budget Request
- FTA Releases Nearly \$1.5 Billion in Grant Funding to Support Buses and Transit Operations; Includes New Considerations Aligned with Administration’s Priorities

NCTD Leadership Visits Washington, D.C.

- During the week of May 19, NCTD CEO Shawn M. Donaghy and Chief of Staff Mary Dover visited Washington, D.C., for the annual American Public Transportation Association (APTA) legislative conference. During the visit, NCTD conducted meetings with members of the Trump Administration and the federal delegation to update them on NCTD’s priorities and other federal matters.
- NCTD met with the following offices/individuals:
 - Department of Transportation – Office of Intergovernmental Affairs
 - Office of Rep. Darrell Issa (R-CA): Mark Este, Senior Policy Advisor
 - Federal Railroad Administration: Michael York, Office of Governmental Affairs
 - House Transportation & Infrastructure Highways and Transit Subcommittee: Democratic Staff Director Jackie Schmitz
 - Senate Banking, Housing and Urban Affairs Committee: Homer Carlisle, Democratic Professional Staff
 - Office of Sen. Adam Schiff (D-CA): Olivia Oo, Policy Advisor
 - Rep. Mike Levin (D-CA)

House Passes “One Big, Beautiful Bill” Act; Sends Reconciliation Package to Senate

- On May 22, the House passed the “One Big, Beautiful Bill Act” ([H.R. 1](#)), the budget reconciliation measure to enact President Trump’s domestic policy agenda. The House passed the bill by a narrow 215-214 vote.
- The bill includes a permanent extension of many of the tax cuts included in the Tax Cuts and Jobs Act (TCJA) of 2017, including over \$ 4 trillion in tax cuts, elimination of several Inflation Reduction Act (IRA) clean energy tax credits, and investment in Opportunity Zones.
- The bill also includes substantial cuts and restrictions to the Medicaid program, including new Medicaid work requirements on able-bodied adults and new out-of-pocket costs on low-income Medicaid enrollees.
- Despite being suggested as an initial pay-for, the bill does not remove the tax-exempt status for municipal bonds, and thereby preserves the ability for local governments to finance infrastructure at lower costs. The bill also increases the volume of Low-Income Housing Tax Credits (LIHTC) by 12.5 percent and lowers the private activity bond financing required to access the credit to 25 percent through calendar year 2029.
- The bill now heads to the Senate for consideration under budget reconciliation measures. The Senate is able to consider this bill under the “budget reconciliation” process, wherein only a simple majority is required for passage rather than the normal 60-vote majority.

Senate Committees Release Reconciliation Bill Text

- Last week, Senate committees began to release their portions of the reconciliation bill, where they outlined new domestic spending cuts and funding increases for border security and immigration enforcement. The Senate Finance Committee released its much-awaited bill text for its tax and safety net portion of the Senate’s reconciliation bill on June 16, which includes changes to the nation’s tax code as well as critical safety net programs. The bill would raise the federal debt ceiling by \$5 trillion.
- Key divisions remain relating to the scope and inclusion of the State and Local Tax (SALT) deduction cap, energy tax credit elimination/phaseout, and Medicaid cuts. Additionally, each provision in the Senate’s bill will need to undergo the “Byrd Bath,” where the Senate Parliamentarian will scrutinize all aspects of the bill to determine whether they have a budgetary impact and whether portions could be removed or altered to comply with Senate rules.

House Appropriations Leadership Sets Summer Schedule for Appropriations Markups

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- On May 21, House Appropriations Committee Chair Tom Cole (R-OK) released the committee's schedule to mark up all 12 Fiscal Year (FY) 2026 appropriations bills and advance them to the House floor. Chair Cole has stated that he intends for the House Appropriations Committee to mark-up all 12 bills before the August congressional recess.
- Below is the House Appropriations committee's markup schedule:

Appropriations Bill	Subcommittee Markup	Full Committee Markup
Agriculture-FDA	Thursday, June 5 th	Wednesday, June 11 th
Commerce-Justice-Science	Monday, July 14 th	Thursday, July 17 th
Defense	Tuesday, June 10 th	Friday, June 13 th
Energy and Water	Monday, July 7 th	Thursday, July 10 th
Financial Services and General Government	Monday, June 23 rd	Thursday, June 26 th
Homeland Security	Monday, June 9 th	Thursday, June 12 th
Interior-Environment	Monday, June 23 rd	Thursday, June 26 th
Labor, Health and Human Services, and Education	Monday, July 21 st	Thursday, July 24 th
Legislative Branch	Tuesday, June 24 th	Friday, June 27 th
Military Construction-VA	Thursday, June 5 th	Tuesday, June 10 th
National Security-Department of State	Tuesday, June 24 th	Friday, June 27 th
Transportation-HUD	Monday, July 7 th	Thursday, July 10 th

FY26 DOT Budget Request

- President Trump's FY26 budget request for the [Department of Transportation \(DOT\)](#) requests a total of \$111.3 billion in funding. This request, combined with \$35.8 billion in advance appropriations from the Bipartisan Infrastructure Law (BIL), results in a \$147.1 billion request to Congress – approximately a 1.6 percent increase compared to FY25.
- The request proposes to rescind almost \$5.7 billion in National Electric Vehicle Infrastructure (NEVI) funding included in BIL – specifically including FY26 funding and unobligated balances from prior years – to build out electric vehicle (EV) charging stations nationwide.

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- The request calls for an additional \$770 million for the Infrastructure for Rebuilding America Program (INFRA), in addition to \$1.5 billion in advance appropriations from BIL.
- DOT's request also includes the following:
 - Federal Highway Administration (FHWA): \$72.6 billion (\$64.1 billion + \$8.2 billion in advance appropriations)
 - Railroad Grade Crossing Improvement Program: \$245 million
 - Bridge Investment Program: \$700 million
 - Federal Transit Administration (FTA): \$21.2 billion (\$16.9 billion + \$4.2 billion in advance appropriations)
 - Transit Infrastructure Grants (formula funding): \$14.6 billion
 - Capital Investment Grants (CIG): \$2.2 billion (when combined with \$1.6 billion from BIL, the total sums to \$3.8 billion)
 - Buses and Bus Facilities: \$1.2 billion (When combined with \$1.1 billion in advanced appropriations, the total sums to \$2.3 billion)
 - \$3.9 billion for State of Good Repair - \$300 million set-aside for Rail Vehicle Replacement Competitive Grant Program
 - Federal Railroad Administration: \$16.4 billion (\$3.2 billion + \$13.2 billion in advance appropriations)
 - Consolidated Rail Infrastructure and Safety Improvements (CRISI): \$500 million (when combined with \$1 billion from BIL, the total sums to \$1.5 billion)
 - Amtrak: \$1.6 billion for the Amtrak national network
 - The budget does not call for new funding for the Railroad Crossing Elimination Grant Program, as it cites the \$600 million in advanced appropriations from BIL for FY26

FTA Releases Nearly \$1.5 Billion in Grant Funding to Support Buses and Transit Operations; Includes New Considerations Aligned with Administration's Priorities

- On May 14, FTA announced \$1.5 billion in available funding for the FY25 Buses and Bus Facilities and Low-or-No Emission Grant Programs. The Buses and Bus Facilities program provides funding to assist with replacing, purchasing, or leasing buses, bus-related equipment, or bus facilities. The Low-or-No Emission Grant Program provides funding for purchasing or leasing zero-emission and low-emission transit buses and the acquisition, construction, and leasing of related facilities.

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- This round of funding includes new, additional considerations in the review and selection process that align with multiple Trump Administration priorities, including:
 - Location of projects in Opportunity Zones and how they will impact the area;
 - Commitment for vehicle projects to strengthen the U.S. vehicle manufacturing industry through advance or progress payments; and
 - Ability of projects to improve access to transportation for families with young children and improved access to jobs, healthcare facilities, recreational activities, and commercial activity.
- All applications are due by July 14, 2025. For more information, please refer to the [Buses and Bus Facilities](#) and [Low-and-No Emission](#) grant funding opportunities posted to Grants.gov.

MEMORANDUM

To: North County Transit District Board of Directors
Mary Dover, Chief of Staff

From: Townsend Public Affairs
Casey Elliott, Vice President
Spencer Street, Senior Associate

Date: June 4, 2025

Subject: May 2025 Legislative Monthly Report

STATE UPDATES

The month of May was marked by key statutory deadlines for both the State Budget and the Legislature. On May 14, Governor Newsom released the 2025-26 May Revision to his January budget proposal, reflecting updated revenue projections influenced by tax returns, inflation, and federal monetary policy. These adjustments may lead to additional spending cuts or the restoration of previously reduced programs.

Meanwhile, the Legislature faced two major deadlines: the Appropriations Committees' Suspense File hearings and the House of Origin deadline. On May 23, both Appropriations Committees considered hundreds of bills with fiscal impacts, using the Suspense File process to determine which measures would advance. Bills may be held for various reasons, including duplicative proposals, shifting author priorities, or political or fiscal infeasibility, especially in light of the state's projected budget deficit.

Looking ahead, both houses are scheduled for daily floor sessions only during the first week of June, as they work to pass the remaining bills by the June 6 House of Origin deadline.

Below is an overview of pertinent state actions from the month of May.

STATE BUDGET

On May 14, Governor Newsom provided a presentation overview of the state's updated budget proposal. The May Revision, or "May Revise," is an update to the January budget proposal that reflects new revenue projections, economic trends, caseload updates, and evolving policy priorities. The May Revise provides the Governor with an opportunity to modify funding proposals and strategies ahead of final budget negotiations with the Legislature. By law, the Legislature must pass and send to the Governor a balanced budget by June 15. The 2025 May Revise responds to significant fiscal pressures and broader macroeconomic uncertainty, particularly in light of federal policy developments and inflationary pressures affecting state program costs.

With a combination of fund shifts, borrowing, reserve spending, and cost reductions, the May Revise mitigates a purported \$12 billion deficit in the 2025-26 budget year, while the Department of Finance forecasts annual shortfalls of \$14 billion in 2026-27, \$19 billion in 2027-28, and \$13

billion in 2028-29. The Health and Human Services piece of the budget saw the largest cost reductions across Medi-Cal premiums and eligibility, long-term care benefits, payments to health centers and rural health clinics, and In-Home Supportive Services, among others. The May Revise also proposes a 15-year extension (to 2045) of the state's cap-and-trade program, to be redubbed Cap-and-Invest, with a dedicated \$1 billion annual commitment to the High-Speed Rail project, and a shift in funds from the Greenhouse Gas Reduction Fund for CAL FIRE operations.

While the May Revise does not propose new large-scale housing funding, the Governor signaled support for the housing and infrastructure bond considered by the Legislature for placement on the November 2026 ballot. To streamline housing production, the Governor emphasized reducing permitting delays and stronger accountability for local jurisdictions, even suggesting that future budget trailer language could build upon CEQA and permit streamlining efforts already underway this session. On the homelessness front, the May Revise includes limited new funding for homelessness programs, but reiterates the Administration's focus on accountability and performance outcomes. The revised budget proposal does not include a renewed round of the Homeless Housing, Assistance, and Prevention program, which typically provides \$1 billion in flexible funding to local governments to address homelessness. The future of this program is likely to be hashed out through negotiations with the Legislature. A full summary of the May Revise can be found [here](#).

Following the release of the May Revise, the Legislature will undertake intensive hearings and negotiations to finalize the state budget by the constitutional deadline of June 15.

Cap-and-Trade Auction Revenue Declines Amid Market Uncertainty

California's cap-and-trade program, a key tool in the state's climate strategy, is facing growing fiscal and policy pressures. The latest joint auction with Québec, held on May 21, generated approximately \$595 million for California's Greenhouse Gas Reduction Fund (GGRF), marking a significant drop from the \$851 million raised in February and well below the \$1.1 billion brought in during the same auction last year.

The auction sold 43.9 million current vintage allowances at a settlement price of \$25.87, just above the program's price floor, while 6.8 million future vintage allowances (usable in 2028) cleared at \$26.15. The reduced revenue and lower prices are widely viewed as signs of market uncertainty, driven by questions surrounding the long-term direction of the program.

Prior to the auction, Governor Gavin Newsom proposed extending the cap-and-trade program through 2045 to help stabilize the market and secure ongoing funding for major climate initiatives, including the state's High-Speed Rail project. However, legislative negotiations remain in progress, and a lack of near-term clarity has continued to dampen investor confidence. The lower than anticipated auction revenues dampen stakeholders' hopes for a stable investment in key programs. As a part of the Governor's May Revision, he proposes a dedicated \$1 billion annually to the High-Speed Rail from the GGRF as opposed to the historical 25% of the fund.

Additionally, in April 2025 President Trump issued an executive order directing legal challenges to state-level climate programs such as California's. While state officials argue the order lacks enforceability, it has contributed to the cautious outlook among stakeholders.

With the state facing a projected \$12 billion budget deficit, the decline in auction revenue heightens pressure on lawmakers to solidify the program's future and protect the state's broader climate investments.

STATE LEGISLATURE

Appropriations Committees Consider the Fate of Hundreds of Bills

On May 23, the Assembly and Senate Appropriations Committees held their respective Suspense File hearings to evaluate legislation from their house of origin with fiscal implications. This process serves as a “fiscal filter” for active bills before they are sent to the floor for final consideration. Typically, any bill with a fiscal impact drawing on state budget resources is placed on the fiscal committee’s “Suspense File.”

The Suspense File is essentially an accumulation of bills that have passed through their policy committee process to assess their fiscal impact to ensure their draw on state resources isn’t unbudgeted or duplicative of existing efforts. Pursuant to statutory deadlines, fiscal committees must pass these bills by May 23, before they are passed onto their first house floor for consideration by the entire legislative body by June 6.

Suspense File hearings are known for their brisk pace, with Committee Chairs announcing the outcomes of hundreds of bills in rapid succession. Traditionally, the first suspense hearings of a legislative session happen in May, when lawmakers and their staff have a better idea of the budget picture for that year. Given the recent budget projections of an increasing budget deficit, lawmakers exercised prudence in moving forward bills with big price tags.

Of the 666 bills considered during the Assembly Appropriations Committee’s Suspense File hearing, 435 passed, and 231 were held and deemed inactive for the remainder of the Session. Similarly, the Senate Appropriations Committee’s Suspense File Agenda featured 432 total bills 307 of which were passed, and 114 were held and deemed inactive, and 11 became “2-Year” measures.

In total, there were **1,098** bills in the Suspense Files between both Committees; **742** passed to their House Floors, with **356** measures held in committee, for a **32.4%** hold rate.

Notably, many of the bills passed onto the floor received significant amendments, which were published the following week. The outcomes of priority bills are outlined in the attached report, organized by issue area.

Senate Bill 79 (Wiener) Latest Amendments Released

In May, significant amendments were made to [SB 79 \(Wiener\)](#), which proposes to streamline the approval of certain housing developments located near transit-oriented development (TOD) stops. The bill would require qualifying housing projects on residential, mixed-use, or commercial sites to be allowed by right if they meet specified criteria. It also establishes height and density standards based on proximity to TOD stops and presumes that local denial of eligible projects in high-resource areas violates the Housing Accountability Act. Additionally, qualifying developments would be eligible for streamlined ministerial approval.

Key Amendments Include:

- Revising the definition of “urban transit county” to mean a county with more than 15 rail stations, instead of 15 or more.
- Adding a severability clause.

- Removing proposed changes to the Surplus Land Act, thereby reverting that section to current law.
- Eliminating provisions that would have made housing projects within one-half mile of a TOD stop allowable on “qualified light industrial sites.”
 - As a result, the definition of “qualified light industrial site” was removed, along with related provisions that would have allowed local ordinances or plans to exempt such sites from the bill’s requirements.
- Clarifying standards for residential developments located more than one-quarter mile but within one-half mile of a Tier 3 TOD stop:
 - In urban transit counties, such developments may be built up to 45 feet high or up to the local height limit, whichever is greater.
 - In non-urban transit counties, developments may be built up to the local height limit.

SB 79 (Wiener) is currently pending consideration on the Senate Floor.

Assembly Bill 379 Moves Forward Following Policy Debate and Bipartisan Support

The State Capitol saw an intense debate in early May over AB 379 (Krell), a measure focused on strengthening California’s laws against the commercial sexual exploitation of minors. The measure, introduced by Assembly Member Maggy Krell (D-Sacramento), a former sex crimes prosecutor, initially proposed making the purchase of sex from 16- and 17-year-olds a felony offense. The bill sparked a public policy debate between Assembly Members Krell and Nick Schultz (D-Burbank), both freshmen legislators and former prosecutors with experience handling trafficking cases.

When the bill was first heard in the Assembly Public Safety Committee, chaired by Assembly Member Schultz, certain provisions, including the felony enhancement, were removed, consistent with the committee’s prior approach to similar issues. However, following negotiations, a compromise was reached: the revised bill grants prosecutors and judges’ discretion to charge a felony if the purchaser is more than three years older than the minor.

Assembly Member Stephanie Nguyen (D-Elk Grove) joined Schultz as a joint author of the amended measure. Although Krell was briefly removed as the author, she has since rejoined as a co-author, signaling renewed alignment among supporters.

AB 379 passed the Assembly with unanimous bipartisan support on May 15 (74-0) and is now advancing in the Senate. The bill was referred to the Senate Public Safety Committee and is scheduled for a hearing on June 10.

Proposition 1 Funding Update

The California Department of Health Care Services (DHCS) has announced a significant new funding opportunity through the Behavioral Health Continuum Infrastructure Program (BHCIP) as part of Proposition 1, approved by voters in March 2024. This next phase—Round 2: Unmet Needs—makes more than \$800 million available in competitive grants to support the development of behavioral health facilities across the state.

Funded through the Behavioral Health Infrastructure Bond Act of 2024, this round of BHCIP aims to close critical gaps in California’s behavioral health care system. The funding will support the construction, acquisition, or rehabilitation of facilities that expand access to mental health and

substance use disorder treatment, particularly for underserved and high-need populations. These include Medi-Cal beneficiaries, individuals experiencing homelessness, veterans, older adults, people with disabilities, and children and youth.

In keeping with the state's broader priorities, eligible projects must promote equity, support community-based alternatives to incarceration or hospitalization, and help individuals receive care in the least restrictive and most cost-effective settings. Regional partnerships, public-private collaborations, and service models that build new capacity are strongly encouraged.

Who Can Apply?

Eligible applicants include cities, counties, tribal entities, nonprofit organizations, and for-profit organizations. Notably, for-profit entities without prior behavioral health experience must apply in partnership with an experienced service provider, such as a local government or nonprofit agency. All applicants must commit to serving Medi-Cal members and demonstrate project readiness at the time of application.

What Types of Facilities Qualify?

The program will fund a range of community-based behavioral health settings, such as:

- Crisis residential treatment centers
- Peer respite programs
- Outpatient and residential substance use disorder treatment facilities
- Crisis stabilization units
- Behavioral health urgent care clinics
- Short-term and long-term psychiatric residential programs

Projects must result in new or expanded capacity; funding will not support renovation of existing services or cover cost overruns from prior BHCIP awards. Correctional settings and school-based facilities are not eligible.

Match Requirements

Applicants must also contribute a financial match, which varies by organization type:

- 10% for local governments and nonprofit organizations
- 25% for for-profit organizations
- 5% for tribal entities

Cash is the preferred match source, but in-kind property equity or certain pre-development sunk costs may be considered with proper documentation.

Timeline and Process

To be eligible, applicants must participate in a mandatory Pre-Application Consultation (PAC) process. Registration for PACs opens June 2, 2025, and all consultations must be completed by October 1, 2025. Applications are due no later than October 28, 2025, at 5:00 p.m. Pacific Time. Award announcements are expected in Spring 2026. Applications will be evaluated on several criteria, including alignment with state priorities, demonstrated expansion of behavioral health services, financial and operational readiness, and local stakeholder support. Preference will be given to projects that serve high-need populations and regions with limited existing behavioral health infrastructure.

For full application materials, technical assistance resources, and updates, prospective applicants should visit the official BHCIP website: <https://infrastructure.buildingcalhhs.com>.

EXECUTIVE BRANCH

New Local Government Funding: State Invests \$56 Million to Expand Local Youth Homelessness Programs

On May 23, Governor Newsom [announced](#) an additional \$56 million in state funding to support local efforts aimed at reducing youth homelessness. The funds will be distributed to [52 counties](#) to bolster programs that assist young people, particularly those exiting foster care or probation, in securing stable housing and accessing supportive services.

The funds will be administered through the Department of Housing and Community Development and allocated to three key initiatives: the Transitional Housing Program, Housing Navigation and Maintenance Program, and the Transitional Housing Plus Housing Supplement Program. These efforts aim to provide stable living environments and individualized support services to help vulnerable youth build self-sufficiency and avoid long-term homelessness. This latest funding round builds on ongoing state efforts to strengthen local capacity and improve outcomes for at-risk young adults.

State Officials Challenge Federal Action on Clean Air Policy

On May 22, Governor Gavin Newsom and Attorney General Rob Bonta [announced](#) plans to challenge a recent U.S. Senate vote aimed at revoking California's longstanding authority to set its own vehicle emissions standards under the Clean Air Act. The Senate, in a 51-44 vote, approved a measure to nullify the Environmental Protection Agency's (EPA) waivers that allow California to enforce stricter emissions regulations, including its requirement that all new vehicles sold be electric by 2035. California's authority to implement its own emissions standards, granted in the 1970s, has played a critical role in the state's efforts to combat air pollution. State officials argue that eliminating this authority could pose significant environmental and public health risks, especially in areas already burdened by poor air quality.

Although the Senate action has not yet become law and is expected to face legal challenges and a potential presidential veto, it marks a notable escalation in federal resistance to state-led clean transportation policies.

If the effort to revoke or limit EPA waiver authority succeeds, it would:

- Invalidate the waiver needed for the private and drayage fleet portions of the ACF regulation;
- Prevent California from requiring manufacturers to sell ZEV trucks; and
- Potentially stall or unwind similar regulations in other states that follow California's lead.

Public fleets remain subject to ACF regardless of the waiver status. Because local agencies are governed directly by state law, the state retains the authority to require public fleets — cities, counties, special districts, and state departments — to transition to zero-emission vehicles under the ACF timeline.

Local governments should expect the following:

- Continued compliance obligations under the public fleet provisions of ACF (e.g., 50% ZEV procurement in 2024; 100% by 2027);
- Ongoing reporting, procurement planning, and grant-seeking responsibilities; and
- Potential reprioritization of state incentives and support programs if private sector enforcement is delayed due to federal actions.

At the same time, local agencies may face:

- Supply chain impacts if manufacturer ZEV sales obligations are halted;
- Shifting market dynamics that could increase costs or delay the availability of compliant fleet vehicles; and
- Uncertainty for joint procurement efforts with private sector partners or regional collaboratives.

While the recent Senate vote introduces uncertainty regarding the future of California's zero-emission truck regulations for the private sector, local government fleets remain subject to the ACF regulation and are still expected to comply. TPA Advocates will continue to monitor developments and provide updates as the situation evolves. With the Governor and Attorney General initiating legal action in response to the potential revocation of the state's federal waivers, the matter is now expected to proceed through the courts.

Governor Newsom Issues Model Ordinance and Executive Order on Homeless Encampments

Following the U.S. Supreme Court's recent *Grants Pass v. Johnson* decision affirming that jurisdictions may regulate encampments when adequate shelter is available, Governor Newsom issued Executive Order N-1-24, directing state agencies to adopt and encourage humane, enforceable protocols for addressing encampments on public property. In response, the state has released a [model ordinance](#) that offers a flexible framework for cities and counties to manage encampments while ensuring access to shelter and services.

The model ordinance reflects three foundational principles:

1. *No criminalization* of unsheltered individuals when adequate shelter options are unavailable.
2. *Prioritization of shelter and supportive services* in all enforcement actions, with respect for the dignity and property of those affected.
3. *Preservation of local authority* to address public health, safety, and accessibility concerns in public spaces.

Supporting those principles, the model ordinance would prohibit semi-permanent structures and long-term encampment (3+ nights in the same spot or within 200 feet), particularly near sensitive areas like schools, sidewalks, and rights-of-way. Notice and outreach are required 48 hours before clearing an encampment, and offers of shelter and services must precede enforcement. Items of value and personal belongings are required to be stored for at least 60 days, but items posing health or safety hazards may be disposed of immediately.

Governor's 2025 Reorganization Plan Could Reshape State Housing and Homelessness Delivery

Governor Newsom has proposed a 2025 Reorganization Plan that would significantly restructure the state's housing and homelessness functions by creating a new California Housing and Homelessness Agency (CHHA). The plan would consolidate key departments currently under the Business, Consumer Services, and Housing Agency (BCSH)—including HCD, CalHFA, and elements of the Civil Rights Department—into CHHA, and establish a new Housing Development and Finance Committee to coordinate housing-related funding and asset management statewide.

For local agencies, the reorganization is intended to streamline access to state programs, reduce administrative burdens, and improve policy coordination across departments. However, the transition could also affect how housing and homelessness resources are administered, particularly around grant oversight, compliance, and funding allocations.

The Little Hoover Commission has reviewed the proposal, and formal legislative consideration will begin Monday, May 13 at 9:00 AM with a joint hearing of the Assembly Business and Professions Committee and the Assembly Housing and Community Development Committee. The Legislature has 60 days to review, amend, or reject the plan. If no action is taken, the reorganization will take effect automatically.

Local governments are encouraged to track the process closely, engage with their legislative delegations, and submit input to ensure that implementation priorities reflect on-the-ground realities. More information, including the full plan, is [available here](#).

California Joins Suit Defending Federal Funding

Twenty Attorneys General have filed a lawsuit against the Trump administration, challenging the constitutionality of new conditions imposed on federal funding. Led by California and Illinois, but filed in federal court in Rhode Island, the suit contends the administration's policy of tying federal grants to compliance with specific immigration enforcement measures infringes upon states' rights and autonomy. The plaintiff states assert these conditions could lead to significant financial losses for states that do not align with the federal government's immigration policies, thereby undermining their ability to govern effectively.

At the center of the legal challenge is the administration's requirement that states and localities cooperate with federal immigration authorities as a prerequisite for receiving certain federal funds. Critics argue this approach forces states to choose between upholding their own policies and securing essential funding for programs such as law enforcement, public health, and education. The Attorneys General emphasize such conditions disrupt the balance of power between state and federal governments, violating principles enshrined in the Constitution.

This lawsuit reflects ongoing tensions between the Trump administration and states with differing views on immigration enforcement. At the end of the legal battle, any decision could have significant implications for federal-state relations, enforcement of immigration laws, and the distribution of federal funds.

Attorney General Bonta Issues Legal Alert on Housing Law Compliance

Addressed to cities, counties, local agencies, and other interested parties, Attorney General Rob Bonta released a [legal alert](#) regarding compliance with Senate Bill 1037 (Wiener, 2024) related to civil remedies against local governments that fail to update their housing element or ministerially approve housing development projects. Over opposition from local governments, SB 1037 was signed into law in September 2024 and became effective January 1 of this year.

The alert walks through various definitions and processes set forth in SB 1037, including the penalties themselves, additional penalties, and the ministerial approval process by which municipalities are expected to abide. If not, however, the legal alert stipulates specific penalties that may be imposed on covered municipalities that do not comply with the housing element or ministerial approval requirements enacted by the bill. These penalties accrue from the date of the violation until the violation is cured, but the penalties may even capture violations pre-dating the bill's effective date (with the penalties accruing from January 1, 2025 onward).

Upon collection of any penalty assessed, the funds are deposited into the "Building Homes and Jobs Trust Fund" created to streamline housing production, support affordable housing, increase home ownership opportunities, and provide other income-related housing grants and programs as specified. According to the [Manual of State Funds](#), the majority of funds to flow to local governments upon appropriation by the Legislature.



North County Transit District
2025-26 Legislative Report

AB 76

Alvarez (D)

HTML

PDF

Surplus land: exempt surplus land: sectional planning area.

Progress bar



Notes

Notes 1

Anticipated Impact - may facilitate streamlined processes for developing land in sectional planning areas, potentially expediting projects with a mix of affordable housing and academic institution-affiliated housing. This could enhance opportunities for transit-oriented developments that integrate educational facilities, housing, and transportation infrastructure. This bill is sponsored by the City of Chula Vista and, according to the author's office, "Chula Vista's university effort is positioned to benefit the region greatly. A university presence in the South County would be a key player within the regional economy, producing graduates who occupy regional jobs, employing thousands of local workers, and contributing to the regional and state economies...The change in AB 76 is needed to build a much-needed four-year university in South County and provide the housing necessary for the university's students, faculty, and staff."

Bill information

Status:	05/21/2025 - Referred to Com. on L. GOV.		
Summary:	Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines “exempt surplus land” to mean, among other things, land that is subject to a sectional planning area document, as described, and meets specified requirements, including that at least 25% of the units are dedicated to lower income households, as specified, and that is developed at an average density of at least 10 units per acre calculated with respect to the entire sectional planning area. This bill would change those requirements so that at a minimum, 25% of units that are proposed by the sectional planning area document as adopted prior to January 1, 2019, and are not designated for students, faculty, or staff of an academic institution must be dedicated to lower income households, as specified, and that the land must be developed at an average density of at least 10 units per acre, in accordance with certain requirements and calculated with respect to the entire sectional planning area and inclusive of housing designated for students, faculty, and staff of an academic institution. (Based on 04/21/2025 text)		
Location:	05/21/2025 - Senate L. GOV.	Current Text:	04/21/2025 - Amended
		Last Amend:	04/21/2025

AB 259

Rubio, Blanca (D)

HTML

PDF

Open meetings: local agencies: teleconferences.

Progress bar



Notes

Notes 1

Positive

Anticipated impact - would allow board members to participate in board meetings via teleconference, under certain conditions, until 2030.

Bill information

Status: 05/14/2025 - Referred to Coms. on L. GOV. and JUD.

Summary: The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030. (Based on 04/21/2025 text)

Location: 05/14/2025 - Senate L. GOV.

Current Text: 04/21/2025 - Amended

Last Amend: 04/21/2025

[AB 339](#)

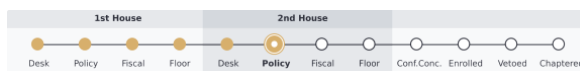
[Ortega \(D\)](#)

[HTML](#)

[PDF](#)

Local public employee organizations: notice requirements.

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Notes

Notes 1

Anticipated impact - would require the district to provide a recognized employee organization written notice regarding contracts to perform services that are within the scope of work of existing job classifications represented by the employee organization.

Bill information

Status: 06/03/2025 - In Senate. Read first time. To Com. on RLS. for assignment.

Summary: The Meyers-Milias-Brown Act contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Current law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Current law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or the designated boards and commissions. This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request

for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. The bill would require the notice to include specified information, including the anticipated duration of the contract. The bill would also require the public agency, if an emergency or other exigent circumstance prevents the public agency from providing the written notice described above, to provide as much advance notice as is practicable under the circumstances. (Based on 05/23/2025 text)

Location:	06/03/2025 - Senate RLS.	Current Text:	05/23/2025 - Amended
		Last Amend:	05/23/2025

AB 340

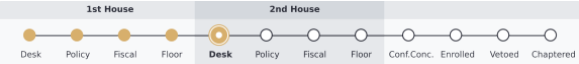
Ahrens (D)

HTML

PDF

Employer-employee relations: confidential communications.

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Notes

Notes 1

Neutral

Anticipated impact - would prohibit an employer from questioning an employee or employee representative from an employee organization regarding communications between the employee and their representative

Bill information

Status:

06/03/2025 - Read third time. Passed. Ordered to the Senate.

Summary:

Current law that governs the labor relations of public employees and employers, including, among others, the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, and provisions relating to higher education, prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions of current law further prohibit denying to employee organizations the rights guaranteed to them by current law. This bill would prohibit a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. (Based on 03/05/2025 text)

Location:	06/03/2025 - Senate DESK	Current Text:	03/05/2025 - Amended
		Last Amend:	03/05/2025

AB 394

Wilson (D)

HTML

PDF

Public transportation providers.

Progress bar



Notes

Notes 1

Positive

Anticipated impact - promotes safer transit environments for both riders and workers by expanding existing Penal Code to protect all transit employees against battery, and clarifies that a transit agency may seek a

temporary restraining order against a perpetrator for battery against a transportation provider or employee or contractor thereof, and that the restraining order shall apply across the entirety of the transit system where the offense occurred.

Bill information

Status: 06/03/2025 - In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Current law defines a battery as any willful and unlawful use of force or violence upon the person of another. Current law provides that when a battery is committed against the person of an operator, driver, or passenger on a bus, taxicab, streetcar, cable car, trackless trolley, or other motor vehicle, as specified, and the person who commits the offense knows or reasonably should know that the victim is engaged in the performance of their duties, the penalty is imprisonment in a county jail not exceeding one year, a fine not exceeding \$10,000, or both the fine and imprisonment. Current law also provides that if the victim is injured, the offense would be punished by a fine not exceeding \$10,000, by imprisonment in a county jail not exceeding one year or in the state prison for 16 months, 2, or 3 years, or by both that fine and imprisonment. This bill would expand this crime to apply to an employee, public transportation provider, or contractor of a public transportation provider. (Based on 04/23/2025 text)

Location: 06/03/2025 - Senate RLS.

Current Text: 04/23/2025 - Amended

Last Amend: 04/23/2025

AB 476

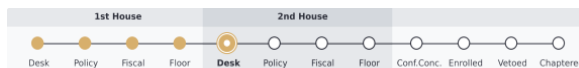
González, Mark (D)

HTML

PDF

Metal theft.

Progress bar



Notes

Bill information

Status: 06/03/2025 - Read third time. Passed. Ordered to the Senate.

Summary: Current law governs the business of buying, selling, and dealing in secondhand and used machinery and all ferrous and nonferrous scrap metals and alloys, also known as “junk.” Current law requires junk dealers and recyclers to keep a written record of all sales and purchases made in the course of their business, including the place and date of each sale or purchase of junk and a description of the item or items, as specified. Current law requires the written record to include a statement indicating either that the seller of the junk is the owner of it, or the name of the person they obtained the junk from, as shown on a signed transfer document. Current law prohibits a junk dealer or recycler from providing payment for nonferrous materials until the junk dealer or recycler obtains a copy of a valid driver's license of the seller or other specified identification. Current law requires a junk dealer or recycler to preserve the written record for at least 2 years. This bill would require junk dealers and recyclers to include additional information in the written record, including the time and amount paid for each sale or purchase of junk made, and the name of the employee handling the transaction. The bill would revise the type of information required to be included in the description of the item or items of junk purchased or sold, as specified. (Based on 05/01/2025 text)

Location: 06/03/2025 - Senate DESK

Current Text: 05/01/2025 - Amended

Last Amend: 05/01/2025

AB 1051

Davies (R)

HTML

PDF

Route 76: Payómkawish Highway.

Progress bar



Notes

Notes 1

Neutral

Bill information

Status: 06/03/2025 - In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Current law provides for the California Transportation Commission to adopt locations for state highways on routes authorized by law, and describes the authorized routes in the state highway system, including that for Route 76, as provided. This bill would name and designate specified portions of Route 76 as the "Payómkawish Highway." (Based on 04/24/2025 text)

Location: 06/03/2025 - Senate RLS.

Current Text: 04/24/2025 - Amended

Last Amend: 04/24/2025

[AB 1250](#)

[Papan \(D\)](#)

[HTML](#)

[PDF](#)

Transit operators: paratransit: recertification of eligibility.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - would prohibit the district from requiring a person who is eligible to receive paratransit services (that has a condition that is not reasonably expected to improve) to recertify their eligibility.

Bill information

Status: 05/23/2025 - Read third time. Passed. Ordered to the Senate. (Ayes 71. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Under the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act, revenues from a 1/4 percent sales tax in each county are, among other things, available for allocation by the transportation planning agency to transit operators and for community transit services. Current law requires a transit operator that receives funds through the Mills-Alquist-Deddeh Act and that provides dial-a-ride or paratransit service to provide those services consistent with certain requirements. This bill would prohibit, on and after January 1, 2027, those transit operators from requiring a person who receives, or is eligible to receive, paratransit services based on a disability or medical condition, and whose condition cannot reasonably be expected to improve, to recertify their eligibility, unless the person has a temporary eligibility or there is a review to broaden the person's eligibility, as specified. The bill would require a temporary eligibility to be valid for 180 days or until the date indicated by the person's medical professional, as specified. The bill would prohibit renewal of temporary eligibility more than 6 consecutive times. To the extent the bill would impose additional duties on a local agency, it would impose a state-mandated local program. (Based on 04/10/2025 text)

Location: 05/23/2025 - Senate RLS.

Current Text: 04/10/2025 - Amended

Last Amend: 04/10/2025

[ACA 1](#)

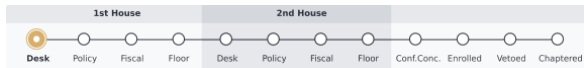
[Valencia \(D\)](#)

[HTML](#)

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Public finance.

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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 \(D\)](#)[HTML](#)[PDF](#)

Homelessness and affordable housing.

Progress bar



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:

05/23/2025 - Coauthors revised. In committee: Hearing postponed by committee.

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	Current Text:	05/05/2025 - Amended
	APPR. SUSPENSE FILE	Last Amend:	05/05/2025

SB 30

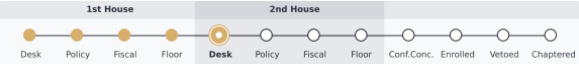
Cortese (D)

HTML

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Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions.

Progress bar



Notes

Notes 1

Negative

Anticipated impact - prohibits the district from selling or transferring diesel-powered on-track rail equipment.

Bill information

Status: 05/28/2025 - Read third time. Passed. (Ayes 28. Noes 10.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Summary: Would prohibit a public entity that owns diesel-powered on-track equipment from selling, donating, or otherwise transferring that equipment for continued use after the public entity decommissions the equipment. The bill would exempt the sale, donation, or transfer of that equipment from the prohibition if certain criteria are satisfied, including, among others, that the equipment is deemed to be in one of specified categories of emissions standards designated by the federal government for locomotives and the public entity certifies that the transaction will lead to a net air quality benefit where the receiving entity will be using the equipment. (Based on 05/05/2025 text)

Location:	05/28/2025 - Assembly DESK	Current Text:	05/05/2025 - Amended
		Last Amend:	05/05/2025

SB 63

Wiener (D)

HTML

PDF

San Francisco Bay area: local revenue measure: transportation funding.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - No direct impact on the district. The bill creates the Transit Revenue Measure District (TRMD) to include Alameda, Contra Costa, and San Francisco counties, and allows the TRMD to impose a district tax in specific counties directly or by voter initiative.

Bill information

Status: 06/03/2025 - In Assembly. Read first time. Held at Desk.

Summary: (1)Existing law creates the Metropolitan Transportation Commission as a local area planning agency for the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates various transit districts located in the San Francisco Bay area, with specified powers and duties relating to providing public transit services. This bill would establish the Transportation Revenue Measure District with jurisdiction extending throughout the boundaries of the Counties of Alameda and Contra Costa and the City and County of

San Francisco and would require the district to be governed by the same board that governs the commission, thereby imposing a state-mandated local program. The bill would authorize a retail transactions and use tax applicable to the entire district to be imposed by the board of the district or by a qualified voter initiative for a duration of 10 to 15 years, inclusive, and generally in an amount of 0.5%, subject to voter approval at the November 3, 2026, statewide general election. After allocations are made for various administrative expenses, the bill would require an unspecified portion of the proceeds of the tax to be allocated by the commission to initiatives included in a specified commission plan and to the Alameda-Contra Costa Transit District, the Peninsula Rail Transit District, commonly known as Caltrain, the San Francisco Bay Area Rapid Transit District, and the San Francisco Municipal Transportation Agency for operating expenses, and would require the remaining proceeds to be subvended directly to the counties comprising the district for public transportation expenses, as prescribed. This bill contains other related provisions and other existing laws. (Based on 05/23/2025 text)

Location:	06/02/2025 - Assembly DESK	Current Text:	05/23/2025 - Amended
		Last Amend:	05/23/2025

SB 71

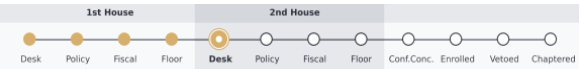
Wiener (D)

HTML

PDF

California Environmental Quality Act: exemptions: environmental leadership transit projects.

Progress bar



Notes

Notes 1

Anticipated impact - would exempt various district projects from CEQA. Specifically, the bill permanently exempts various active transportation plans from CEQA and expands the exemption to include a transit comprehensive operational analysis (a plan that redesigns or modifies a transit operator’s or local agency’s public transit service network, including the routing of fixed route and microtransit services). The bill also permanently exempts from CEQA pedestrian and bicycle facilities, transit prioritization projects, public projects for the institution or increase of bus rapid transit, bus, or light rail service, including the construction or rehabilitation of stations, terminals, or existing operations facilities, and public projects for the construction or maintenance of infrastructure of facilities to charge, refuel, or maintain zero-emission public transit buses, trains, or ferries. Extends the CEQA exemption for projects using near-zero emission, natural gas, or low-NOx technology until 2032.

Bill information

Status:	06/03/2025 - Read third time. Passed. (Ayes 36. Noes 0.) Ordered to the Assembly.
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. CEQA, until January 1, 2030, exempts from its requirements active transportation plans, pedestrian plans, or bicycle transportation plans for the restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and the related signage for bicycles, pedestrians, and vehicles. This bill would extend the operation of the above-mentioned exemption indefinitely. The bill would also exempt a transit comprehensive operational analysis, as defined, a transit route readjustment, or other transit agency route addition, elimination, or modification, from the requirements of CEQA. Because a lead agency would be required to determine whether a plan qualifies for this exemption, the bill would impose a state-mandated local program. (Based on 05/29/2025 text)

Location:	06/03/2025 - Assembly DESK	Current Text:	05/29/2025 - Amended
		Last Amend:	05/29/2025

Office of Land Use and Climate Innovation: Infrastructure Gap-Fund Program.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - would expand funding opportunities for the district to develop and construct infrastructure projects under the Infrastructure Gap-Fund Program. Transit districts in California, if organized as special districts, are eligible to apply for SB 74 grants if they are undertaking qualifying infrastructure projects (such as road projects that decrease vehicle miles traveled and improve public health and safety), have met the local tax contribution threshold, and are facing unforeseen costs after construction has begun.

Bill information

Status: 05/29/2025 - Read third time. Passed. (Ayes 38. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Summary: Current law establishes the Office of Land Use and Climate Innovation in the Governor's office for the purpose of serving the Governor and the Governor's cabinet as staff for long-range planning and research and constituting the comprehensive state planning agency. Current law authorizes a local agency to finance infrastructure projects through various means, including by authorizing a city or county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. This bill would require the office, upon appropriation by the Legislature, to establish the Infrastructure Gap-Fund Program to provide grants to local agencies for the development and construction of infrastructure projects, as defined, facing unforeseen costs after starting construction. The bill would authorize the office to provide funding for up to 20% of a project's additional projected cost, as defined, after the project has started construction, subject to specified conditions, including, among other things, that the local agency has allocated existing local tax revenue for at least 45% of the initially budgeted total cost of the infrastructure project. When applying to the program, the bill would require the local agency to demonstrate challenges with completing the project on time and on budget and how the infrastructure project helps meet state and local goals, as specified. (Based on 04/07/2025 text)

Location:	05/29/2025 - Assembly DESK	Current Text:	04/07/2025 - Amended
		Last Amend:	04/07/2025

Housing development: transit-oriented development: California Environmental Quality Act: public transit agency land.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - would make transit-oriented development an allowable use on specified sites, gives transit agencies more flexibility under the Surplus Land Act, and exempts certain projects from CEQA. The bill is intended to make it easier to develop housing near major public transportation stops and on land owned by transit agencies.

Bill information

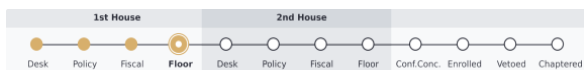
Status: 06/03/2025 - Read third time. Passed. (Ayes 21. Noes 13.) Ordered to the Assembly.

Summary: The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that contains certain mandatory elements, including a land use element and a housing element. Current law requires that the land use element designate the proposed general distribution and general location and extent of the uses of the land, as specified. Current law requires that the housing element consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing, as specified. Current law requires that the housing element include, among other things, an assessment of housing needs and an inventory of resources and constraints that are relevant to the meeting of these needs, including an inventory of land suitable for residential development, as provided. Current law, for the 4th and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as specified, and requires the appropriate council of local governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each locality in the region. This bill would require that a housing development project, as defined, proposed within a specified distance of a transit-oriented development (TOD) stop, as defined, be an allowed use on any site zoned for residential, mixed, or commercial development, if the development complies with applicable requirements, as specified. The bill would establish requirements concerning height limits, density, and floor area ratio in accordance with a development's proximity to specified tiers of TOD stops, as provided. The bill would provide that, for the purposes of the Housing Accountability Act, a proposed development consistent with the applicable standards of these provisions shall be deemed consistent, compliant, and in conformity with prescribed requirements, as specified. (Based on 05/29/2025 text)

Location:	06/03/2025 - Assembly DESK	Current Text:	05/29/2025 - Amended
		Last Amend:	05/29/2025

SB 86

McNerney (D)

[HTML](#)[PDF](#)**California Alternative Energy and Advanced Transportation Financing Authority Act: sales and use tax exclusion.****Progress bar****Notes****Notes 1**

Anticipated impact - permanently extends and increases the allocation for the California Alternative Energy Advanced Transportation Authority's sales and use tax exclusion program. This program administers a sales and use tax exclusion for manufacturers of alternative energy source technology used for renewable electricity generation or advanced transportation. SB 86 may provide greater opportunities for transit agencies to invest in advanced transportation technologies and infrastructure improvements.

Bill information

Status: 06/02/2025 - Ordered to special consent calendar.

Calendar: [06/04/25 #98 S-SPECIAL CONSENT CALENDAR NO. 10](#)

Summary: Existing sales and use tax laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The

California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2026, the authority to provide financial assistance to a participating party by authorizing exclusions from sales and use tax for certain projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from cumulatively exceeding \$100,000,000 for each calendar year, except as provided. The Sales and Use Tax Law, for the purposes of the taxes imposed pursuant to that law, until January 1, 2026, excludes the lease or transfer of title of tangible personal property constituting one of those projects to any contractor for use in the performance of a construction contract for a participating party that will use that property as an integral part of the approved project. This bill would extend to January 1, 2031, the authorization to provide financial assistance in the form of a sales and use tax exclusion for projects approved by the authority. The bill would increase the maximum cumulative amount of the sales and use tax exclusions authorized under these provisions to \$200,000,000 per calendar year. The bill would add electrical generation facilities using nuclear fusion technology to the types of projects qualifying for this sales and use tax exclusion. The bill would make other conforming changes. This bill contains other related provisions. (Based on 05/23/2025 text)

Location:	06/02/2025 - Senate	Current Text:	05/23/2025 - Amended
	CONSENT CALENDAR	Last Amend:	05/23/2025

SB 273

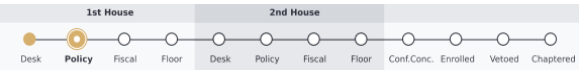
Grayson (D)

HTML

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Surplus land.

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Notes

Notes 1

Anticipated impact - unknown. This measure is currently a nonsubstantive spot bill related to the Surplus Land Act.

Bill information

Status:

02/14/2025 - Referred to Com. on RLS.

Summary:

Current law declares that surplus government land should be made available for affordable housing, including near transit stations, and for parks and recreation or open-space purposes. This bill would make a nonsubstantive change to this provision. (Based on 02/04/2025 text)

Location:	02/04/2025 - Senate RLS.	Current Text:	02/04/2025 - Introduced
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SB 359

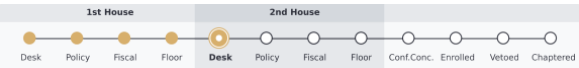
Niello (R)

HTML

PDF

Use Fuel Tax Law: Diesel Fuel Tax Law: exempt bus operation.

Progress bar



Notes

Notes 1

Anticipate impact - no direct impact on the district, as transit districts are already eligible for an exemption from the Use Fuel Tax Law state excise tax on gasoline.

Bill information

Status: 05/29/2025 - Read third time. Passed. (Ayes 38. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Summary: The Use Fuel Tax Law imposes a state excise tax at specified rates, generally \$0.18 per gallon, on the use of fuel, as defined, and establishes various exemptions from those taxes, including an exemption for any transit district, transit authority, or city owning and operating a local transit system, as provided. This bill would additionally apply this exemption to a county that owns and operates a local transit system, as provided. This bill would additionally apply this exemption to a county that owns and operates a local transit system, as provided. (Based on 04/08/2025 text)

Location: 05/29/2025 - Assembly DESK **Current Text:** 04/08/2025 - Amended
Last Amend: 04/08/2025

[SB 419](#)[Caballero \(D\)](#)[HTML](#)[PDF](#)**Hydrogen fuel.****Progress bar****Notes****Notes 1****Positive**

Anticipated impact - would provide the district an exemption from sales and use tax on the sale, storage, use, and consumption of hydrogen fuel.

Bill information

Status: 06/03/2025 - In Assembly. Read first time. Held at Desk.

Summary: Current state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. This bill would, on and after July 1, 2026, provide an exemption from the taxes imposed by the Sales and Use Tax Law for the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, hydrogen fuel, as defined. (Based on 05/05/2025 text)

Location: 06/02/2025 - Assembly DESK **Current Text:** 05/05/2025 - Amended
Last Amend: 05/05/2025

[SB 445](#)[Wiener \(D\)](#)[HTML](#)[PDF](#)**Transportation: planning: complete streets facilities: sustainable transportation projects.****Progress bar****Notes****Notes 1****Neutral**

Anticipated impact - would require Caltrans to develop and adopt a project intake, evaluation, and encroachment permit review process for complete streets facilities that are sponsored by a transit agency.

Bill information

Status: 05/28/2025 - Read third time. Passed. (Ayes 34. Noes 1.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Summary: This bill would instead require the Department of Transportation to develop and adopt the above-described project intake, evaluation, and encroachment review process on or before February 1, 2027. The bill would also state the intent of the Legislature to amend this bill with legislation that accelerates and makes more reliable third-party permits and approvals for preconstruction and construction activities on sustainable transportation projects. (Based on 04/10/2025 text)

Location: 05/28/2025 - Assembly DESK **Current Text:** 04/10/2025 - Amended
Last Amend: 04/10/2025

[SB 544](#)

[Laird \(D\)](#)

[HTML](#)

[PDF](#)

Railroad crossings: permit applications: review.

Progress bar



Notes

Notes 1

Positive/neutral

Anticipated impact - provides a more efficient review process for uncontested rail crossing applications, minimizing delays that could jeopardize time-sensitive funding.

Bill information

Status: 05/19/2025 - Referred to Com. on U. & E.

Summary: The bill would require an application for a railroad crossing to include, at a minimum, certain information concerning the proposed railroad crossing. The bill would authorize the commission to partially or completely exempt railroad crossing applications that meet certain requirements from review under otherwise applicable adjudication procedures and would authorize the commission to establish an expedited review and approval process for those applications. (Based on 02/20/2025 text)

Location: 05/19/2025 - Assembly U. & E. **Current Text:** 02/20/2025 - Introduced

[SB 545](#)

[Cortese \(D\)](#)

[HTML](#)

[PDF](#)

High-speed rail: economic opportunities.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - Requires certain infrastructure districts that use their revenues to finance the construction of the high-speed rail project to dedicate a majority of its revenue to infrastructure projects within the jurisdiction of the local agencies that establish the district. This would include enhanced infrastructure financing districts, community revitalization and investment authorities, Mello-Roos Community Facilities Districts, and any other district or agency established by a local agency for the primary purpose of financing infrastructure projects, including those with a state agency member, which can include the High Speed Rail Authority.

Bill information

Status: 06/03/2025 - In Assembly. Read first time. Held at Desk.

Summary: Existing law establishes the Office of Land Use and Climate Innovation with specified powers and duties related to long-range planning and research. Existing law creates

the High-Speed Rail Authority, with specified powers and duties related to the development and implementation of a high-speed train system. This bill would require the Office of Land Use and Climate Innovation, on or before January 1, 2027, to commission a study on economic opportunities along the corridor of the California high-speed rail project, as defined, and other high-speed rail projects in California that are planned to directly connect to the California high-speed rail project, as provided, and to submit a progress report to the chairpersons of the Senate Committee on Transportation and the Assembly Committee on Transportation for input. The bill would require, on or before January 1, 2028, the study to be completed and a report on the study's findings and recommendations to be submitted to the appropriate policy and fiscal committees of the Legislature. The bill would require an infrastructure district, as defined, that uses its revenue to finance the construction of the high-speed rail project to dedicate a majority of its revenue to infrastructure projects within the jurisdiction of the local agencies that establish the district. (Based on 05/23/2025 text)

Location:	06/02/2025 - Assembly DESK	Current Text:	05/23/2025 - Amended
		Last Amend:	05/23/2025

SB 569

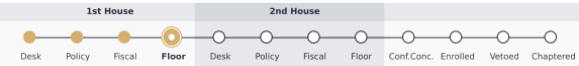
Blakespear (D)

HTML

PDF

Department of Transportation: homeless encampments.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - directs the Caltrans to establish a dedicated liaison to facilitate the removal of homeless encampments on Caltrans' right-of-way and authorizes Caltrans to negotiate specified terms for Delegated Maintenance Agreements with local jurisdictions.

Bill information

Status:

05/23/2025 - From committee: Do pass. (Ayes 5. Noes 1.) (May 23). Read second time. Ordered to third reading.

Calendar:

06/04/25 #27 S-SENATE BILLS -THIRD READING FILE

Summary:

Current law authorizes the Department of Transportation to establish maintenance programs related to highway cleanup, as specified. This bill would require the department to establish a dedicated liaison to, among other things, facilitate communication with local governments and relevant state agencies with regard to addressing homeless encampments within the state highway system and to oversee the development and implementation of delegated maintenance agreements between local agencies and the department in which both work together to reduce and remove homeless encampments within the department's jurisdiction. The bill would authorize the department to grant a single general entry permit for the duration of a delegated maintenance agreement to conduct activities authorized by the bill. The bill would require the department to submit an annual report to the Legislature summarizing specified information and recommendations regarding homeless encampments. (Based on 04/21/2025 text)

Location:	05/23/2025 - Senate THIRD READING	Current Text:	04/21/2025 - Amended
		Last Amend:	04/21/2025

SB 607

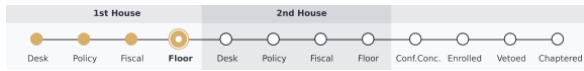
Wiener (D)

HTML

PDF

California Environmental Quality Act:Infrastructure Projects.

Progress bar



Notes

Notes 1

Neutral

Anticipated impact - this measure makes numerous changes to CEQA. Some provisions that could impact the district include:

SB 607 creates a new environmental review process for projects that do not meet the eligibility criteria for a CEQA exemption based on a single eligibility condition, and changes the criteria and legal standard by which lead agencies evaluate whether to prepare an mitigated negative declaration, negative declaration, or environmental impact report.

Bill information

Status: 05/28/2025 - Read second time and amended. Ordered to third reading. (Corrected May 28).

Calendar: [06/04/25 #68 S-SENATE BILLS -THIRD READING FILE](#)

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. Current law, the Sacramento-San Joaquin Delta Reform Act of 2009, declares that the Sacramento-San Joaquin Delta is a critically important natural resource for California and the nation and it serves as both the hub of the California water system and the most valuable estuary and wetland ecosystem on the west coast of North and South America. This bill would state the intent of the Legislature that, among other things, no revisions shall be made to CEQA for purposes of the Delta Conveyance Project. (Based on 05/28/2025 text)

Location: 05/28/2025 - Senate THIRD READING

Current Text: 05/28/2025 - Amended
Last Amend: 05/28/2025

[SB 752](#)

[Richardson \(D\)](#)

[HTML](#)

[PDF](#)

Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.

Progress bar



Notes

Notes 1

Positive

Anticipated impact - would continue the sales and use tax exemption for zero-emission transit buses for the district until 2028.

Bill information

Status: 05/23/2025 - May 23 hearing: Held in committee and under submission.

Summary: Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes, including, until January 1, 2026, an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, specified zero-emission technology transit buses sold to specified public agencies that are eligible for specified incentives from the State Air Resources Board. This bill would extend the exemption for specified zero-emission technology transit buses until January 1, 2028. This bill contains other related provisions. (Based on 02/21/2025 text)

Location: 05/19/2025 - Senate APPR.
SUSPENSE FILE

Current Text: 02/21/2025 - Introduced

STAFF REPORT **RECEIVE THE MONTHLY TRANSIT OPERATIONS PERFORMANCE REPORT FOR APRIL 2025**

Time Sensitive: ☐ Consent: ☒

**STAFF
RECOMMENDATION:**

Receive the Monthly Transit Operations Performance Report for April 2025.

**BACKGROUND
INFORMATION:**

The Monthly Transit Operations Performance Report (TOPR) provides an overview of NCTD's performance trends by mode as they relate to budgeted goals and minimum performance standards for each month of the fiscal year. NCTD's performance goals are developed as part of the annual operations budget development process. Minimum performance standards are set forth in each modal operations and maintenance contract.

The monthly TOPR is intended to provide performance reporting on key performance indicators without the detailed analysis of trends that are included in the annual TOPR. The data contained in this staff report is unaudited and subject to change. Starting in FY2025, staff removed certain metrics from the TOPR attachment to improve legibility and allow for the inclusion of the NCTD+ mode. Metrics removed include passengers per revenue mile and metrics related to LIFT response time and pick-up windows. These metrics will continue to be tracked internally for performance management purposes. Attached to this staff report is a table that provides information on NCTD's modal performance compared to the established goals or standards, as well as a comparison to the previous fiscal year. The monthly TOPR uses the same symbology from the annual TOPR and is explained below:



STANDARD/GOAL MET:

Indicates goal or standard was met.



STANDARD/GOAL NEARLY MET:

Indicates actual performance was within 10% of the goal or standard.



STANDARD/GOAL NOT MET:

Indicates goal or standard was not met.

Systemwide Performance

April 2025 systemwide ridership was 769,478, which is 10.5% above the budgeted goal and 10.9% above the April 2024 ridership of 693,883. April 2025 was also at 83.8% of FY19 pre-pandemic levels.

BREEZE Performance

BREEZE boardings for April totaled 492,512, above the budgeted goal of 427,705 by 15.2% and a 10.8% increase compared to April 2024. April 2025 was also 88.1% of FY19 pre-pandemic levels. BREEZE on-time performance (OTP) was 84.6% for the month, below the minimum performance standard of 88%.

COASTER Performance

COASTER boardings for April totaled 87,950, above the budgeted goal of 80,100 by 9.8% and a 21.5% increase compared to April 2024. April 2025 was also 75.1% of FY19 pre-pandemic levels. COASTER OTP was 92.3% for the month, below the minimum performance standard of 95%.

SPRINTER Performance

SPRINTER boardings for April totaled 168,807, above the budgeted goal of 167,009 by 1.1% and a 3.6% increase compared to April 2024. April 2025 was also 74.9% of FY19 pre-pandemic levels. SPRINTER OTP was 96.6% for the month, above the minimum performance standard of 95%.

FLEX Performance

FLEX boardings for April totaled 9,577, above the budgeted goal of 5,831 by 64.2% and a 125.8% increase compared to April 2024. April 2025 was also 340.7% of FY19 pre-pandemic levels. FLEX OTP was 88.4% for the month, below the performance standard of 88%.

LIFT Performance

LIFT boardings for April totaled 8,533, below the budgeted goal of 10,234 by 16.6% and a 13.5% increase compared to April 2024. April 2025 was also 62.2% of FY19 pre-pandemic levels. LIFT OTP was 89.2% for the month, below the minimum standard of 92%. LIFT productivity, measured by passengers transported per revenue hour, was 2.02 for the month, which is above the minimum performance standard of 1.80 passengers per revenue hour.

NCTD+ Performance

NCTD+ boardings for April totaled 2,099, below the budgeted goal of 5,670 by 63%. The budgeted goal includes ridership projections for NCTD+ Vista which launched in May to align with NCTD's spring service change. April 2025 ridership projections for the San Marcos zone were 1,980. NCTD+ OTP was 85.5% for the month, below the minimum standard of 92%.

Youth Opportunity Pass (YOP) Performance

Youth pass usage for April 2025 totaled 85,528, a 19.5% decrease compared to April 2024. April 2025 data reflects the first month in which riders who had previously received temporary approval for YOP reduced fare were required to provide a document that proves they qualify for a Youth PRONTO account by March 31, 2025 to continue riding with the discount. If the deadline was missed, the account was converted back to standard Adult pricing.

ATTACHMENT: 2A – Monthly Transit Operations Performance Report, April 2025

FISCAL IMPACT: This staff report has no fiscal impact.

COMMITTEE REVIEW: None

STAFF CONTACT: **Katie Persons, Director of Service Planning**
Email: kpersons@nctd.org Phone: 760-966-6683

Transit Performance Report - April 2025

SYSTEM Performance (All Modes)	Budget Goal ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	696,549	769,478	10.5%	693,883	10.9%
Average Weekday Boardings	24,421	28,687	17.5%	26,489	8.3%
Average Saturday Boardings	22,883	19,704	-13.9%	15,419	27.8%
Average Sunday Boardings	16,936	14,890	-12.1%	12,369	20.4%
BREEZE Performance	Budget Goal / Performance Standard ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	427,705	492,512	15.2%	444,397	10.8%
Average Weekday Boardings	15,363	18,463	20.2%	17,053	8.3%
Average Saturday Boardings	12,842	12,357	-3.8%	9,642	28.2%
Average Sunday Boardings	9,590	9,227	-3.8%	7,667	20.3%
Boardings per Revenue Hour	11.7	13.5	15.5%	12.7	6.8%
Percent of Scheduled Service Operated	99.98%	99.76%	-0.2%	99.59%	0.2%
Major Mechanical Failures	35	30	-14.3%	50	-40.0%
Other Mechanical Failures	0	16	1600.0%	5	220.0%
Chargeable Accidents	5	17	240.0%	10	70.0%
On-time Performance	88.0%	84.6%	-3.8%	83.3%	1.6%
Passenger Concerns	84	74	-11.9%	92	-19.6%
COASTER Performance	Budget Goal / Performance Standard ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	80,100	87,950	9.8%	72,390	21.5%
Average Weekday Boardings	2,391	3,019	26.2%	2,654	13.8%
Average Saturday Boardings	4,294	3,268	-23.9%	2,023	61.5%
Average Sunday Boardings	2,579	2,113	-18.1%	1,479	42.9%
Boardings per Revenue Hour	73.8	84.6	14.7%	68.6	23.5%
Percent of Scheduled Service Operated	100.0%	98.8%	-1.2%	99.9%	-1.1%
Major Mechanical Failures	2	0	-100.0%	0	0.0%
Other Mechanical Failures	0	0	0.0%	1	-100.0%
Chargeable Accidents	0	0	0.0%	0	0.0%
On-time Performance	95.0%	92.3%	-2.9%	96.2%	-4.1%
Passenger Concerns	6	10	66.7%	7	42.9%
SPRINTER Performance	Budget Goal / Performance Standard ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	167,009	168,807	1.1%	162,993	3.6%
Average Weekday Boardings	5,857	6,406	9.4%	6,211	3.1%
Average Saturday Boardings	5,201	3,712	-28.6%	3,539	4.9%
Average Sunday Boardings	4,339	3,257	-24.9%	3,051	6.8%
Boardings per Revenue Hour	85.6	87.8	2.6%	85.2	3.1%
Percent of Scheduled Service Operated	100.0%	98.7%	-1.3%	98.6%	0.1%
Major Mechanical Failures	1	5	400.0%	29	-82.8%
Other Mechanical Failures	0	0	0.0%	2	-100.0%
Chargeable Accidents	0	0	0.0%	0	0.0%
On-time Performance	95.0%	96.6%	1.7%	96.0%	0.6%
Passenger Concerns	8	10	25.0%	11	-9.1%
FLEX Performance	Budget Goal / Performance Standard ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	5,831	9,577	64.2%	4,242	125.8%
Average Weekday Boardings	198	362	83.2%	156	132.1%
Average Saturday Boardings	218	217	-0.5%	112	93.8%
Average Sunday Boardings	153	185	20.7%	91	103.3%
Passengers per Revenue Hour	2.81	4.27	52.1%	3.01	41.6%
Major Mechanical Failures	2	1	-50.0%	0	100.0%
Other Mechanical Failures	0	0	0.0%	0	0.0%
Chargeable Accidents	0	0	0.0%	0	0.0%
On-time Performance	88.0%	88.4%	0.5%	86.8%	1.9%
Passenger Concerns	5	3	-40.0%	0	300.0%
LIFT Performance	Budget Goal / Performance Standard ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	10,234	8,533	-16.6%	9,861	-13.5%
Average Weekday Boardings	424	353	-16.8%	415	-14.9%
Average Saturday Boardings	140	117	-16.1%	103	13.6%
Average Sunday/Holiday Boardings	86	76	-11.6%	81	-6.2%
Passengers per Revenue Hour	1.80	2.02	12.1%	1.80	12.1%
Major Mechanical Failures ²	2	4	100.0%	0	400.0%
Other Mechanical Failures ²	0	2	200.0%	1	100.0%
Chargeable Accidents	1	0	-100.0%	0	0.0%
On-Time Performance	92.0%	89.2%	-3.1%	93.9%	-5.0%
Passenger Concerns	13	17	30.8%	13	30.8%
NCTD+ Performance	Budget Goal / Performance Standard ¹	April 2025	Variance from Goal/Standard	April 2024	Variance from Prior Year
Total Boardings	5,670	2,099	-63.0%	0	100.0%
Average Weekday Boardings	189	84	-55.6%	0	100.0%
Average Saturday Boardings	189	33	-82.5%	0	100.0%
Average Sunday Boardings	189	32	-83.1%	0	100.0%
Passengers per Revenue Hour	1.80	3.68	104.3%	0.00	100.0%
Chargeable Accidents	0	0	0.0%	0	0.0%
On-time Performance	92.0%	85.5%	-7.1%	0.0%	100.0%
Passenger Concerns	3	1	-66.7%	0	100.0%
Median Wait Time (minutes)	20:00	15:29	-22.6%	00:00	0.0%

¹ Budgeted goals are developed every fiscal year within budget documents and are based upon ridership projections and past performance while minimum performance standards are generally set forth in each modal operations and maintenance contract. Rail standards continue to adhere to the minimum performance standards established in past contracts.

STAFF REPORT

**RECEIVE THE MARKETING, SERVICE PLANNING, AND BUSINESS
DEVELOPMENT COMMITTEE CHAIR REPORT FOR THE JUNE 11,
2025 MEETING**

Time Sensitive: ☒ **Consent:** ☒

**STAFF
RECOMMENDATION:**

Receive the Marketing, Service Planning, and Business Development Committee Chair Report for the June 11, 2025 meeting.

**BACKGROUND
INFORMATION:**

On June 11, 2025, at 12:00 p.m., the Marketing, Service Planning, and Business Development (MSPBD) Committee met as scheduled with a quorum of appointed members in attendance.

**MSPBD Committee Agenda Item No. 1 – Receive Marketing and
Communications Program Update**

Mary Dover, Chief of Staff, provided an update of the FY25 Marketing and Communications program results and an overview of the FY26 Marketing and Communications strategy.

Committee Member O'Hara was delighted to hear that NCTD has such a strong presence on social media. CEO Donaghy thanked the Marketing and Communications team for their efforts to engage with the community on informational and social media trends. O'Hara asked how many new viewers/followers NCTD gained. Ms. Dover responded that NCTD gained 5,000 new Instagram followers and 8,000 link clicks on LinkedIn. O'Hara further asked of the 2,000 Youth Opportunity Passes (YOP) distributed at an outreach event, how many were actually activated and used. Ms. Dover responded that the Customer Experience team visits local schools and makes a concerted effort to engage with the youth and teach them about taking public transit. O'Hara also asked if NCTD is looking into new social media platforms or even an NCTD podcast to include members of the community and staff interviews and their experiences in riding transit. CEO Donaghy responded that this endeavor is already in the works.

Committee Member Joyce commented that he would like to see NCTD partner with local radio podcasts and local filmmakers to highlight positive riding experiences. He suggested that NCTD be involved in the Dia de los Muertos Festival in the fall and perhaps include a SPRINTER ride as part of the event. Ms. Dover responded that NCTD has been leaning into celebrating the communities it serves and attending events each month and will continue to look for opportunities to be more involved. Committee Member Joyce also asked if there is any partnership with Frontwave Arena to potentially drive more ridership on the SPRINTER. CEO Donaghy added that NCTD continues to have conversations with Frontwave Arena staff to encourage riders to take the SPRINTER to their events.

Committee Vice-Chair Garcia commented about Dia de los Muertos in Escondido and the possibility of connecting with the Oceanside event. He thanked NCTD for

the direct community engagement that has helped an Escondido customer with a disability take transit. He encouraged NCTD to seek Board Member engagement at any of the city's community events.

MSPBD Committee Agenda Item No. 2 – Receive Update on Customer Feedback Trends and Initiatives

Alicia Peat-Watson, Director of Customer Experience, and Mary Dover, Chief of Staff, presented a summary of the trends and observations from feedback received from customers to date for FY2025.

Committee Member O'Hara commented on the different variables in the customer feedback report. He is glad NCTD is not just looking at statistics, rather, is being proactive in addressing customer concerns. Ms. Peat-Watson added that NCTD appreciates receiving all feedback from customers as it helps staff gain insight into ways to improve the District's services.

Committee Vice-Chair Garcia shared a personal experience on the SPRINTER with his family. He mentioned that there is a feeling of safety at the Escondido Transit Center. He encourages security and staff to be ambassadors and help out the community.

ATTACHMENT(S): 3A – Marketing and Communications Program Update Presentation
3B – Customer Feedback Trends and Initiatives Presentation

FISCAL IMPACT: This staff report has no fiscal impact.

STAFF CONTACT: **Mary Dover, Chief of Staff**
E-mail: mdover@nctd.org Phone: 760-967-2895



Receive Marketing and Communications Program Update

MSBPD Committee
June 11, 2025

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

Marketing and Communications Program



Outreach and Events

LIFE

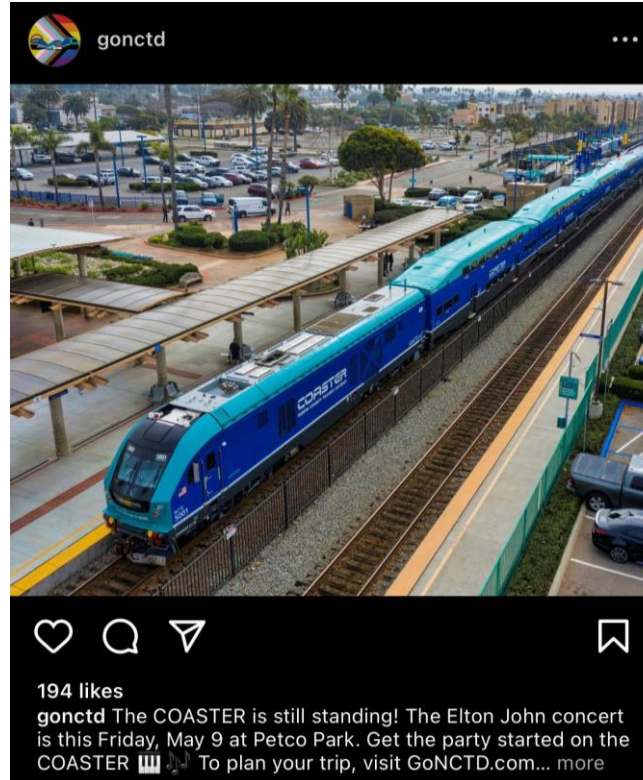
On 'Crystal Trent Day', San Diego Honors First Black Female Train Engineer



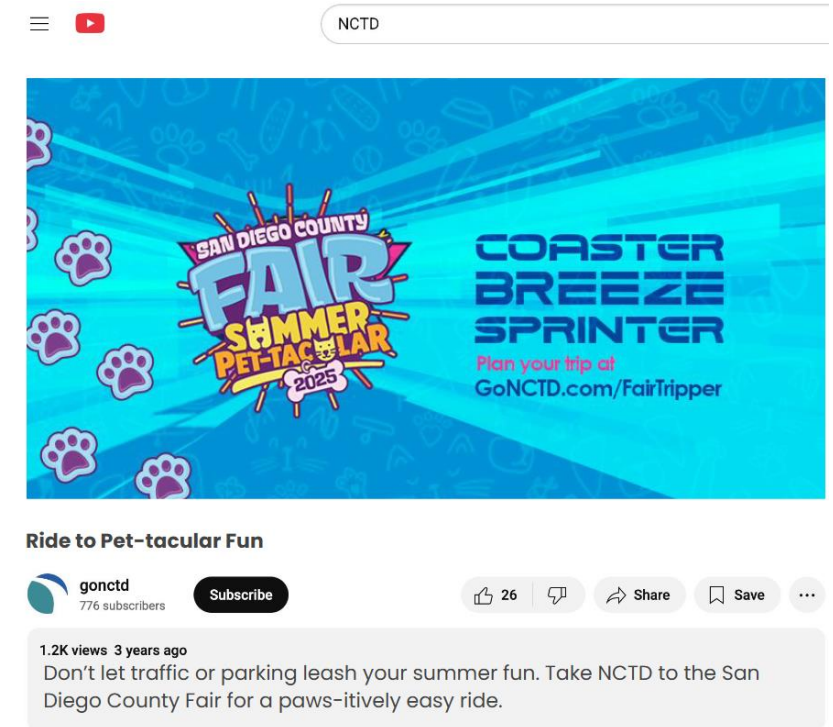
by Kira Caspers • Times of San Diego Feb. 27, 2025, 9:16 a.m.

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Advertising



FY 2025

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FAIR TRIPPER



NORTH COUNTY TRANSIT
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Dedicated to
the memory of
Rosa Parks

Free
Ride Day
Tuesday,
February 4



SANDAG
Bike
Anywhere
Day



CY 2024 Advertising Deliverables

**23+
million**

Impressions

**10+
million**

Users reached

**6+
million**

Video views

**24% -
35%**

Click through rate
(Google)

**36%-
53%**

Engagement rate
(YouTube)

**96%-
98%**

Completion rate
(CTV/OTT)

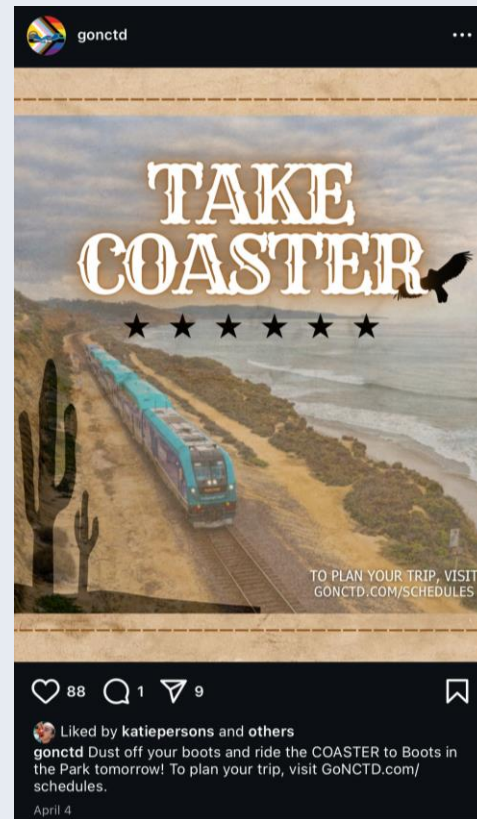
**\$0.03-
\$0.54**

Cost per completed
view/cost per click

Social Media Trends



Informational Social Media



Social Media Growth

26%

increase

Instagram followers

43%

increase

Instagram impressions

152%

increase

LinkedIn engagement

222%

increase

Link clicks
(LinkedIn)

Service Utilization

8%
increase

Ridership
(FY24 vs. FY23)

6.1%
increase

Weekday avg. ridership
(SD Fair 24 vs. 23)

7.7%
increase

Weekday avg. ridership
(Padres season 24 vs. 23)

2,000+
new

YOP passes
issued/verified

183%
increase

Fair Tripper passes
sold since 2022

FY 2026



Questions?



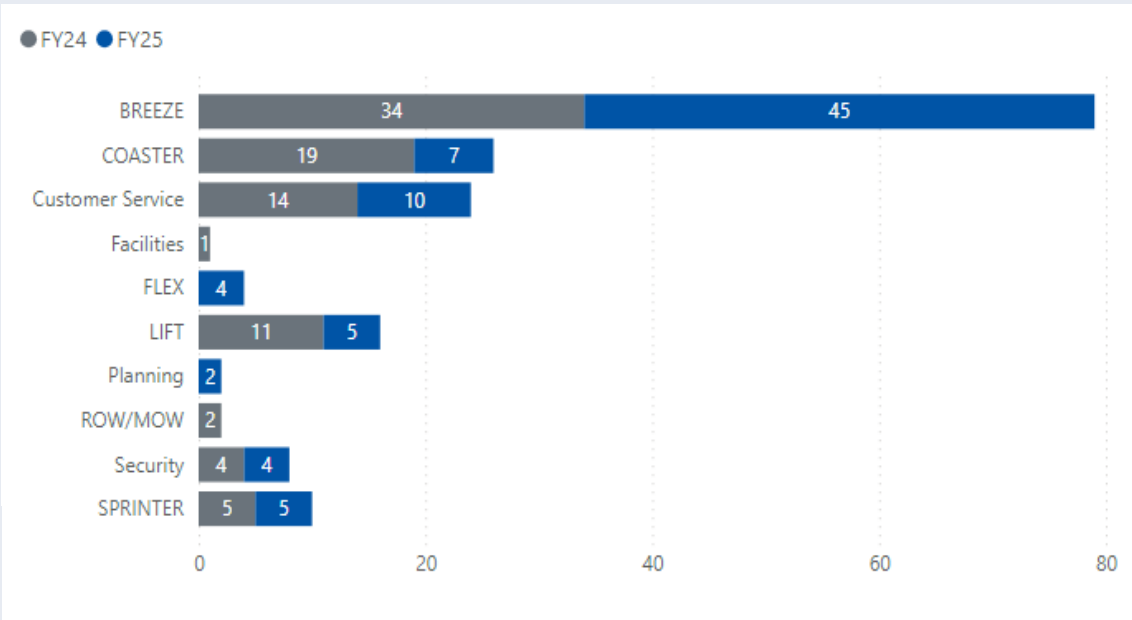
Receive Update on Customer Feedback Trends and Initiatives

MSPBD Committee
June 11, 2025

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD

Compliments by Department

FY25 vs FY24 Compliments by Department

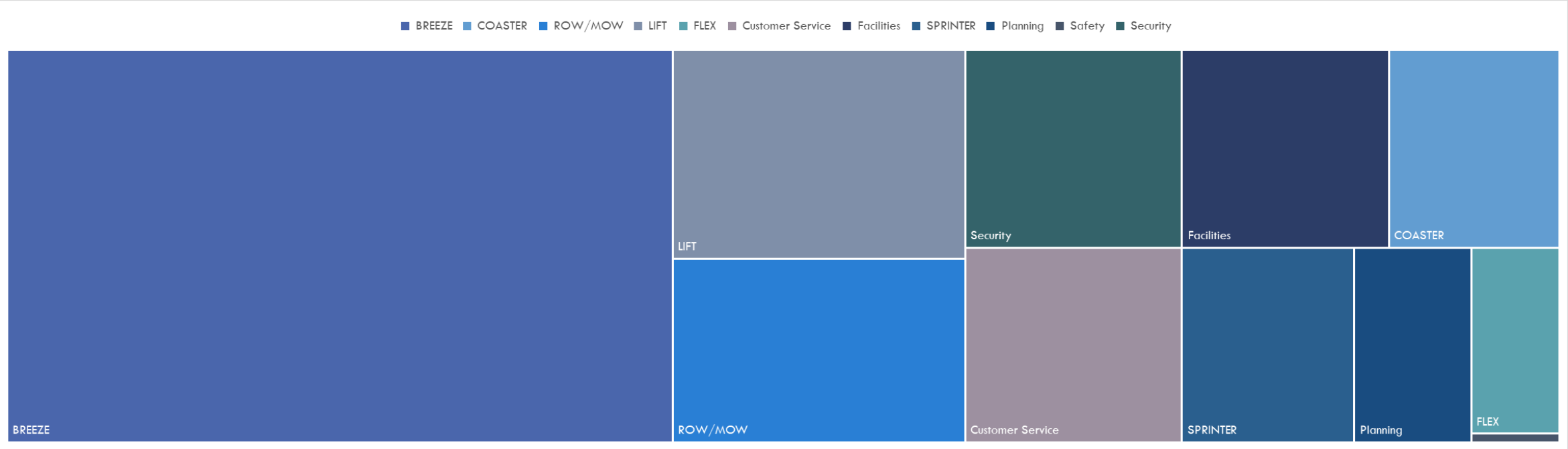


Quarter Comparison by Department

Department	Q1 FY24	Q2 FY24	Q3 FY24	Q1 FY25	Q2 FY25	Q3 FY25
BREEZE	10	16	8	16	9	20
COASTER	6	6	7	2	4	1
Customer Service	6	6	2	1	7	2
Facilities		1				
FLEX				3		1
LIFT	5	2	4		2	3
Planning						2
ROW/MOW	1		1			
Security		3	1	1	1	2
SPRINTER	3	2		3		2
Total	31	36	23	26	23	33

Compliments for FY25 are trending higher this year when compared to FY24. The increase is due to more compliments for BREEZE operators.

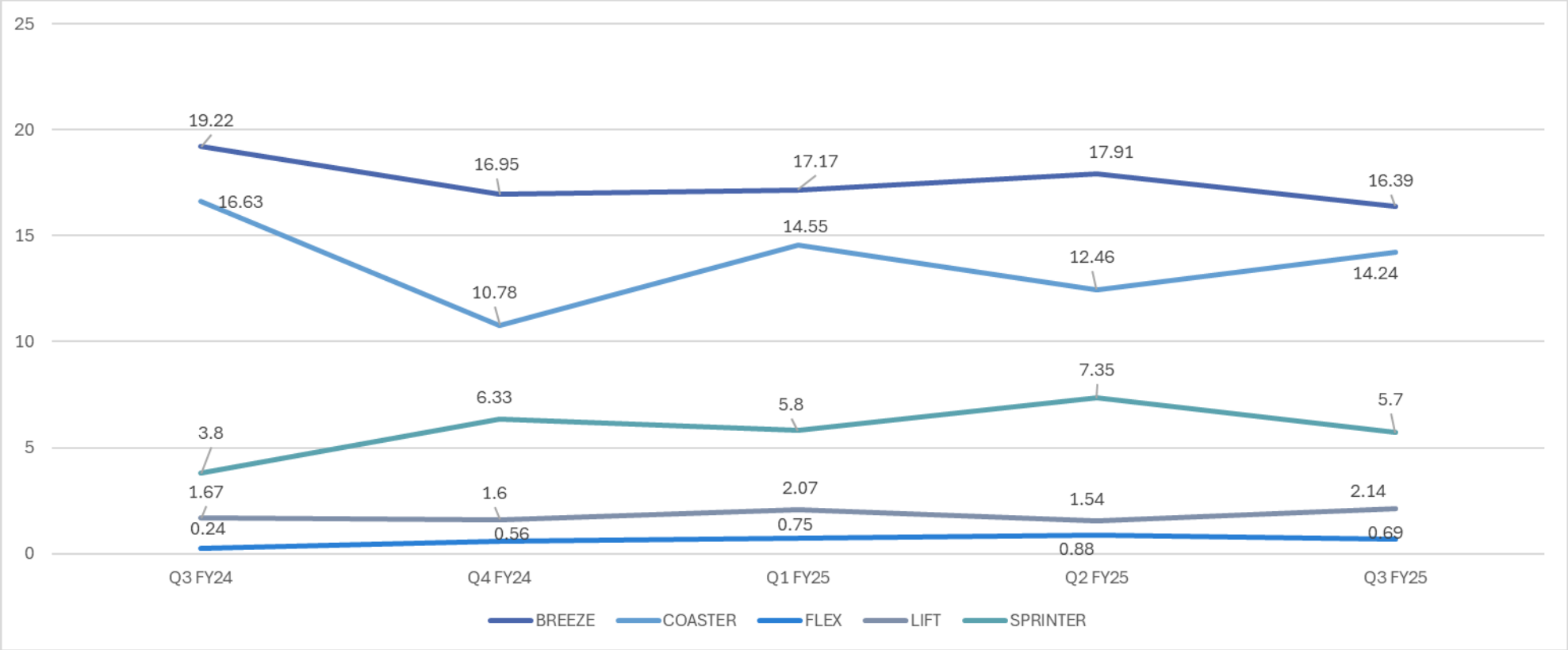
FY25 Feedback by Department



Of the 1,604 customer feedback reports received in FY25, roughly 67% (1,069) are specific to modal operations. The remaining 33% (535) pertain to ROW/MOW, Security, Customer Service, Facilities, Service Planning and to a lesser extent, Safety.

Our reporting methodology is department-based instead of mode based to avoid unfairly attributing feedback not directly related to the service operations to a particular mode.

Customer Feedback by Mode Weighted Ridership



BREEZE / COASTER / SPRINTER 100k trips

LIFT / FLEX / NCTD+ 1k trips

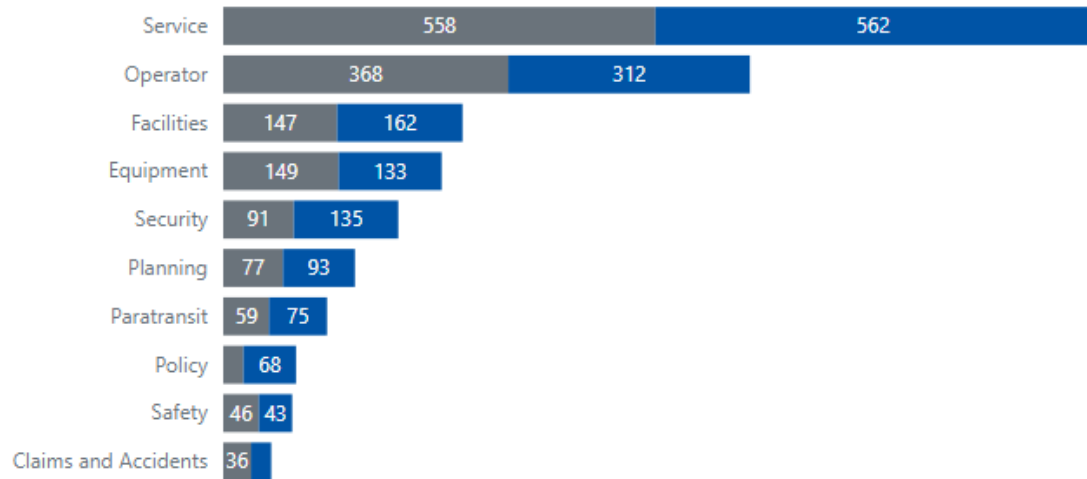
Core Category Definitions

- **Claims and Accidents** - Feedback related to any claims or accidents in various departments.
- **Equipment** – Feedback involving faulty equipment, damaged or dirty vehicles, automated announcements, door malfunctions, HVAC, ADA ramp deployment, signal issues and IT requests.
- **Facilities** – graffiti removal , station cleanliness, electrical, landscaping, plumbing issues.
- **Operator** – Feedback involving refusal of service, rude, dangerous driving, off-route, closed door on passenger, left before passenger seated.
- **Paratransit** – Issues with EZ-wallet, Information requests, mobility device, MTS Access transfer point, Reservationist/Dispatch, Service Area, Time Onboard Vehicle Violation.
- **Planning** – Bus Stop Amenities request, Bus Stop request, Marketing request, Service Request, Wayfinding signage.
- **Policy** – Feedback related to E-bikes, Horns-trains, Policy disputes, PRONTO/Fare Issue.
- **Safety** – Feedback safety issues.
- **Security** – Customer altercations involving verbal or physical altercations with each other or staff members, trespassers, security issues such as break ins, dangerous items & weapons, and other security related incidents.
- **Service** – Feedback involving transit services including late, or early service, pass-by, missed stop requests, no-shows, cancelations.

Systemwide Customer Feedback

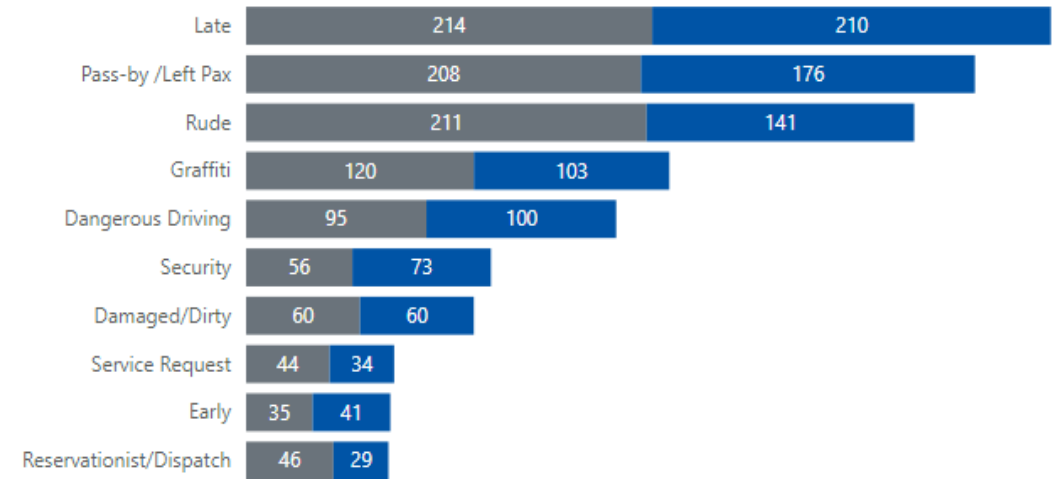
FY25 vs FY24 Comparison by Core Category

● FY24 ● FY25



FY25 vs FY24 Comparison by Sub-Code

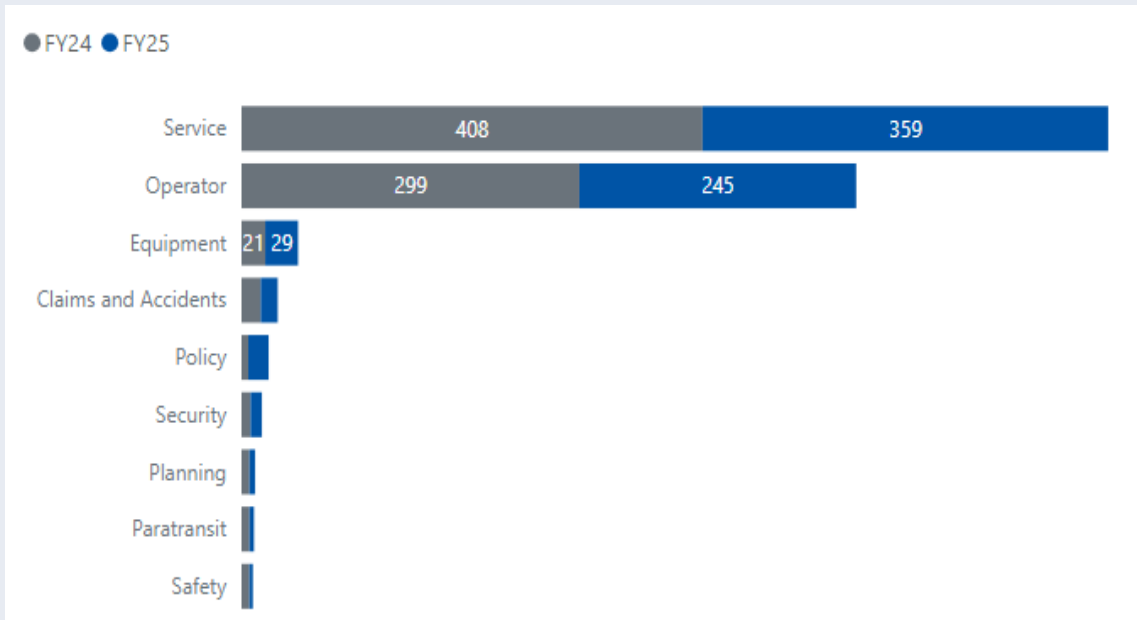
● FY24 ● FY25



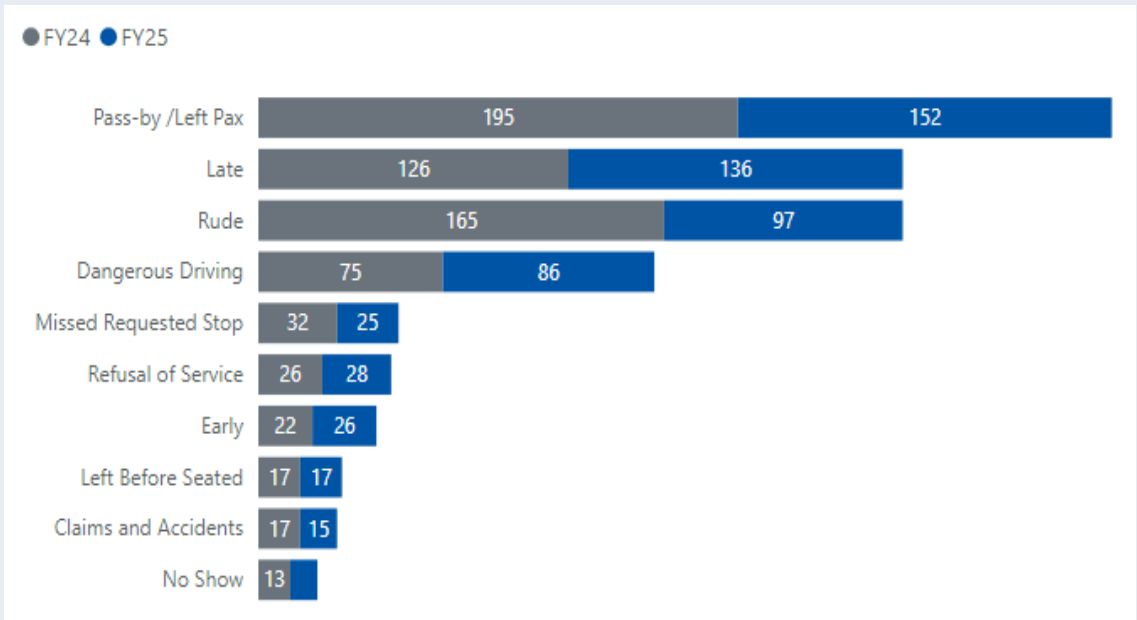
Systemwide FY25 feedback is trending slightly higher this fiscal year when compared to last year. The increase is due to more service-related complaints, security concerns, facility issues and service planning requests. Conversely, there have been reductions regarding Operator behavior and equipment issues.

BREEZE Customer Feedback

FY25 vs FY24 Comparison by Core Category



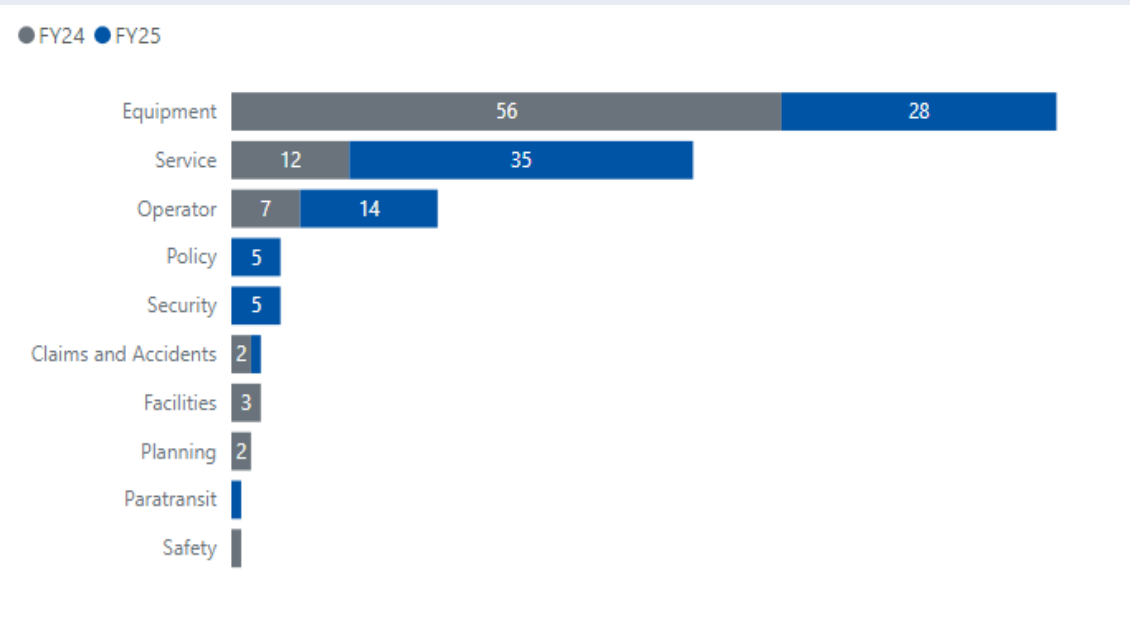
FY25 vs FY24 Comparison by Sub-Code



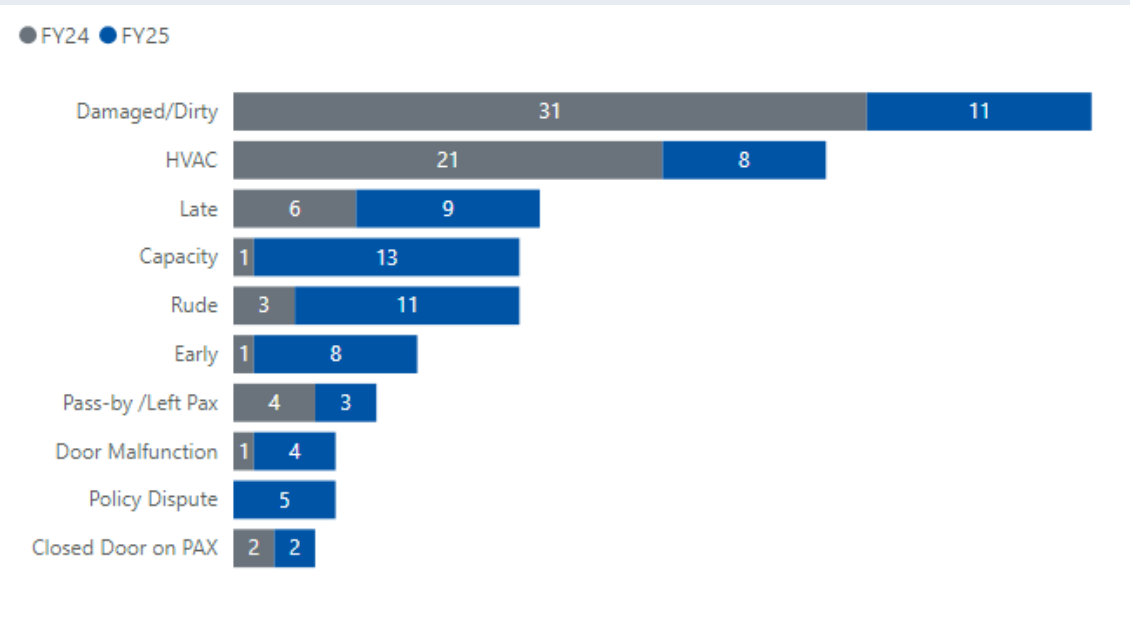
FY25 feedback is trending lower than FY24 quarter over quarter. Majority of the feedback received is regarding service issues and operator behavior. The top five sub-codes continue to remain the same year over year.

COASTER Customer Feedback

FY25 vs FY24 Comparison by Core Category



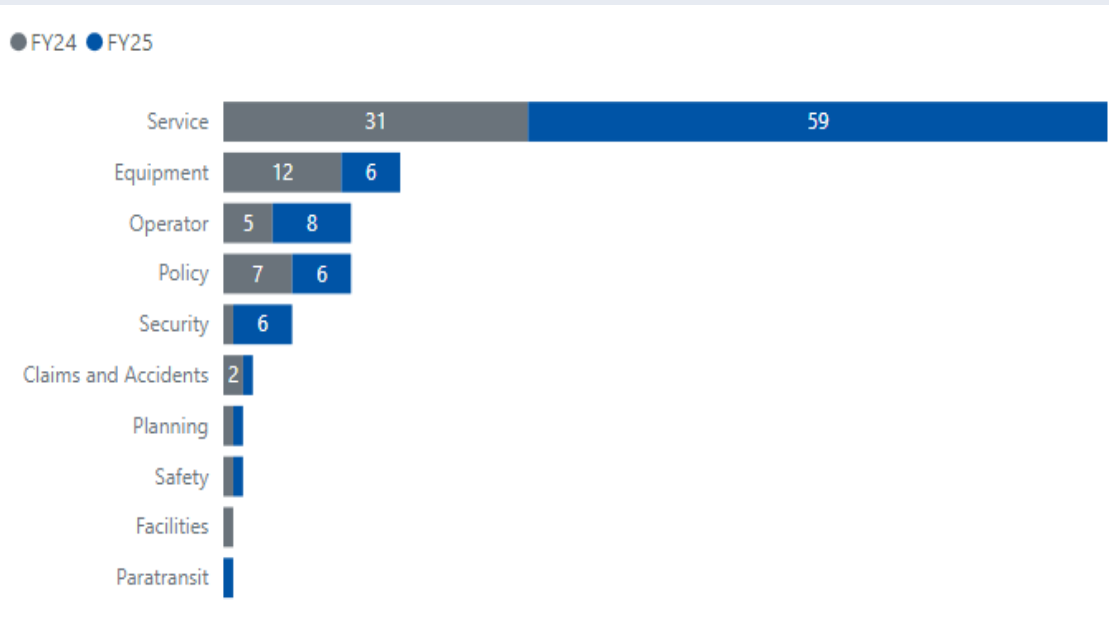
FY25 vs FY24 Comparison by Sub-Code



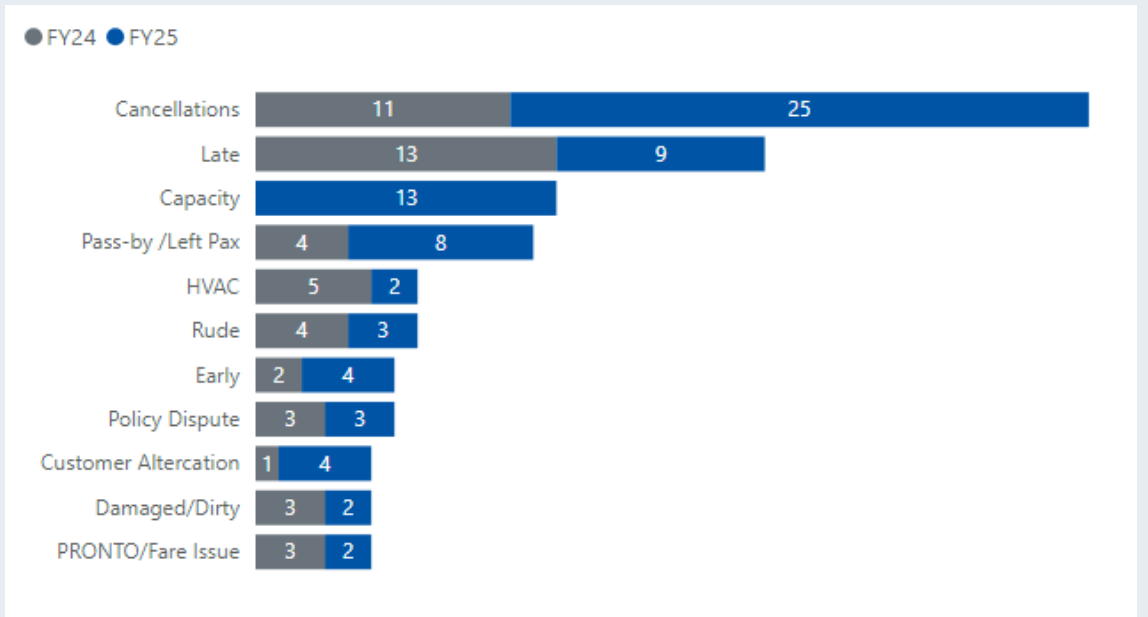
FY25 feedback is trending slightly higher than FY24. The increase is due to more feedback regarding capacity issues, rude conductors and timeliness of service.

SPRINTER Customer Feedback

FY25 vs FY24 Comparison by Core Category



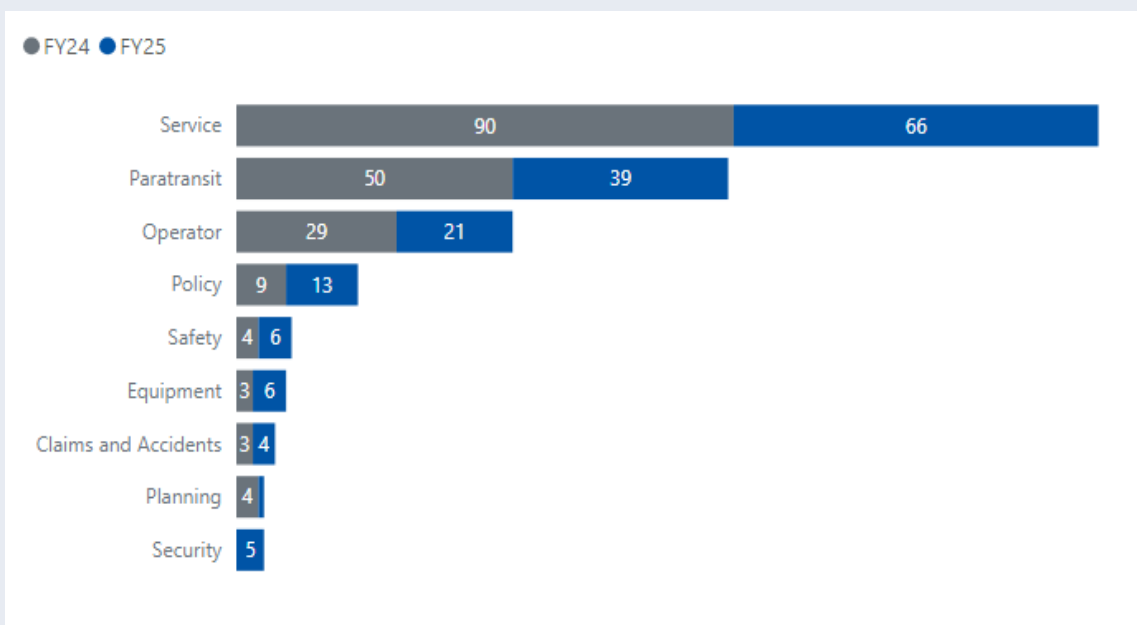
FY25 vs FY24 Comparison by Sub-Code



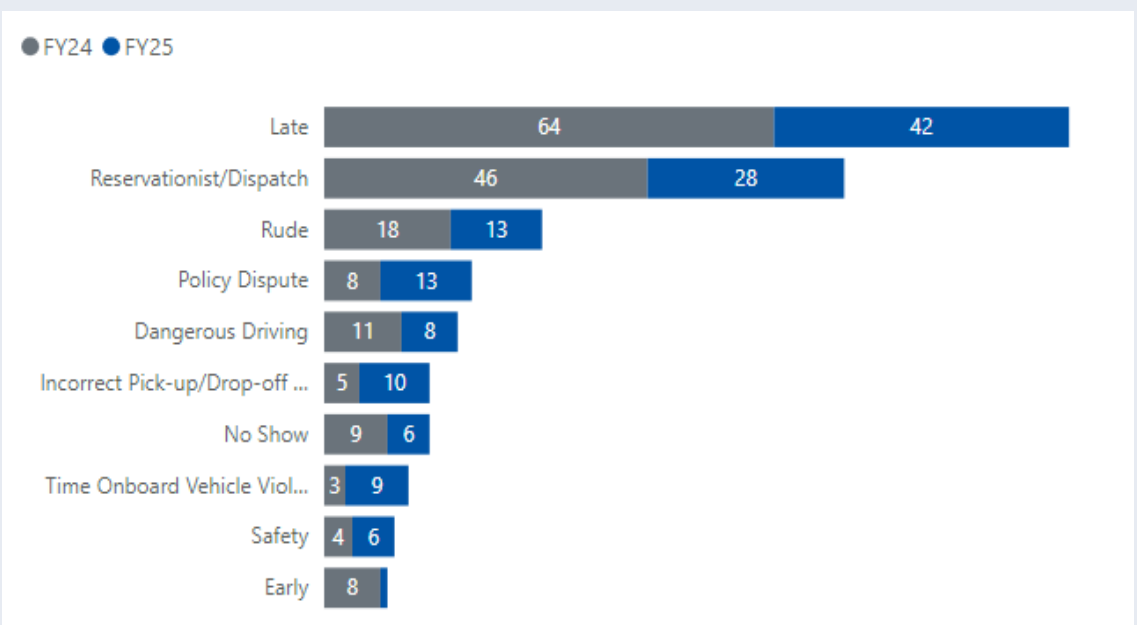
FY25 feedback is trending higher than FY24 quarter over quarter. The increase in feedback is due to capacity concerns and service cancelations.

LIFT Customer Feedback

FY25 vs FY24 Comparison by Core Category



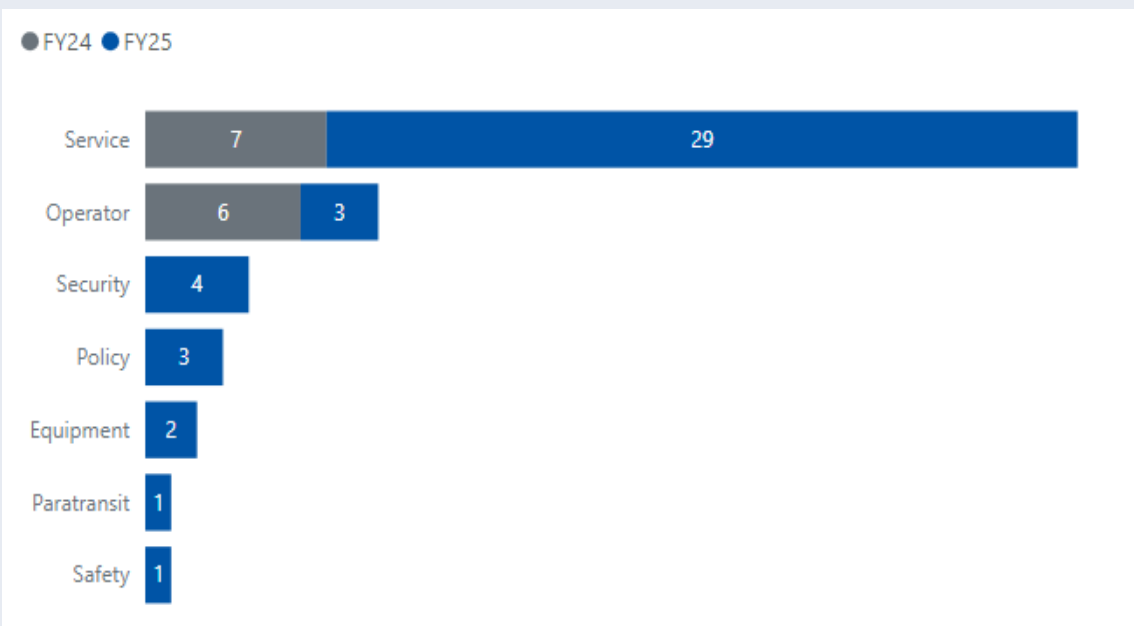
FY25 vs FY24 Comparison by Sub-Code



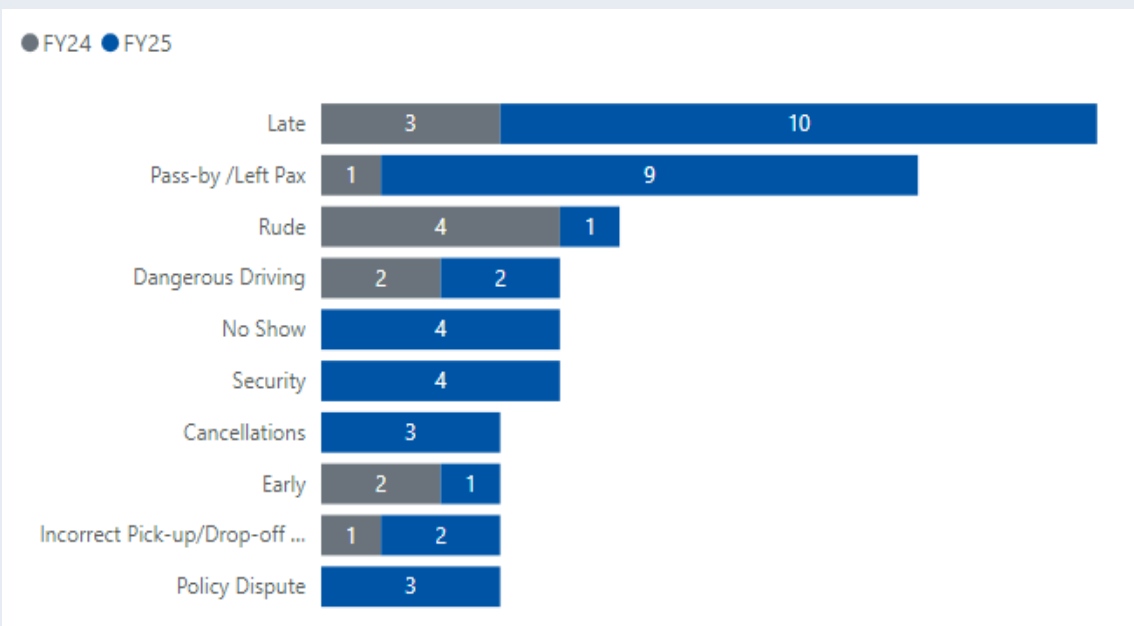
FY25 feedback is trending lower than FY24 quarter over quarter, with 161 this year versus 192 last year. Issues with Reservationist and or Dispatch as well as late service make up most of the feedback received this year.

FLEX Customer Feedback

FY25 vs FY24 Comparison by Core Category



FY25 vs FY24 Comparison by Sub-Code



FY25 feedback is trending higher than FY24 quarter over quarter. Late service and pass-by/left passenger make up 44% of the feedback this year.

Customer Experience Enhancement

- Customer Experience conducts monthly meetings with NCTD's modal operation teams. The meetings are intended to increase the focus on improving the customer experience and to ensure areas of improvement are addressed.
 - Identify areas of concern and trends
 - Discuss resolution of individual cases
 - Support with training
- Community Outreach
 - Senior Community Centers
 - Senior Living Homes
 - Recovery Centers
- School Campus Events
 - 42 on Campus events in FY25
 - 10 -150 PRONTO cards each event

Questions?

STAFF REPORT

RECEIVE THE UNAUDITED QUARTERLY INVESTMENT REPORT FOR THE THIRD QUARTER OF FY2025

Time Sensitive: ☐ Consent: ☒

STAFF
RECOMMENDATION:

Receive the Unaudited Quarterly Investment Report (unaudited) for the Third Quarter of FY2025 (January 1, 2025 through March 31, 2025).

BACKGROUND
INFORMATION:

Pursuant to the North County Transit District’s (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. 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, 2025:

Cash and Investments	Book Value	Market Value	Annual Yield
State of California Local Agency Investment Fund (LAIF)	\$74,540,037	\$74,540,037	4.58%
County of San Diego Investment Pool	\$43,737,505	\$43,737,505	3.69%
JPMorgan Chase Checking	\$6,399,498	\$6,399,498	3.40%
Total Cash and Investments	\$124,677,040	\$124,677,040	4.21%

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, 2025, 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 payment of workers’ compensation claims. The table below summarizes the balance of cash and investments and annual investment yield on March 31, 2025, compared to March 31, 2024.

	3/31/2025	3/31/2024	Change %
Cash and Investments	\$124,677,040	\$102,550,498	21.58%
Annual Investment Yield	4.21%	3.97%	6.05%

For the quarter ended March 31, 2025, LAIF reported a quarterly yield of 4.34% and the San Diego County Investment Pool reported an annualized yield of 3.75% for their entire portfolios.

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 Phone: 760-967-2858

STAFF REPORT

RECEIVE THE UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER OF FY2025

Time Sensitive: ☐ Consent: ☒

**STAFF
RECOMMENDATION:**

Receive the unaudited Quarterly Financial Report for the third quarter of FY2025 (FY2025-Q3) (January 1, 2025 through March 31, 2025).

**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; Ridership by Mode; 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 FY2025-Q3:

- Cash and investments of \$125 million as of March 31, 2025
- Operating income of \$2.5 million for the nine months of FY2025 (excluding depreciation and loss on disposal of assets)
- Operating expenses lower by \$21.9 million compared to the budget (excluding depreciation) for the nine months of FY2025
- Capital projects expenditures of \$40.7 million for the nine months of FY2025

ATTACHMENT:

5A – FY2025-Q3 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



FINANCIAL REPORT

**For the Period
January 1, 2025 – March 31, 2025
(FY2025-Q3)**

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FINANCIAL PERFORMANCE

Economic Environment

According to the estimate released by the U.S. Bureau of Economic Analysis on May 29, 2025, the US Real Gross Domestic Product (GDP) decreased at an annual rate of 0.2% in the first quarter of 2025. The World Bank predicts that the U.S economy will grow 1.4% in 2025, down from a projected 2.3%.

The San Diego region is experiencing a significant decline in the labor force with one of the main reasons being a growing affordability crisis due to the high cost of living in the region. San Diego's job growth is lagging behind the state, with a trend of young people leaving due to high living costs. A May 2025 inflation report showed the San Diego region having one of the highest inflation rates in the nation.

After experiencing extraordinary growth in the three years following the onset of the COVID-19 public health emergency (FY2021-FY2023), sales tax revenue recorded negative growth in FY2024. SANDAG initially anticipated the dip in FY2024 to be a one-time occurrence; however, sales tax data in the first half of FY2025 pointed to another year of negative growth. In February 2025, SANDAG lowered its forecast for sales tax collections for FY2025, which represented a reduction of \$1.7 million for FY2025 and \$19.4 million in the next five years.

Report Highlights

For the nine months ended March 31, 2025 (FY2025-Q3), customer ridership increased by 10.9% compared to the same period in the prior year. The most significant recovery (in terms of individual riders) was for BREEZE, which was higher by 12.8%. For the nine months ended March 31, 2025, net operating income was \$2.5 million (excluding depreciation and loss on disposal of assets) and operating expenses (excluding depreciation, which is not budgeted) were lower by \$21.9 million compared to the budget.

STATEMENTS OF NET POSITION

	June 30, 2024 (Audited)	September 30, 2024 (Unaudited)	December 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)
ASSETS				
Current assets				
Cash and investments	\$ 109,036,254	\$ 93,948,334	\$ 118,575,754	\$ 125,002,887
Investments with fiscal agent	1,839,741	1,806,851	1,814,313	1,830,008
Accounts receivable	6,715,342	7,457,868	3,958,229	5,668,872
Grants receivable	40,446,699	49,518,838	37,723,588	22,606,343
Lease receivables	221,180	221,180	221,180	221,180
Parts and supplies inventory	1,916,454	1,916,454	1,916,454	1,916,454
Prepaid expenses	3,054,473	4,157,666	3,850,391	5,755,137
Restricted assets	4,501,679	3,154,650	6,330,523	61,107,486
Total current assets	167,731,822	162,181,841	174,390,432	224,108,367
Noncurrent assets				
Lease receivables - due in more than one year	17,335,998	17,335,998	17,335,998	17,335,998
Capital assets				
Nondepreciable capital assets	237,803,541	250,331,812	243,727,597	244,325,205
Depreciable capital assets, net of accumulated depreciation	528,481,392	510,933,072	505,783,139	500,911,484
Right-to-use assets, net of accumulated amortization	5,756,467	5,756,467	5,756,467	5,756,467
Total capital assets	772,041,400	767,021,351	755,267,203	750,993,156
Total assets	\$ 957,109,220	\$ 946,539,190	\$ 946,993,633	\$ 992,437,521
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of interest rate swap	527,574	926,385	509,471	657,985
Outflows of resources as related to pension	11,671,972	11,671,972	11,671,972	11,671,972
Outflows of resources as related to OPEB	382,900	382,900	382,900	382,900
Total deferred outflows of resources	12,582,446	12,981,257	12,564,343	12,712,857
LIABILITIES				
Current liabilities payable from current assets				
Accounts payable	\$ 27,204,365	\$ 20,993,175	\$ 21,884,689	\$ 19,037,152
Accrued liabilities	887,296	2,405,009	1,875,927	2,998,116
Deposits payable	325,094	331,696	78,941	193,558
Lease payable - due within one year	397,746	397,746	397,746	397,746
SBITA payable - due within one year	1,052,997	1,052,997	1,052,997	1,052,997
Unearned grant revenue - due within one year	19,831,521	23,314,326	28,724,942	28,345,453
Certificates of participation - due within one year	1,400,000	-	-	-
Claims payable - due within one year	2,256,957	2,256,957	2,256,957	1,256,957
Compensated absences - due within one year	2,017,176	1,847,919	2,010,328	1,830,664
Total current liabilities payable from current assets	55,373,152	52,599,825	58,282,527	55,112,643
Noncurrent liabilities				
Certificates of participation - due in more than one year	16,350,000	16,350,000	16,350,000	16,350,000
Lease payable - due in more than one year	352,282	352,282	352,282	352,282
SBITA payable - due in more than one year	3,937,953	3,937,953	3,937,953	3,937,953
Claims payable - due in more than one year	1,428,717	1,428,717	1,428,717	1,428,717
Compensated absences due in more than one year	32,019	32,019	32,019	32,019
Net other post employment benefits obligation	4,165,725	4,165,725	4,165,725	4,165,725
Unearned grant revenue - due in more than one year	54,031,450	55,045,272	60,200,620	112,317,940
Net Pension liability	44,686,566	40,043,980	40,043,980	40,043,980
Negative fair value of interest rate swap	527,574	926,385	509,471	657,985
Total noncurrent liabilities	125,512,286	122,282,333	127,020,767	179,286,601
Total liabilities	\$ 180,885,438	\$ 174,882,158	\$ 185,303,294	\$ 234,399,244
DEFERRED INFLOWS OF RESOURCES				
Inflows of resources related to leases	16,092,825	16,092,825	16,092,825	16,092,825
Inflows of resources related to OPEB	656,282	656,282	656,282	656,282
Total deferred inflows of resources	16,749,107	16,749,107	16,749,107	16,749,107
NET POSITION				
Net investment in capital assets	\$ 749,605,848	\$ 746,737,224	\$ 734,990,538	\$ 730,732,186
Unrestricted	22,451,273	21,151,958	22,515,037	23,269,841
Total net position	\$ 772,057,121	\$ 767,889,182	\$ 757,505,575	\$ 754,002,027

Significant Balances

Significant balances as of each period are as follows:

	June 30, 2024 (Audited)	September 30, 2024 (Unaudited)	December 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)
Assets				
Cash and investments	\$ 109,036,254	\$ 93,948,334	\$ 118,575,754	\$ 125,002,887
Receivables	47,383,221	57,197,886	41,902,997	28,496,395
Capital assets, net	772,041,400	767,021,351	755,267,203	750,993,156
Liabilities				
Accounts payable	28,091,661	23,398,184	23,760,616	22,035,268
Unearned grant revenue	73,862,971	78,359,598	88,925,562	140,663,393
Certificates of participation	17,750,000	16,350,000	16,350,000	16,350,000
Net pension liability	44,686,566	40,043,980	40,043,980	40,043,980
Net position	772,057,121	767,889,182	757,505,575	754,002,027

As of March 31, 2025, cash and investments increased primarily as result of cash receipts from receivables that were outstanding in the prior quarter.

Accounts Receivable

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

	June 30, 2024 (Audited)	September 30, 2024 (Unaudited)	December 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)
Shared Use Agreements	1,573,073	1,602,336	526,064	1,943,716
Interest	1,159,142	1,074,569	1,191,196	1,370,744
Fare Revenue	978,412	942,038	804,984	914,472
San Diego Association of Governments	906,638	2,742,757	86,887	596,069
Compressed Natural Gas and Low Carbon Fuel Standards credits	1,538,135	636,586	826,114	383,000
Leases	287,564	143,322	205,489	82,300
Other	272,378	316,260	317,495	378,571
	<u>\$ 6,715,342</u>	<u>\$ 7,457,868</u>	<u>\$ 3,958,229</u>	<u>\$ 5,668,872</u>

As of March 31, 2025, the outstanding balance past 90 days was \$191,800.

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, 2024 (Audited)	September 30, 2024 (Unaudited)	December 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)
Federal Transit Administration	29,394,060	34,639,057	25,031,169	8,687,235
California Department of Transportation	3,568,892	5,623,307	3,580,801	4,974,662
San Joaquin Valley Air Pollution Control District	3,199,968	3,199,968	3,200,000	3,200,000
California State Transportation Agency	341,143	1,361,511	1,714,711	2,093,998
California Energy Commission	307,477	307,477	307,477	1,520,043
San Diego Association of Governments	2,423,474	2,748,227	2,559,540	1,511,699
Federal Railroad Administration	556,483	417,325	154,889	487,386
Other	550,884	933,390	927,569	131,321
California Transportation Commission	104,318	288,576	247,432	-
	<u>\$ 40,446,699</u>	<u>\$ 49,518,838</u>	<u>\$ 37,723,588</u>	<u>\$ 22,606,343</u>

Accounts Payable

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

	June 30, 2024 (Audited)	September 30, 2024 (Unaudited)	December 31, 2024 (Unaudited)	March 31, 2025 (Unaudited)
Purchased Transportation	\$ 11,302,244	\$ 11,242,148	\$ 11,309,545	\$ 8,933,915
Maintenance Contracts	3,452,614	2,131,712	2,329,608	3,983,878
Capital Projects	5,428,321	1,190,763	1,740,388	1,697,879
Security	750,014	966,936	920,136	1,076,670
Utilities	1,258,760	856,911	994,999	1,046,068
Fuel	512,660	525,750	635,428	813,617
IT, Software, and Licenses	1,333,192	2,836,183	933,368	638,988
Flagging	344,010	13,078	102,547	81,478
Payroll Liabilities	509,654	29,601	95,642	16,148
Insurance	-	-	1,466,933	-
Other	2,312,896	1,200,093	1,356,095	748,511
	<u>\$ 27,204,365</u>	<u>\$ 20,993,175</u>	<u>\$ 21,884,689</u>	<u>\$ 19,037,152</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 expense.
- (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.
- (4) This financial report provides the unaudited Statements of Revenues, Expenses, and Changes in Net Position for the first nine months of FY2025 (YTD) compared to the same period in the prior fiscal year.

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

	FY2025-Q1 Actual (Unaudited)	FY2025-Q2 Actual (Unaudited)	FY2025-Q3 Actual (Unaudited)	YTD March 31, FY2025 Actual (Unaudited)	YTD March 31, FY2024 Actual (Unaudited)	Variance (\$)	Variance (%)
OPERATING REVENUES							
Fare Revenue	\$ 2,928,074	\$ 2,704,664	\$ 2,635,508	\$ 8,268,246	\$ 7,828,357	\$ 439,889	5.6%
Advertising and right-of-way	3,150,618	3,198,475	2,813,694	9,162,787	9,339,104	(176,317)	-1.9%
Lease and sublease revenue	726,517	730,979	401,428	1,858,924	1,851,514	7,410	0.4%
Other revenue	610,728	873,325	524,161	2,008,214	1,756,558	251,656	14.3%
Total operating revenues	7,415,937	7,507,443	6,374,791	21,298,171	20,775,533	522,638	2.5%
OPERATING EXPENSES							
Bus operations							
Vehicle operations	9,287,857	10,164,579	9,813,546	29,265,982	29,548,880	(282,898)	-1.0%
Vehicle maintenance	2,863,102	2,953,284	3,031,470	8,847,856	7,259,955	1,587,901	21.9%
Non-vehicle maintenance	1,666,839	1,669,331	1,733,876	5,070,046	4,169,490	900,556	21.6%
Administration	4,609,934	4,761,273	4,707,236	14,078,443	12,682,924	1,395,519	11.0%
Rail operations							
Vehicle operations	5,511,541	4,755,869	5,422,184	15,689,594	15,007,852	681,742	4.5%
Vehicle maintenance	3,067,396	4,096,860	2,987,561	10,151,817	9,265,024	886,793	9.6%
Non-vehicle maintenance	3,543,688	3,492,467	4,096,496	11,132,651	8,406,770	2,725,881	32.4%
Administration	5,973,622	5,981,266	5,091,774	17,046,662	17,724,659	(677,997)	-3.8%
Right-of-way operations	2,643,611	2,468,344	2,544,043	7,655,998	7,313,257	342,741	4.7%
Depreciation	17,503,332	23,392,345	20,353,239	61,248,916	61,062,809	186,107	0.3%
Total operating expenses	56,670,922	63,735,618	59,781,425	180,187,965	172,441,620	7,746,345	4.5%
Operating loss	(49,254,985)	(56,228,175)	(53,406,634)	(158,889,794)	(151,666,087)	(7,223,707)	4.8%
NON-OPERATING REVENUES (EXPENSES)							
Operating grants	32,143,292	33,216,780	32,995,941	98,356,013	92,932,758	5,423,255	5.8%
Investment income	598,204	737,692	883,737	2,219,633	1,772,921	446,712	25.2%
Debt related expense	(157,421)	(126,914)	(121,137)	(405,472)	(456,327)	50,855	-11.1%
Gain (loss) on disposal of capital assets	(36,079)	33,075	(1,591)	(4,595)	(25,444)	20,849	-81.9%
Total non-operating revenues	32,547,996	33,860,633	33,756,950	100,165,579	94,223,908	5,941,671	6.3%
Loss before capital contributions	(16,706,989)	(22,367,542)	(19,649,684)	(58,724,215)	(57,442,179)	(1,282,036)	2.2%
CAPITAL CONTRIBUTIONS							
Capital grants	12,539,050	11,983,935	16,146,136	40,669,121	36,193,422	4,475,699	12.4%
Total capital contributions	12,539,050	11,983,935	16,146,136	40,669,121	36,193,422	4,475,699	12.4%
Change in Net Position	\$ (4,167,939)	\$ (10,383,607)	\$ (3,503,548)	\$ (18,055,094)	\$ (21,248,757)	\$ 3,193,663	-15.0%
Operating income excluding depreciation and loss on disposal of assets	\$ 832,422	\$ 991,728	\$ 705,146	\$ 2,529,296	\$ 3,646,074	\$ (1,116,778)	-30.6%

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL VS. BUDGET**

	YTD March 31, FY2025 Actual	YTD March 31, FY2025 Budget	Over (Under) Budget (\$)	Over (Under) Budget (%)
OPERATING REVENUES				
Fare Revenue	\$ 8,268,246	\$ 7,351,042	\$ 917,204	12.5%
Advertising and right-of-way	9,162,787	8,743,222	419,565	4.8%
Lease and sublease revenue	1,858,924	1,771,497	87,427	4.9%
Other revenue	2,008,214	995,200	1,013,014	101.8%
Total operating revenues	21,298,171	18,860,961	2,437,210	12.9%
OPERATING EXPENSES				
Bus operations				
Vehicle operations	29,265,982	32,689,901	(3,423,919)	-10.5%
Vehicle maintenance	8,847,856	8,964,305	(116,449)	-1.3%
Non-vehicle maintenance	5,070,046	5,137,739	(67,693)	-1.3%
Administration	14,078,443	18,833,596	(4,755,153)	-25.2%
Rail operations				
Vehicle operations	15,689,594	18,786,648	(3,097,054)	-16.5%
Vehicle maintenance	10,151,817	10,931,402	(779,585)	-7.1%
Non-vehicle maintenance	11,132,651	11,408,099	(275,448)	-2.4%
Administration	17,046,662	22,071,750	(5,025,088)	-22.8%
Right-of-way operations	7,655,998	11,847,159	(4,191,161)	-35.4%
Depreciation	61,248,916	-	61,248,916	N/A
Total operating expenses	180,187,965	140,670,599	39,517,366	28.1%
Operating loss	(158,889,794)	(121,809,638)	(37,080,156)	30.4%
NON-OPERATING REVENUES (EXPENSES)				
Operating grants	98,356,013	121,591,781	(23,235,768)	-19.1%
Investment income	2,219,633	750,000	1,469,633	196.0%
Debt related expense	(405,472)	(555,200)	149,728	-27.0%
Loss on disposal of capital assets	(4,595)	-	(4,595)	N/A
Total non-operating revenues	100,165,579	121,786,581	(21,621,002)	-17.8%
Loss before capital contributions	(58,724,215)	(23,057)	(58,701,158)	NCM
CAPITAL CONTRIBUTIONS				
Capital grants	40,669,121	-	40,669,121	NCM
Total capital contributions	40,669,121	-	40,669,121	NCM
Change in Net Position	\$ (18,055,094)	\$ (23,057)	\$ (18,032,037)	NCM
Operating income excluding depreciation and loss on disposal of assets	\$ 2,529,296	\$ (23,057)	\$ 2,552,353	NCM

FY2025-Q3 OVERVIEW

COMPARISON TO THE PRIOR YEAR

Operating revenues for the first nine months of FY2025 were higher by \$0.5 million compared to the same period in FY2024, which was due to higher fare revenues and higher credits from the District's Renewable Identification Number (RIN) and state Low Carbon Fuel Standard (LCFS) programs.

Total operating expenses, excluding depreciation, were higher by \$7.6 million for the first nine months of FY2025 compared to the same period in FY2024. Major drivers for the increase in expenses included \$4.0 million for salaries and wages due to the insourcing of facilities custodians, district-wide cost of living wage adjustments, and filled vacancies; \$0.9 million from rail vehicles maintenance costs; \$1.5 million for contractual adjustment in purchased transportation with MV Transportation; and \$1.7 million increased law enforcement and security costs.

Non-operating revenues and expenses consist primarily of federal, state, and local grants utilized to fund transit operations and preventive maintenance. Operating grant revenues for the first nine months of FY2025 were higher by \$5.4 million compared to the same period in FY2024 due to increased reimbursements from federal funds for maintenance expenses.

COMPARISON TO BUDGET

Operating revenues were higher than budget by \$2.4 million mainly due to higher fare revenues driven by increased ridership and higher RIN/LCFS program revenues.

Operating expenses (excluding depreciation which is not budgeted) for the first nine months of FY2025 were lower than budget by \$21.9 million. Employee payroll expenses, including benefits, were lower than budget by \$2.9 million due to position vacancies. Professional and consulting services across all departments (mainly in engineering, maintenance of way and signals, service planning, bus operations, development services, facilities, and information technology) were under budget by \$9.2 million due to budgeted expenses that have not yet materialized in the fiscal year. Fuel budget was under budget by \$3.5 million as market prices have been below budgeted assumptions for diesel, compressed natural gas (CNG), and unleaded gasoline. Final costs associated with purchased transportation for the MV contract will be determined at the end of the fiscal year upon completion of the quarterly true-up audits.

Reimbursements from federal preventive maintenance funds are directly associated with the level of expenditures as reimbursements cannot exceed costs incurred. Lower revenues than budgeted are due to lower expenses than budgeted.

**STATEMENTS OF REVENUES AND EXPENSES BY DEPARTMENT
ACTUAL VS. PRIOR YEAR AND BUDGET**

DEPARTMENT	Actual FY2024 Q3 YTD	Actual FY2025 Q3 YTD	Budget ** FY2025 Q3 YTD	Over (Under) Budget (\$)	Over (Under) Budget (%)
REVENUE					
FAREBOX REVENUES	7,828,357	8,268,246	7,351,042	917,204	12.5%
GRANT REVENUE					
FEDERAL GRANTS	20,138,614	41,530,017	44,364,373	(2,834,356)	-6.4%
STATE GRANTS	6,858,711	5,763,410	14,172,025	(8,408,615)	-59.3%
LOCAL GRANTS	65,935,433	51,062,586	63,055,383	(11,992,797)	-19.0%
OTHER REVENUES	2,858,140	2,804,408	1,549,245	1,255,163	81.0%
INVESTMENT INCOME	1,772,922	2,219,633	750,000	1,469,633	196.0%
REVENUES - MAINTENANCE OF WAY	8,231,013	8,361,221	8,189,177	172,044	2.1%
REVENUES - REAL ESTATE	1,858,022	1,864,296	1,771,497	92,799	5.2%
REVENUE TOTAL	115,481,212	121,873,817	141,202,742	(19,328,925)	-13.7%
EXPENSES					
130 - BUS OPERATIONS AND FLEET MAINTENANCE	38,393,616	40,286,188	44,292,000	(4,005,812)	-9.0%
150 - COASTER OPERATORS *	-	3,144,471	3,928,545	(784,074)	-20.0%
155 - SPRINTER OPERATORS *	-	2,367,097	2,591,352	(224,255)	-8.7%
160 - RAIL OPERATIONS	10,605,191	4,525,101	6,753,309	(2,228,208)	-33.0%
165 - OPERATIONS CONTROL CENTER	1,967,310	2,212,849	2,291,094	(78,245)	-3.4%
175 - RAIL VEHICLES MAINTENANCE	9,678,867	9,570,151	10,537,927	(967,776)	-9.2%
180 - NON-REVENUE VEHICLES AND SPECIALITY EQUIPMENT	441,970	814,909	1,322,564	(507,655)	-38.4%
185 - MAINTENANCE OF SIGNAL	2,614,151	4,987,399	5,554,557	(567,158)	-10.2%
220 - FACILITIES MANAGEMENT	7,920,050	9,462,765	10,526,423	(1,063,658)	-10.1%
230 - SECURITY OVERSIGHT	4,589,723	6,182,459	5,568,215	614,244	11.0%
240 - DEVELOPMENT SERVICES OVERSIGHT	1,397,995	2,279,527	2,980,143	(700,616)	-23.5%
245 - PROJECT MANAGEMENT OFFICE *	-	353,072	458,071	(104,999)	-22.9%
250 - RAIL TECHNOLOGIES	1,446,629	583,349	1,140,694	(557,345)	-48.9%
260 - SERVICE PLANNING	1,534,165	1,072,573	2,189,342	(1,116,769)	-51.0%
261 - SAFETY OVERSIGHT	6,873,810	1,151,434	1,370,232	(218,798)	-16.0%
270 - COMMUNICATIONS AND MARKETING	1,471,906	1,020,570	1,970,788	(950,218)	-48.2%
280 - TRANSIT SYSTEMS MANAGEMENT *	-	374,517	728,212	(353,695)	-48.6%
290 - ACCOUNTING	475,889	518,500	603,275	(84,775)	-14.1%
300 - REVENUE COLLECTION	502,242	313,158	574,762	(261,604)	-45.5%
320 - INFORMATION TECHNOLOGY	4,743,183	5,076,499	5,842,467	(765,968)	-13.1%
330 - PROCUREMENT AND CONTRACT ADMINISTRATION	1,009,777	1,185,366	1,158,804	26,562	2.3%
335 - GOVERNMENT RELATIONS	377,445	676,850	758,062	(81,212)	-10.7%
337 - GRANTS	313,333	215,402	300,645	(85,243)	-28.4%
339 - ADMINISTRATION	616,901	440,316	856,412	(416,096)	-48.6%
340 - FINANCIAL OVERSIGHT	903,617	904,954	1,162,402	(257,448)	-22.1%
350 - HUMAN RESOURCES	1,106,255	1,354,372	1,774,832	(420,460)	-23.7%
351 - TRAINING	872,255	1,157,577	1,341,388	(183,811)	-13.7%
356 - ENGINEERING	1,519,795	1,373,989	2,503,408	(1,129,419)	-45.1%
357 - GENERAL COUNSEL	1,822,591	7,884,506	9,239,949	(1,355,443)	-14.7%
359 - DEVELOPMENT SERVICES SUPPORT SERVICES	435,833	314,310	387,264	(72,954)	-18.8%
360 - OFFICE OF THE CHIEF EXECUTIVE OFFICER	634,100	366,914	777,876	(410,962)	-52.8%
365 - CUSTOMER SERVICE	1,207,720	1,010,933	1,202,958	(192,025)	-16.0%
370 - BOARD OF DIRECTORS	33,716	27,585	65,995	(38,410)	-58.2%
400 - OPERATIONS SUPPORT SERVICES	261,143	203,168	291,406	(88,238)	-30.3%
510 - MAINTENANCE OF WAY	4,406,330	4,358,750	5,728,905	(1,370,155)	-23.9%
515 - RAIL RIGHT OF WAY OVERSIGHT	277,114	400,241	875,304	(475,063)	-54.3%
520 - REAL ESTATE	924,189	767,228	1,021,017	(253,789)	-24.9%
600 - DEBT	456,327	405,472	555,200	(149,728)	-27.0%
OPERATING EXPENSE TOTAL	111,835,138	119,344,521	141,225,799	(21,881,278)	-15.5%
OPERATING INCOME EXCLUDING DEPRECIATION AND LOSS ON DISPOSAL OF ASSETS	\$ 3,646,074	\$ 2,529,296	\$ (23,057)	\$ 2,552,353	NCM

* New departments in FY25.

** 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) ^(a)						
BREEZE, FLEX, COASTER, SPRINTER, and NCTD+	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1 YTD	Actual FY2025-Q2 YTD	Actual FY2025-Q3 YTD
Fare revenue and local support	\$ 35,631,103	\$ 39,423,871	\$ 44,562,602	Not reported	Not reported	Not reported
Operating Costs	\$ 107,448,402	\$ 120,329,443	\$ 130,519,772	Not reported	Not reported	Not reported
Fares plus Local Funds Recovery Ratio:	33.2%	32.8%	34.1%	Not reported	Not reported	Not reported
LIFT (PARATRANSIT)	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1 YTD	Actual FY2025-Q2 YTD	Actual FY2025-Q3 YTD
Fare revenue and local support	\$ 1,087,970	\$ 1,789,172	\$ 1,675,401	Not reported	Not reported	Not reported
Operating Costs	\$ 8,735,519	\$ 10,682,711	\$ 12,913,004	Not reported	Not reported	Not reported
Fares plus Local Funds Recovery Ratio:	12.5%	16.7%	13.0%	Not reported	Not reported	Not reported

Fare Recovery Ratio as Reported to the California State Controller's Office (Without Local Support) ^(b)						
BREEZE, FLEX, COASTER, SPRINTER, and NCTD+	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1 YTD	Actual FY2025-Q2 YTD	Actual FY2025-Q3 YTD
Fare Revenue	\$ 8,153,922	\$ 10,646,706	\$ 11,157,611	Not reported	Not reported	Not reported
Operating Costs	\$ 107,377,052	\$ 120,329,443	\$ 130,519,772	Not reported	Not reported	Not reported
Fare Recovery Ratio	7.6%	8.8%	8.5%	Not reported	Not reported	Not reported
LIFT (PARATRANSIT)	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1 YTD	Actual FY2025-Q2 YTD	Actual FY2025-Q3 YTD
Fare Revenue	\$ 621,970	\$ 574,994	\$ 808,434	Not reported	Not reported	Not reported
Operating Costs	\$ 8,717,490	\$ 10,682,711	\$ 12,913,004	Not reported	Not reported	Not reported
Fare Recovery Ratio	7.1%	5.4%	6.3%	Not reported	Not reported	Not reported

Pure Fare Recovery Ratio ^(c)						
BREEZE, FLEX, COASTER, SPRINTER, and NCTD+	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1 YTD	Actual FY2025-Q2 YTD	Actual FY2025-Q3 YTD
Fare Revenue	\$ 8,153,922	\$ 10,646,706	\$ 11,157,611	\$ 2,736,863	\$ 5,284,249	\$ 7,745,782
Operating Costs	\$ 116,656,005	\$ 127,019,759	\$ 137,272,434	\$ 33,598,642	\$ 67,938,103	\$ 101,994,332
Fare Revenue to Operating Costs	7.0%	8.4%	8.1%	8.1%	7.8%	7.6%
LIFT (PARATRANSIT)	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1 YTD	Actual FY2025-Q2 YTD	Actual FY2025-Q3 YTD
Fare Revenue	\$ 621,970	\$ 574,994	\$ 808,434	\$ 191,211	\$ 348,489	\$ 522,464
Operating Costs	\$ 9,127,233	\$ 11,238,341	\$ 13,312,686	\$ 3,082,758	\$ 6,460,806	\$ 9,694,190
Fare Revenue to Operating Costs	6.8%	5.1%	6.1%	6.2%	5.4%	5.4%

(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

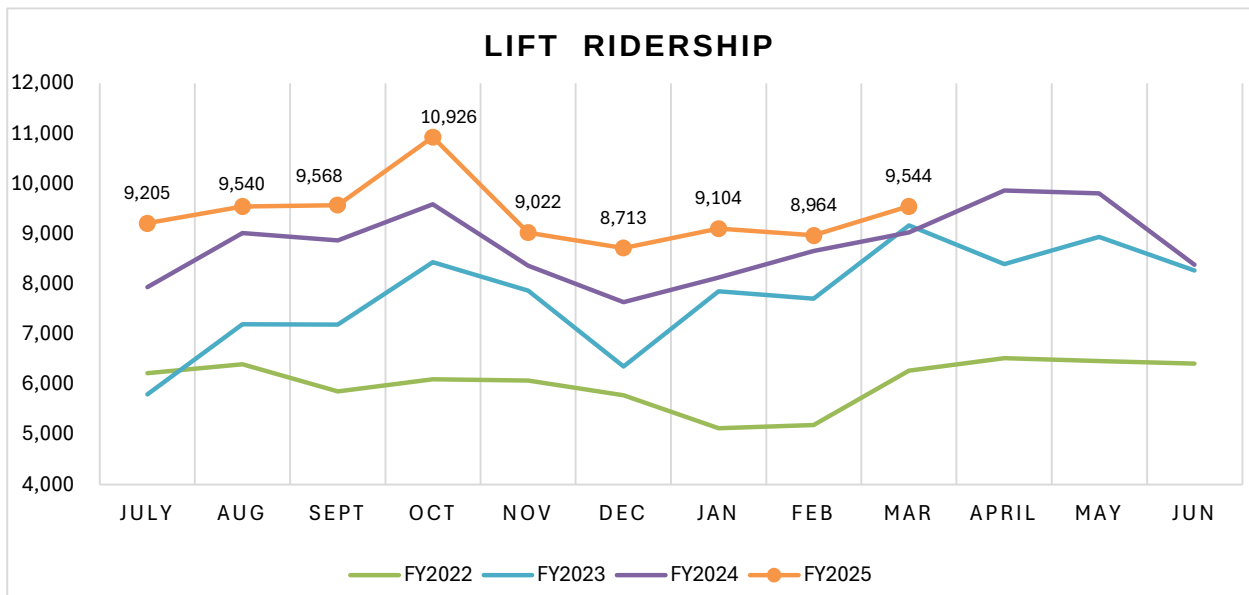
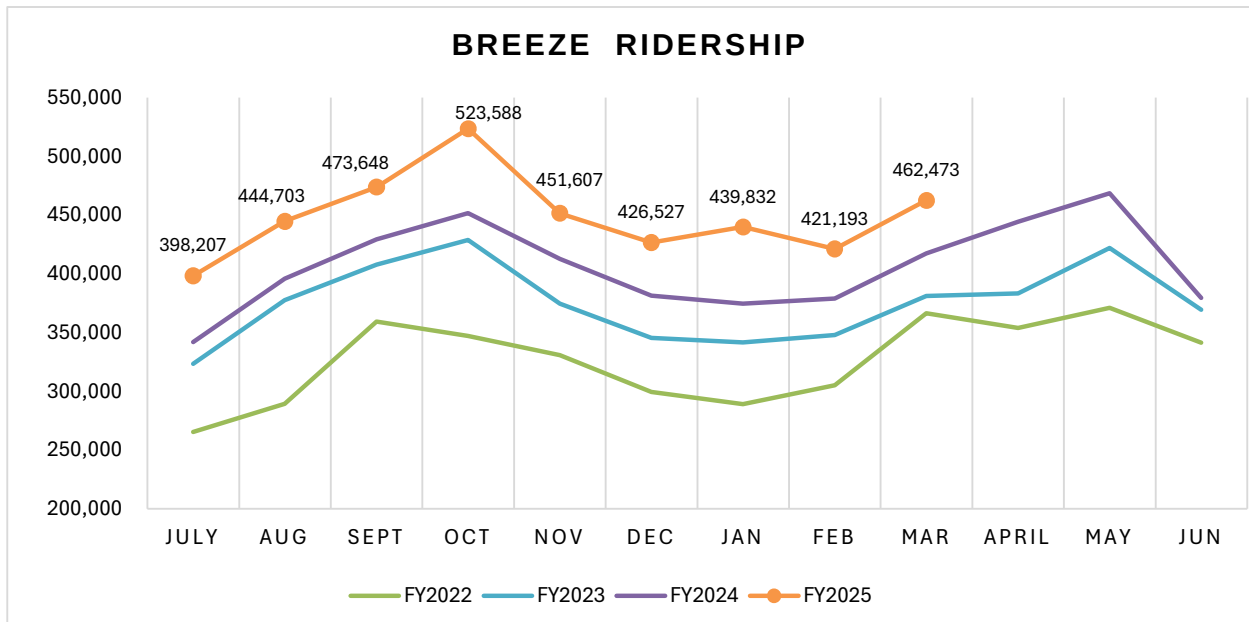
Federal Grant Program	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1	Actual FY2025-Q2	Actual FY2025-Q3
5304 - State Planning and Research Program	\$ 38,720	\$ 174,106	\$ 13,441	\$ -	\$ -	\$ -
5307 - Urbanized Area Formula	2,223,162	19,866,495	25,706,331	7,100,084	8,067,981	4,615,665
5311 - Rural Area Formula Grant	-	677,635	641,568	-	-	-
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	-	-	2,943,326
5337 - American Rescue Plan Act (ARPA)	15,670,887	13,044,836	16,505,472	11,372,743	7,419,811	-
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	3,464	6,943	-
Medi-Cal	244,647	60,672	(54,964)	-	-	-
Total Federal Grants	\$ 52,626,489	\$ 42,267,465	\$ 46,058,066	\$ 18,476,291	\$ 15,494,735	\$ 7,558,991

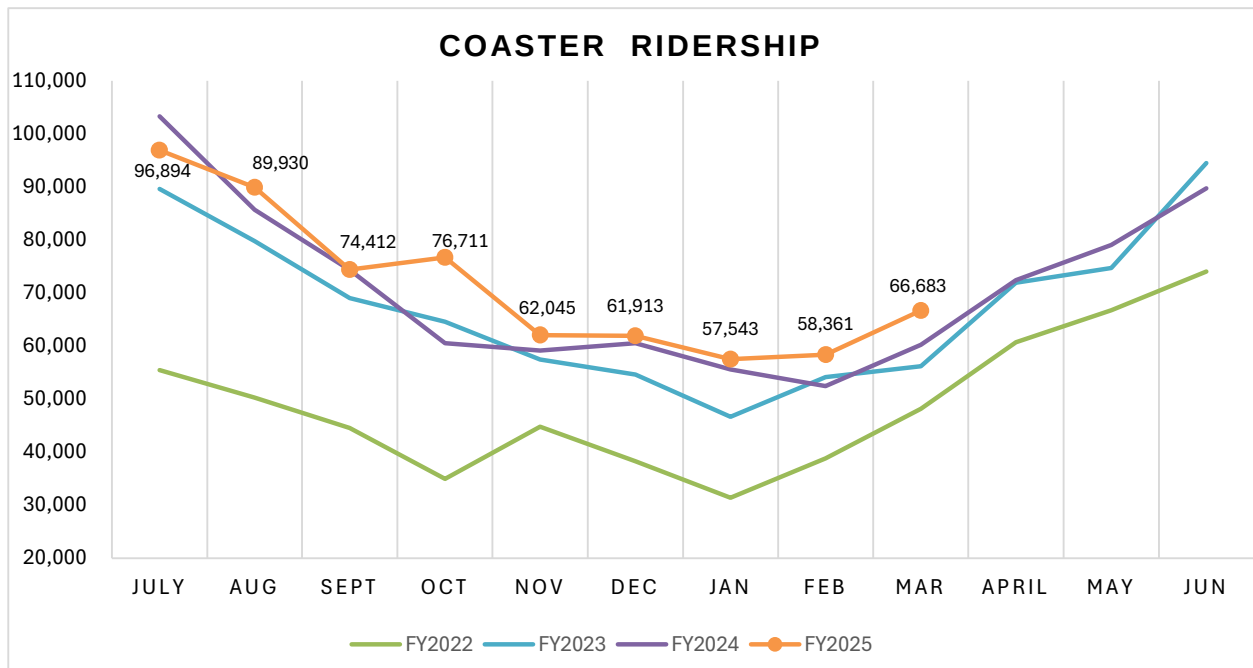
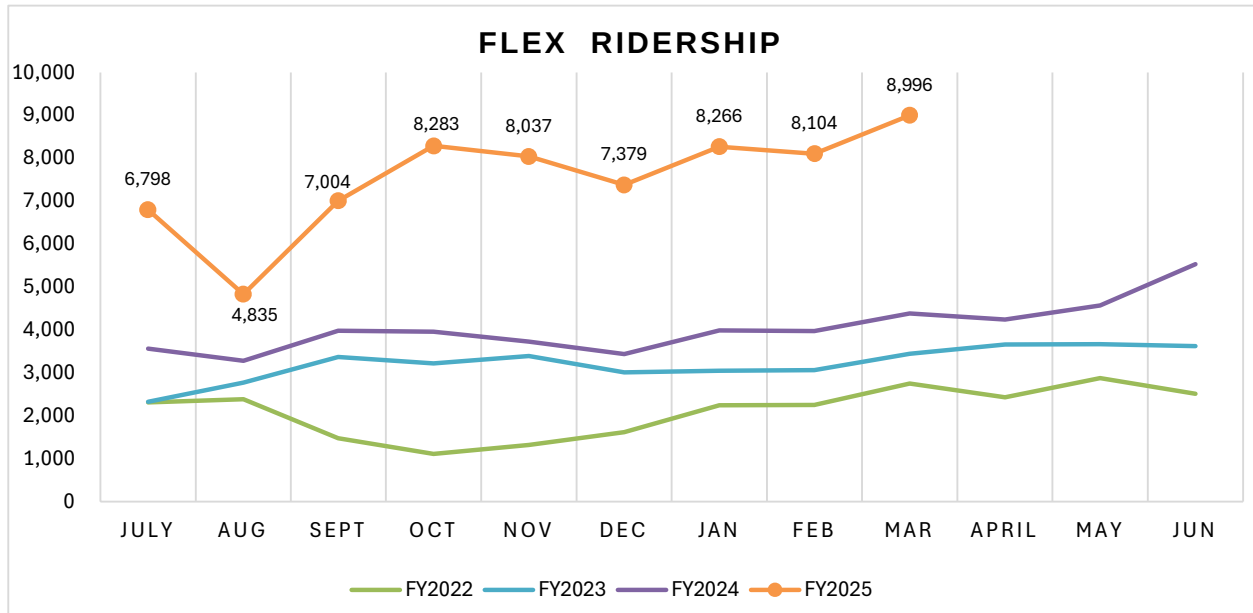
State Grant Program	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1	Actual FY2025-Q2	Actual FY2025-Q3
State Transit Assistance (STA)	\$ 4,058,481	\$ 8,029,564	\$ 7,929,927	\$ -	\$ -	\$ 3,107,728
STA State of Good Repair (SGR)	759,757	2,539,107	2,006,437	31,069	739,507	642,233
State TIRCP SB-125	-	-	-	-	-	391,957
California Public Utilities Commission (CPUC)	87,121	90,246	88,683	-	-	-
Other State Grants	-	-	31,284	866	735,943	114,107
Total State Grants	\$ 4,905,358	\$ 10,658,917	\$ 10,056,331	\$ 31,935	\$ 1,475,450	\$ 4,256,025

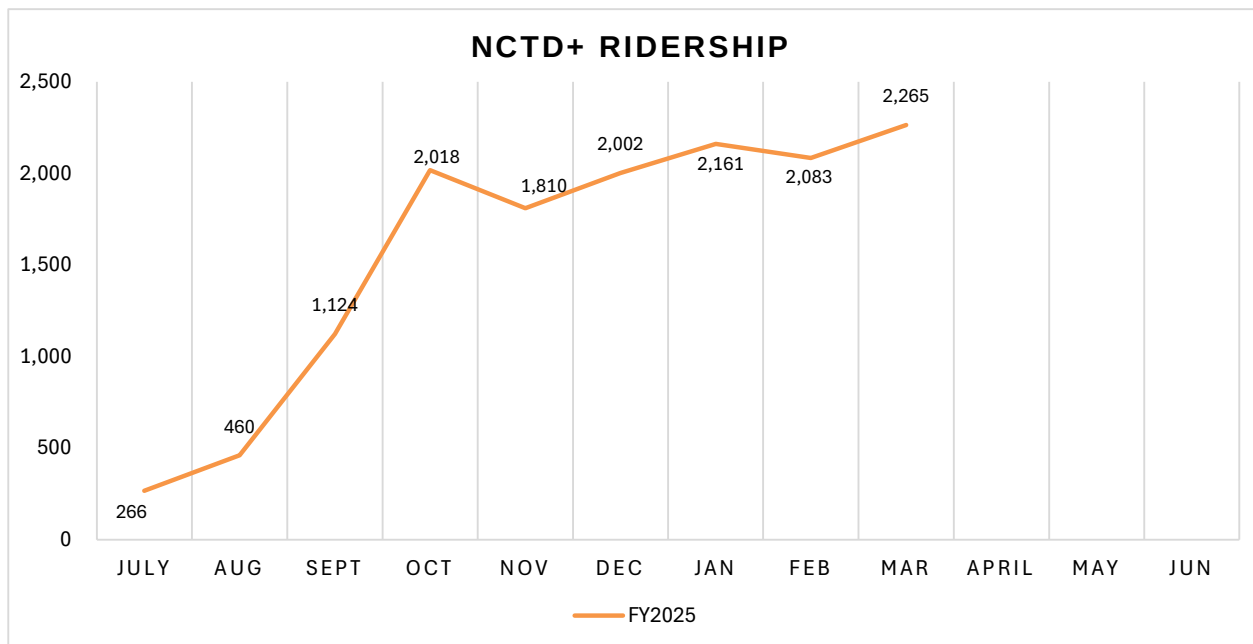
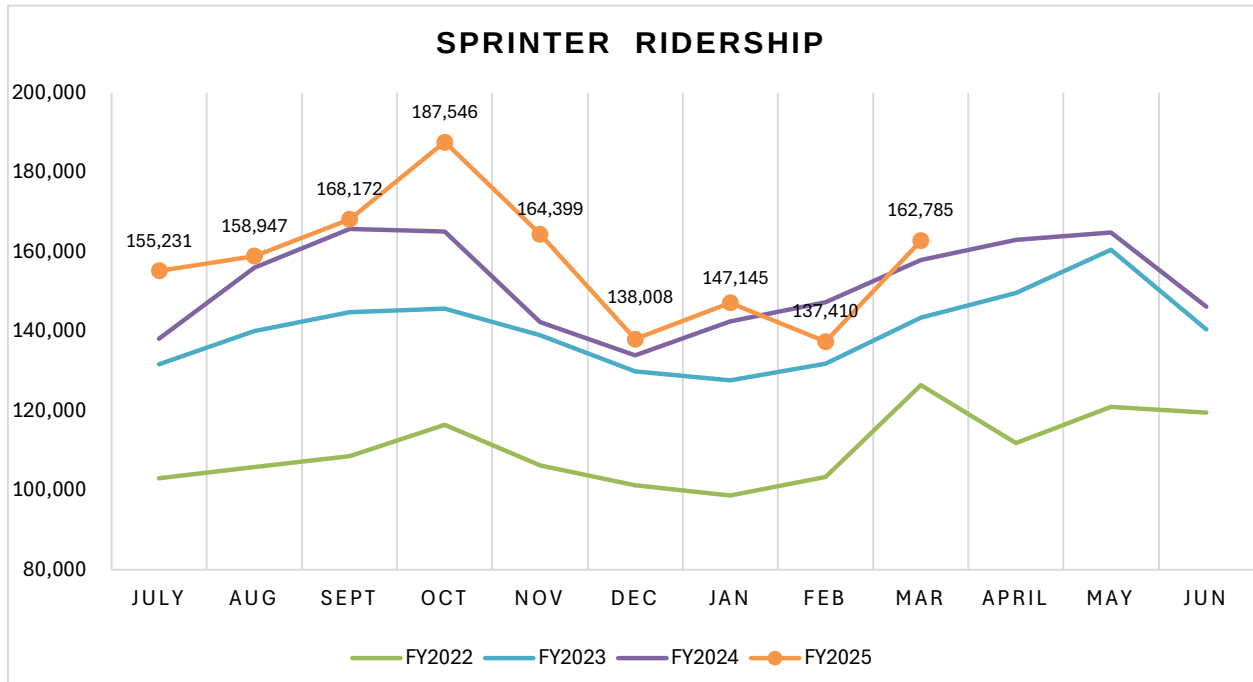
Local Grant Program	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025-Q1	Actual FY2025-Q2	Actual FY2025-Q3
TDA - Transportation Development Act	\$ 30,167,244	\$ 44,264,061	\$ 47,059,669	\$ 8,338,403	\$ 9,209,385	\$ 14,669,487
Transnet	18,146,000	17,725,000	20,124,438	3,250,000	4,870,500	4,645,000
Transnet 8.1%	5,529,392	7,210,257	7,444,809	1,738,353	1,858,400	1,558,128
SANDAG Youth Opportunity Pass	205,540	1,233,240	1,233,240	308,310	308,310	308,310
Total Local Grants	\$ 54,048,176	\$ 70,432,558	\$ 75,862,156	\$ 13,635,066	\$ 16,246,595	\$ 21,180,925

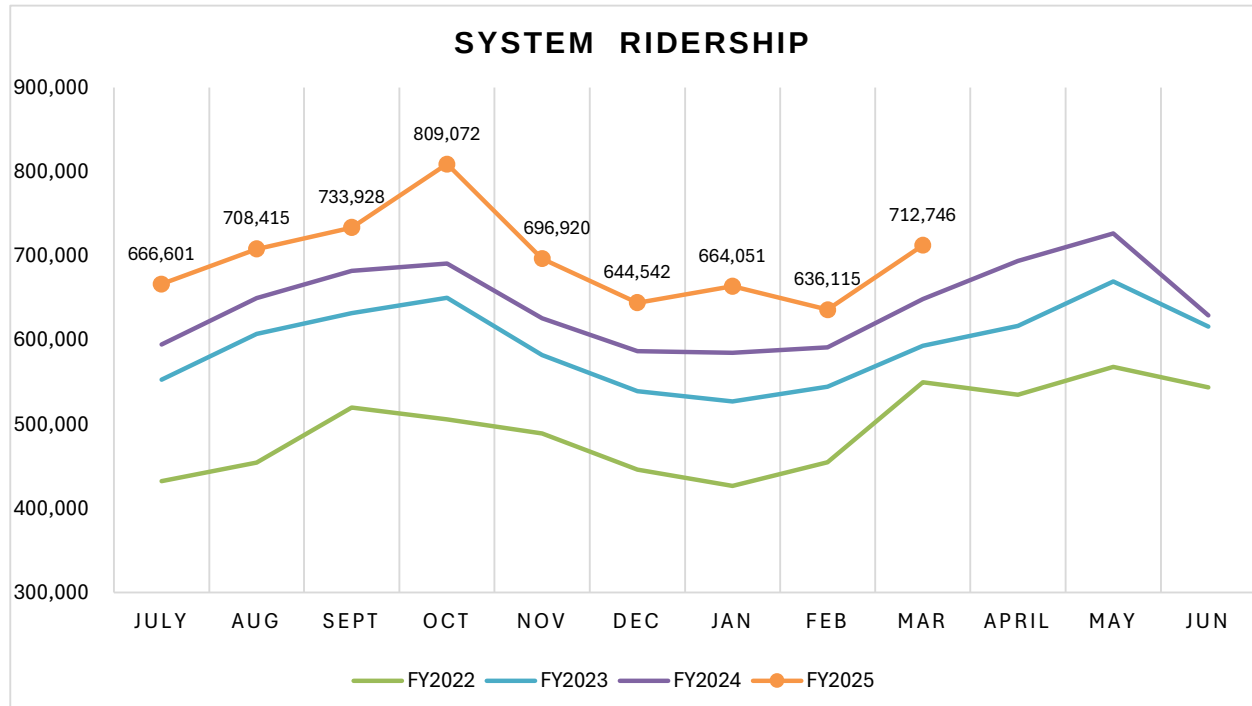
Total Operating Grants	\$ 111,580,024	\$ 123,358,940	\$ 131,976,553	\$ 32,143,292	\$ 33,216,780	\$ 32,995,941
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RIDERSHIP BY MODE (FY2022 – FY2025-Q3)









STAFF REPORT

**RECEIVE THE QUARTERLY SAFETY REPORT FOR THE THIRD
QUARTER OF FY2025**

Time Sensitive: ☐ Consent: ☒

**STAFF
RECOMMENDATION:**

Receive the Quarterly Safety Report for the third quarter of FY2025 (January 1, 2025 – March 31, 2025).

**BACKGROUND
INFORMATION:**

Safety is a core value at North County Transit District (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).

SAFETY REPORT:

The Quarterly Safety Report (Safety Report) analyzes NCTD's safety performance using the performance targets and goals listed in the District's Public Transportation Agency Safety Plan (PTASP), and the System Safety Plan (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 FY2025 report presents data and trends for the first quarter of Calendar Year 2025 (Q1 CY2025). Highlights are summarized below:

Rail Performance Overview:

- **Trespasser Activity:** COASTER and SPRINTER experienced a combined total of 5 trespasser strikes and 37 near misses in Q1 CY2025. This trend continues to present significant safety and operational challenges.
- **System Reliability:** SPRINTER exceeded its system reliability goal, reporting 2,887 mean miles between major mechanical failures (target = 2,500 miles).
- **Safety Metrics:** SPRINTER met targets for all safety performance measures except for vehicular collisions (1 event; target = 0). No transit worker injuries or fatalities were reported.
- **Regulatory Compliance:** 8 external rail safety inspections were completed with zero noted defects.

Bus Performance Overview:

- **Safety Metrics:** The bus system met most targets, including zero fatalities and low injury/assault rates. However, pedestrian collisions and overall major event rates slightly exceeded thresholds.
- **System Reliability:** BREEZE, FLEX, and LIFT are not currently on track to meet system reliability goals due to equipment age of many vehicles beyond their Useful Life Benchmark. However, new equipment for LIFT and FLEX is scheduled for delivery later this year, and once the hydrogen fueling station for BREEZE opens, NCTD will be able to retire several of its oldest buses, and reliability will increase.

- **Regulatory Inspections:** No bus-related external safety inspections or defects were reported this quarter.
- **Bus Transition:** NCTD anticipates an improvement of overall safety and system reliability for bus operations once the service has fully transitioned to direct operations in 1st Quarter of FY2026.

System-Wide Safety Activities:

- **Safety Committees:** Rail and Bus Safety Committees met regularly to review incidents, rule compliance, injury trends, and efficiency testing. All PTASP and SSP modifications were reviewed and approved as required.
- **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, monitors each report through resolution.

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 endeavor to manage and recover expected target goals over the remainder of the reporting year.

ATTACHMENT:	6A – Quarterly Safety Report Q3-FY2025
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 Safety Report

For the Period
January 1, 2025 – March 31, 2025

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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 District'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.

Definitions:

- **Reportable Injuries** are employee and passenger injuries that are reported to 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 2025 SAFETY PERFORMANCE

Safety Performance Measure	Q1 2025 (Jan-Mar)	Cumulative CY2025	Goal for 2025	On Track for Goal?
Measure 1a – Major Events	3	3	7	YES
Measure 1b – Major Event Rate	0.58	0.58	1.36	YES
Collisions	3	3	3	YES
Measure 1.1 – Collision Rate	0.58	0.58	0.58	YES
Pedestrian Collisions	2	2	3	YES
Measure 1.1.1 – Pedestrian Collision Rate	0.39	0.39	0.58	YES
Vehicular Collision	1	1	0	NO
Measure 1.1.2 – Vehicular Collision Rate	0.19	0.19	0.00	NO
Measure 2a – Fatalities	1	1	2	YES
Measure 2b – Fatality Rate	0.19	0.19	0.39	YES
Measure 2.1 – Transit Worker Fatality Rate	0.00	0.00	0.00	YES
Measure 3a – Injuries	2	2	3	YES
Measure 3b – Injury Rate	0.39	0.39	0.58	YES
Transit Worker Injuries	0	0	2	YES
Measure 3.1 – Transit Worker Injury Rate	0	0	0.39	YES
Measure 4a – Assaults on Transit Workers	7	7	15	YES
Measure 4b – Rate of Assaults on Transit Workers	0.46	0.46	2.91	YES
Measure 5 – System Reliability	2,887	2,887	2,500	YES

All rates are based on 100,000 Vehicle Revenue Miles (VRM); 2025 VRM for SPRINTER is projected at 515,614

BUS PTASP CALENDAR YEAR 2025 SAFETY PERFORMANCE

Safety Performance Measure	Q1 2025 (Jan-Mar)	Cumulative CY2025	Goal for 2025	On Track for Goal?
Measure 1a – Major Events	3	3	2	NO
Measure 1b – Major Event Rate	0.05	0.05	0.03	NO
Collisions	1	1	1	YES
Measure 1.1 – Collision Rate	0.02	0.02	0.02	YES
Pedestrian Collisions	1	1	0	NO
Measure 1.1.1 – Pedestrian Collision Rate	0.02	0.02	0	NO
Vehicular Collision	0	0	1	YES
Measure 1.1.2 – Vehicular Collision Rate	0	0	0.02	YES
Measure 2a – Fatalities	0	0	0	YES
Measure 2b – Fatality Rate	0	0	0	YES
Measure 2.1 – Transit Worker Fatality Rate	0	0	0	YES
Measure 3a – Injuries	3	3	15	YES
Measure 3b – Injury Rate	0.05	0.05	0.24	YES
Transit Worker Injuries	0	0	2	YES
Measure 3.1 – Transit Worker Injury Rate	0	0	0.03	YES
Measure 4a – Assaults on Transit Workers*	2	2	20	YES
Measure 4b – Rate of Assaults on Transit Workers	0.03	0.03	0.32	YES
Measure 5 – System Reliability BREEZE	10,753	10,753	14,000	NO
Measure 5 – System Reliability LIFT	24,400	24,400	37,000	NO
Measure 5 – System Reliability FLEX	19,155	19,155	50,000	NO

All rates are based on 100,000 Vehicle Revenue Miles (VRM); 2025 VRM for BREEZE, LIFT and FLEX is projected at 6,316,912

SYSTEM SAFETY PLAN (SSP)

The System Safety Plan (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; while SPRINTER operations and maintenance fall under FTA regulations, because the track on which it operates is regulated by the FRA, it is covered under both PTASP and SSP requirements.

COASTER & SPRINTER 2025 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 NTSB. A year-end status report will be provided upon completion of CY2025.

	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** This aim of this goal is to reduce the employee injury by at least 5% year-over-year. A year-end comparison report will be provided upon completion of CY2025.

	Jan	Feb	March
Employee Injuries - COASTER	0	0	0
Employee Injuries - SPRINTER	0	0	0
Employee Injuries – DISPATCH/MOS/MOW	0	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-end comparison report will be provided upon completion of CY2025.

	Jan	Feb	March
Near Misses - COASTER	6	5	14
Near Misses - SPRINTER	5	3	4
Trespasser Strikes - COASTER	1	1	0
Trespasser Strikes - SPRINTER	1	0	2

4. **Voluntary Hazard Reporting:** This goal aims to increase the number of hazards reported by 20% year-over-year. A year-end comparison report will be provided upon completion of CY2025.

	Jan	Feb	March
Rail Related Hazard	0	3	0

EXTERNAL REGULATORY INSPECTIONS

External Safety Inspection Activity	Number of Inspections Completed (January - March)	Number of Defects (January - March)
Bus Compliance	0	0
Rail Compliance	8	0
Construction/Facilities	0	0
Total	8	0

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 Federal Transit Administration's Public Transportation Agency Safety Plan (PTASP) regulations (49 CFR Part 673), the Federal Railroad Administration'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 Q3 – FY2025, the Committees met regularly to review recent safety incidents, analyze trends in preventable collisions, passenger injuries, and rule violations, and monitor efficiency testing performance. Members also evaluated the implementation of corrective actions stemming from internal hazard reports, audits, and field observations. For rail operations, discussions included regulatory compliance and incident prevention strategies, while bus committee activities emphasized operator safety programs and injury reduction efforts. Importantly, the Committees are also responsible for reviewing and approving all modifications to the PTASP and System Safety Program (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.

STAFF REPORT

RECEIVE THE QUARTERLY SECURITY REPORT FOR THE THIRD QUARTER OF FY2025

Time Sensitive: ☐ **Consent:** ☒

**STAFF
RECOMMENDATION:**

Receive the Security Department Quarterly Report for the third Quarter of FY2025 (January 1, 2025 through March 31, 2025).

**BACKGROUND
INFORMATION:**

Fostering and maintaining safe and secure operations is one of the North County Transit District'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.

During the third quarter of FY2025 (FY2025-Q3) security incidents related to quality-of-life issues such as loitering/vagrancy decreased by 4%, Ordinance No. 3 - *An Ordinance Establishing NCTD Code of Regulations* violations increased by 5%, and law enforcement activity/contact decreased by 4%. Trespassing decreased by 7% and homeless encampments increased by 15%, as compared to the second quarter of FY2025 (FY2025-Q2).

Disturbances decreased by 7% compared to FY2025-Q2. Transit Stations/Stops made up 34% of total disturbances during FY2025-Q2. Overall crimes, which include misdemeanor crimes, decreased by 47% compared to FY2025-Q2. Misdemeanor crimes made up 95% of the total crimes reported to security.

Law Enforcement Activities:

The SDSO Transit Enforcement Unit (TESU) focused its efforts on both SPRINTER and BREEZE details during FY2025-Q3. Overall final numbers for TESU resulted in 255 arrests and 201 citations across The District. This resulted in a 44% decrease in total enforcement for FY2025-Q3 as compared to the previous quarter.

Assaults on Employees:

During the month of January 2025, there were three reported Assaults – Physical against transit employees. In February, there were four reported Assaults – Physical against transit employees and one Assault - Non-Physical. In March, there were four reported Assaults – Physical against transit employees and two Non - Physical Assaults.

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

ATTACHMENT:

7A – FY2025-Q3 Security Department Quarterly Report

FISCAL IMPACT:

This Staff Report has no fiscal impact.

COMMITTEE REVIEW:

None

STAFF CONTACT:

Chris Carrillo, Director of Security
E-mail: cgcarrillo@nctd.org Phone: 760-966-6793

NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD



Quarterly Security Report

For the Period
January 1, 2025 – March 31, 2025
(Q3 of FY2025)

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SECURITY DEPARTMENT REPORT

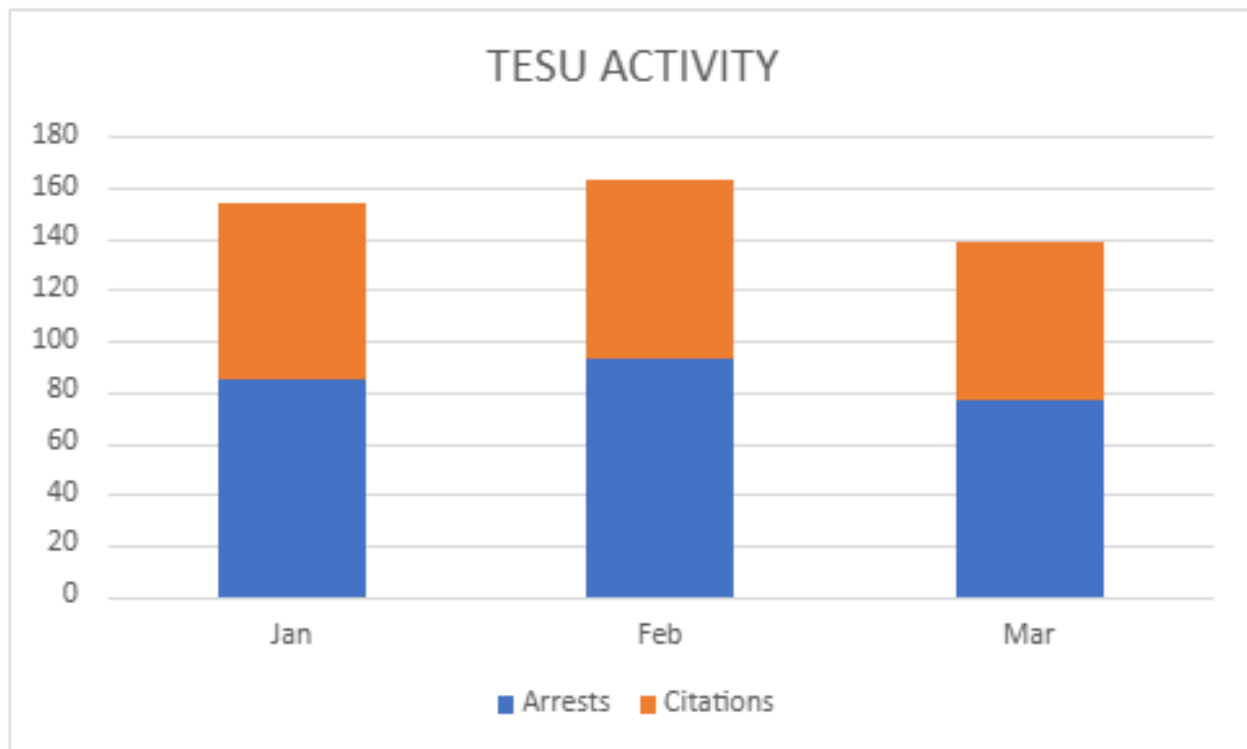
The North County Transit District (NCTD) places a high priority on providing a safe and secure environment for employees, contractors, passengers, and members of the public. To support this effort, NCTD contracts with the San Diego Sheriff's Department for law enforcement services and with Inter-Con 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:

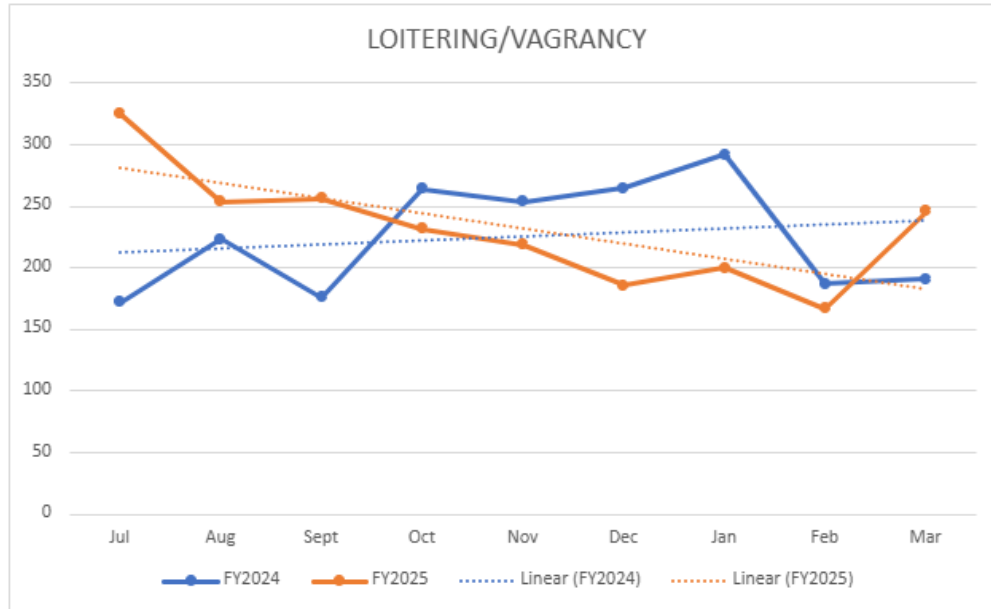
The Transit Enforcement Services Unit (TESU) is staffed through a contract with the San Diego County Sheriff's Department. This dedicated team of deputies provides proactive patrols, responds to reported crimes throughout the transit system, and conducts investigations of rail related incidents. The unit is composed of 1 Sergeant, 2 Corporals, and 8 Deputies.

The following chart shows TESU's arrests, field investigations and citations for the first quarter of Q3-FY2025.



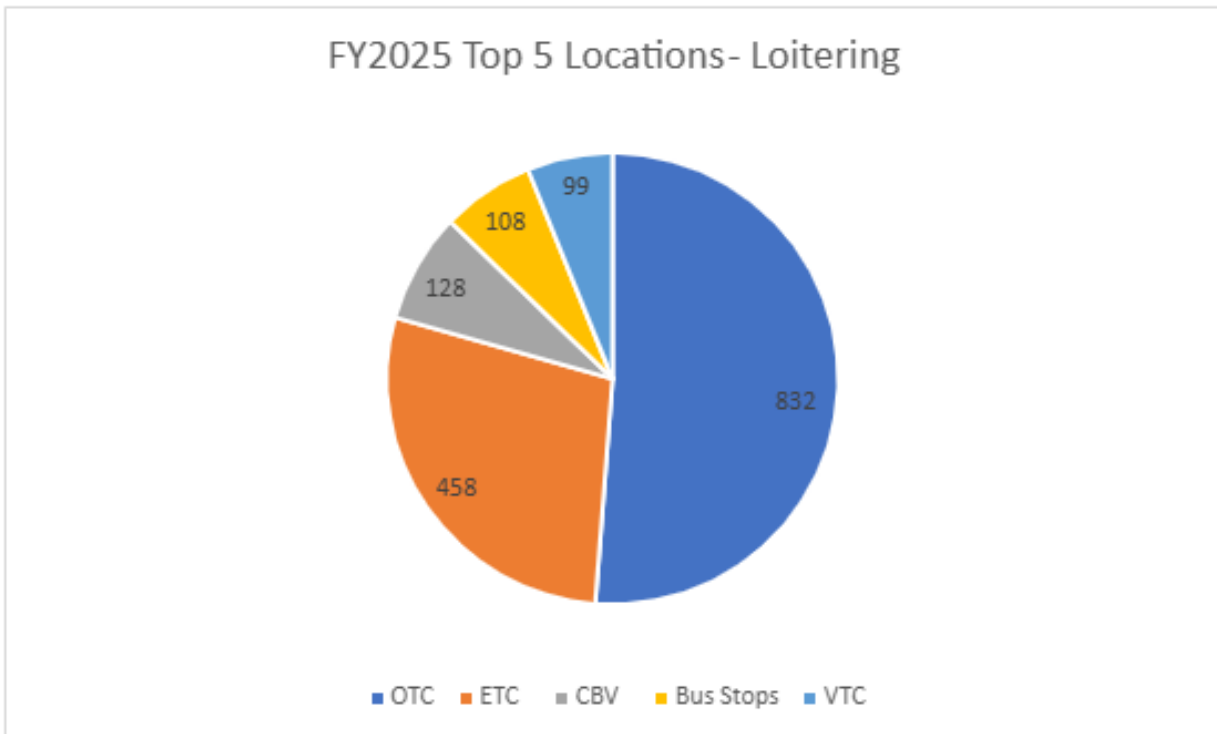
LOITERING / VAGRANCY:

The following charts represent reported loitering and vagrancy incidents during Q3–FY2025. The first chart displays the number of incidents for the quarter, alongside data from FY2024 for comparison.



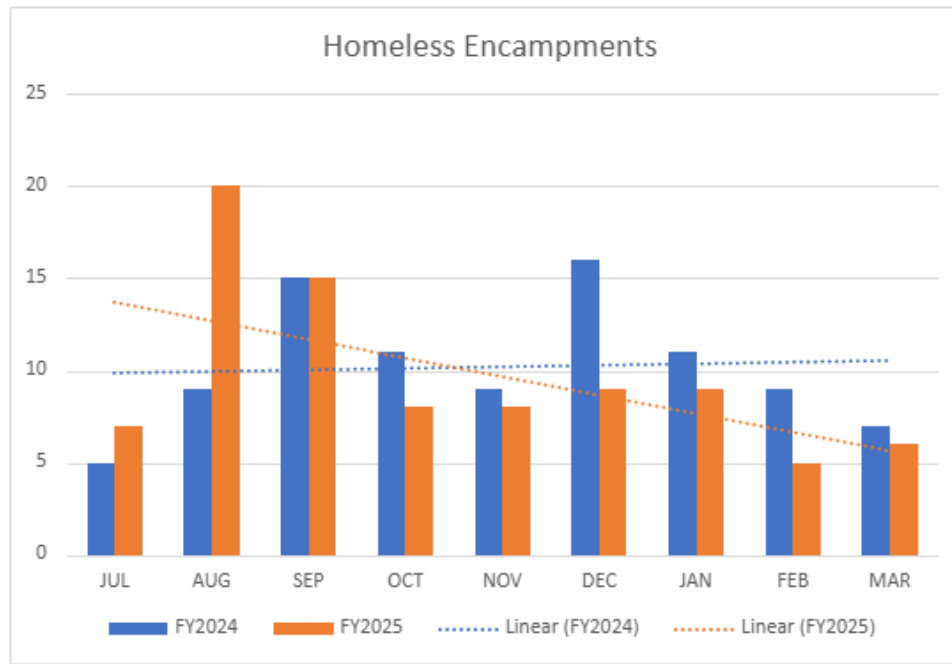
NCTD's direct and contracted security personnel continue to focus their efforts on reducing overall incidents, with particular attention to high-activity areas such as the Oceanside Transit Center (OTC) and the Escondido Transit Center (ETC), both of which are staffed 24/7 by Inter-Con Security. During Q3–FY2025, Inter-Con Security handled 64% of all loitering and vagrancy contacts, the majority of which occurred at OTC and ETC.

The second chart highlights the top five locations where incidents were reported.



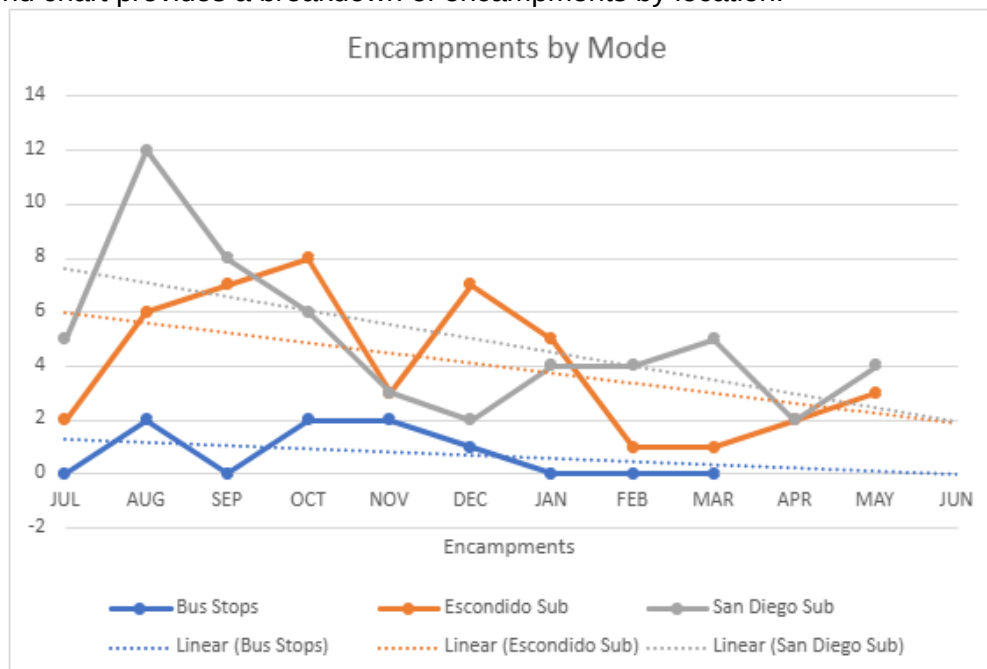
HOMELESS ENCAMPMENTS:

The following charts show reported homeless encampments across the NCTD system during Q3–FY2025. The first chart presents the total number of encampments identified during the quarter, along with comparative data from FY2024.



NCTD Security aims to have encampments removed within 72 hours after a notice to vacate has been issued to the occupants. NCTD 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.

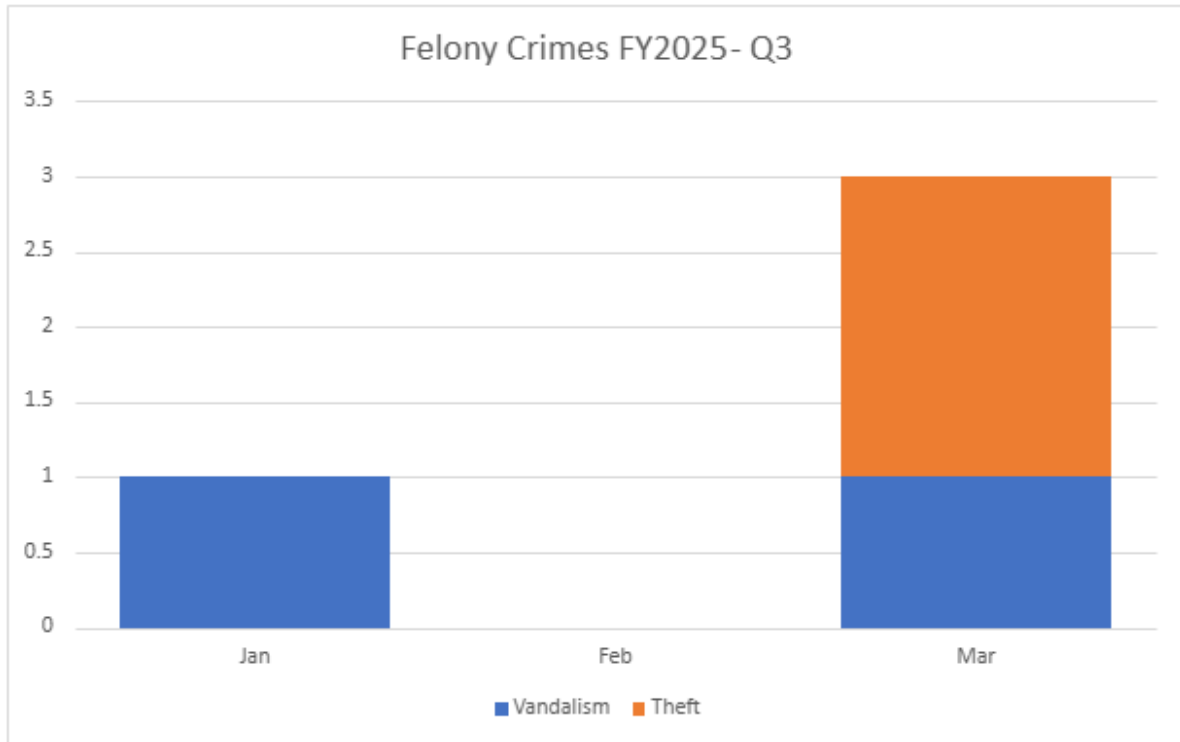
The second chart provides a breakdown of encampments by location.



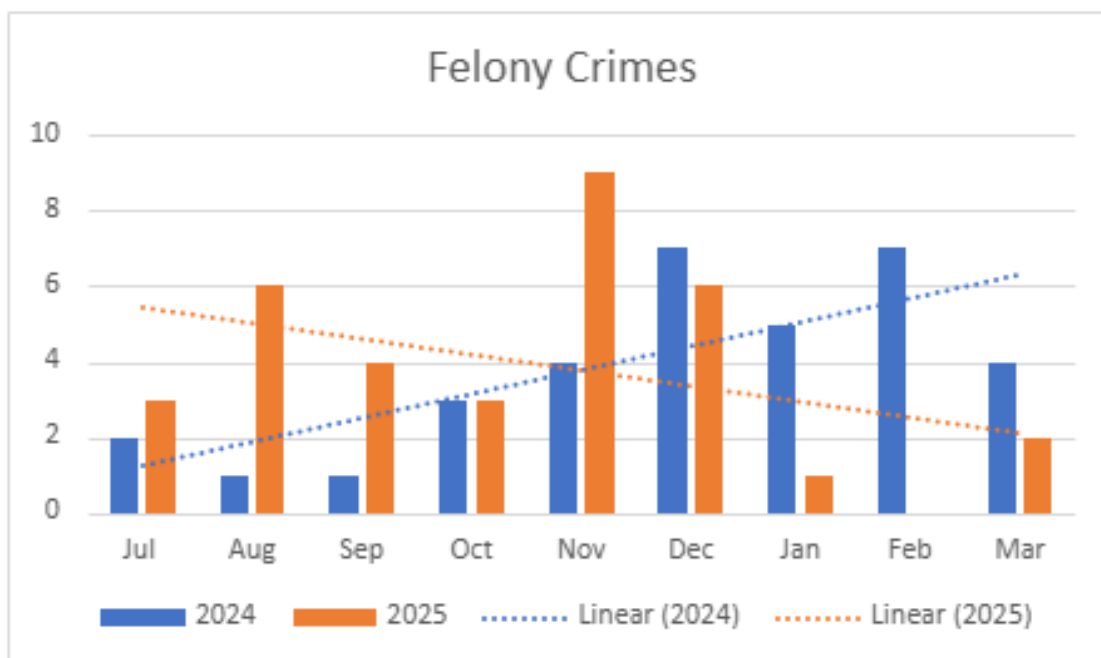
CRIMES

The following charts represent major felony crimes reported to NCTD and its contracted law enforcement agencies that occurred on NCTD property during Q3–FY2025. Reported crimes include assault, battery, robbery, burglary, arson, theft, vandalism, and vehicle theft. All felony crimes are referred to local law enforcement agencies for investigation.

The first chart displays the total number of felony crimes reported during Q3–FY2025.



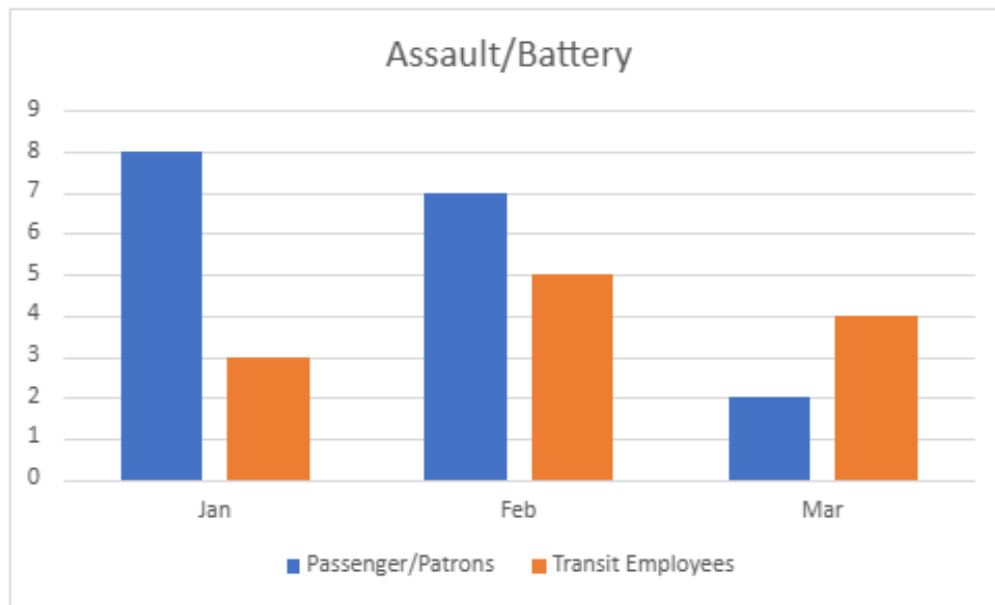
The second chart compares the year-to-date total of felony crimes in FY2025 with the same period in FY2024.



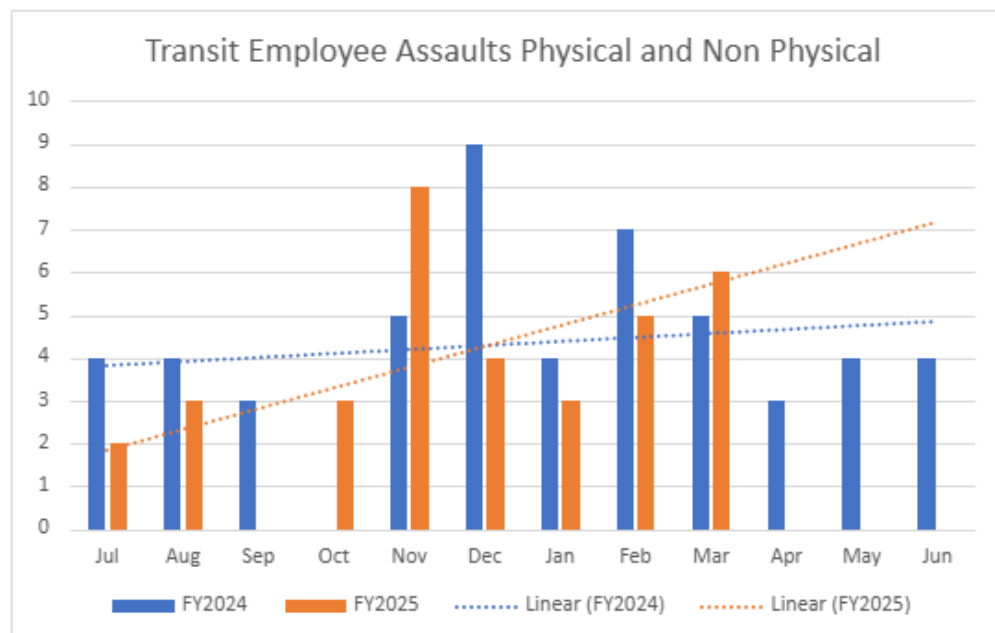
ASSAULTS/BATTERY

The following chart represents incidents of assault and battery that occurred on NCTD property or transit modes during Q3 of FY2025. 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 eight (8) reported assaults involving passengers and three (3) involving transit employees. In February, seven (7) passenger assaults and five (5) employee assaults were reported. In March, there were two (2) passenger assaults and six (6) employee assaults.



The second chart compares the total number of Transit Employee Assaults/Battery — both physical and non-physical — for FY2025 to the same period in FY2024.



STAFF REPORT

RECEIVE THE QUARTERLY CUSTOMER EXPERIENCE REPORT FOR THE THIRD QUARTER OF FY2025

Time Sensitive: ☐ Consent: ☒

**STAFF
RECOMMENDATION:**

Receive the quarterly Customer Experience Report for the Third Quarter (Q3) of FY2025 (January 1, 2025 through March 31, 2025).

**BACKGROUND
INFORMATION:**

Providing a positive customer experience is a key component of the North County Transit District'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.

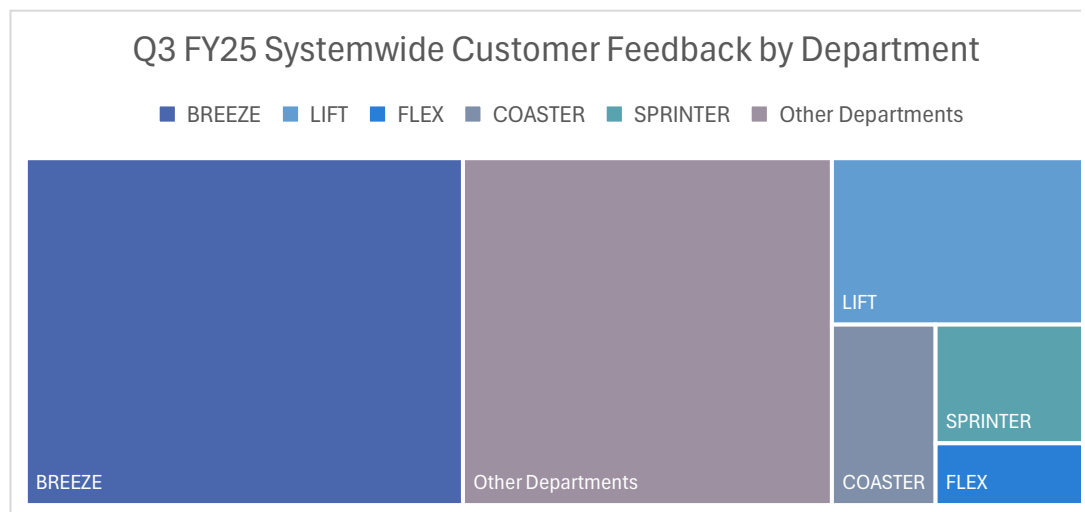
To help our operational teams identify areas of concern, and develop actions to improve the overall customer experience, the Customer Experience and operational teams meet monthly to review customer feedback trends and discuss recommendations.

Q3 FY2025 Results

A total of 33 compliments were received, an increase of 10 when compared to Q3 FY24. The reports were made to acknowledge a positive interaction with a Bus Operator, train crew member, customer service agent, or NCTD staff.

Overall, systemwide NCTD received a total of 512 customer feedback reports. An increase of 71 when compared to Q3 FY24. All core categories saw increases with the exception of equipment and operator feedback. Of the total customer feedback reports, 372 were associated with the five modes of transit (BREEZE, LIFT, FLEX, COASTER, and SPRINTER). The remaining feedback is across other departments, including facilities (cleanliness, graffiti), right-of-way (graffiti or debris), and to a lesser extent, safety, claims and accidents.

The following graphs and charts show Q3 FY25 Systemwide Customer feedback by Department and the rolling quarterly breakout of Customer feedback by Core Category.



Feedback by Core Category

Type	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Claims and Accidents	11	12	6	7	13
Equipment	41	39	39	55	39
Facilities	43	44	57	56	49
Operator	111	102	97	116	99
Paratransit	11	24	27	21	27
Planning	21	11	19	48	26
Policy	14	22	22	18	28
Safety	12	6	12	9	22
Security	30	27	33	60	42
Service	147	166	200	195	167
Total	441	453	512	585	512

Mystery Rider Scores – Overall Score by Mode

During the third quarter, NCTD's contracted Mystery Rider vendor performed a total of 169 rides on BREEZE, COASTER, and SPRINTER. Of the 169 rides, BREEZE received 120 evaluations, SPRINTER 30, and COASTER 19.

<u>Overall</u>	<u>BREEZE</u>	<u>COASTER</u>	<u>SPRINTER</u>	<u>GOAL</u>
FY2025-Q3	88.96%	91.42%	86.47%	95%

ATTACHEMENT: 8A - FY2025-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 Phone: 760-967-2813

NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD



Customer Experience Quarterly Report

For the Period
January 1, 2025 – March 31, 2025

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Introduction

The Customer Experience department supports the NCTD mission and vision by identifying trends, highlighting opportunities for improvement, and collaborating on actionable solutions to ensure the customer has a positive experience when using our services and or facilities.

NCTD receives feedback from customers via phone, email, website, and in-person. All feedback is entered into NCTD's customer relationship management software (CRM) and forwarded to the appropriate department personnel for review, investigation, and potential action. Most customer feedback reports are related to modal service, security, or facilities. Tools like operator interviews, video, GPS data, and other technology are used to complete all investigations where applicable. NCTD's Customer Experience department has a goal of responding back to customer within ten (10) business days of receipt.

In addition to customer feedback, NCTD's Customer Experience department also utilizes a third-party vendor to conduct 'mystery rides' on BREEZE, FLEX, COASTER, and SPRINTER. These mystery rides provide an additional independent assessment of the customer experience. The data collected from mystery riders is then examined against customer feedback complaint results and other data points to paint an overall picture of the customer experience on the modal services or at our facilities.

Core Categories

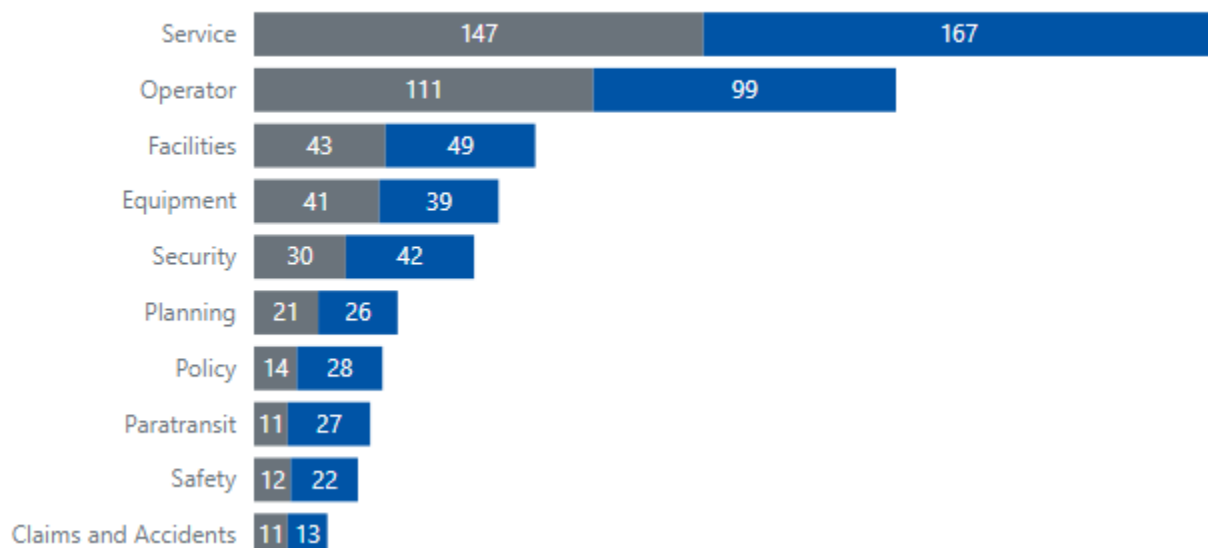
To provide insight into customer feedback trends, feedback is assigned to a core category via a sub-code. Each of the 10 core categories are defined below.

Core Category	Definition
Claims and Accidents	Feedback related to any claims or accidents in various departments.
Equipment	Feedback involving faulty equipment, damaged or dirty vehicles, automated announcements, door malfunctions, HVAC, ADA ramp deployment, signal issues and IT
Facilities	graffiti removal , station cleanliness, electrical, landscaping, plumbing issues.
Operator	Feedback involving refusal of service, rude, dangerous driving, off-route, closed door on passenger, left before passenger seated.
Paratransit	Issues with EZ-wallet, Information requests, mobility device, MTS Access transfer point, Reservationist/Dispatch, Service Area, Time Onboard Vehicle Violation.
Planning	Bus Stop Amenities request, Bus Stop request, Marketing request, Service Request, Wayfinding signage.
Policy	Feedback related to E-bikes, Horns-trains, Policy disputes, PRONTO/Fare Issue.
Safety	Feedback safety issues.
Security	Customer altercations involving verbal or physical altercations with each other or staff members, trespassers, security issues such as break ins, dangerous items & weapons,
Service	Feedback involving transit services including late, or early service, pass-by, missed stop requests, no-shows, cancelations.

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 FY25 vs Q3 FY24 Systemwide Feedback by Core Category

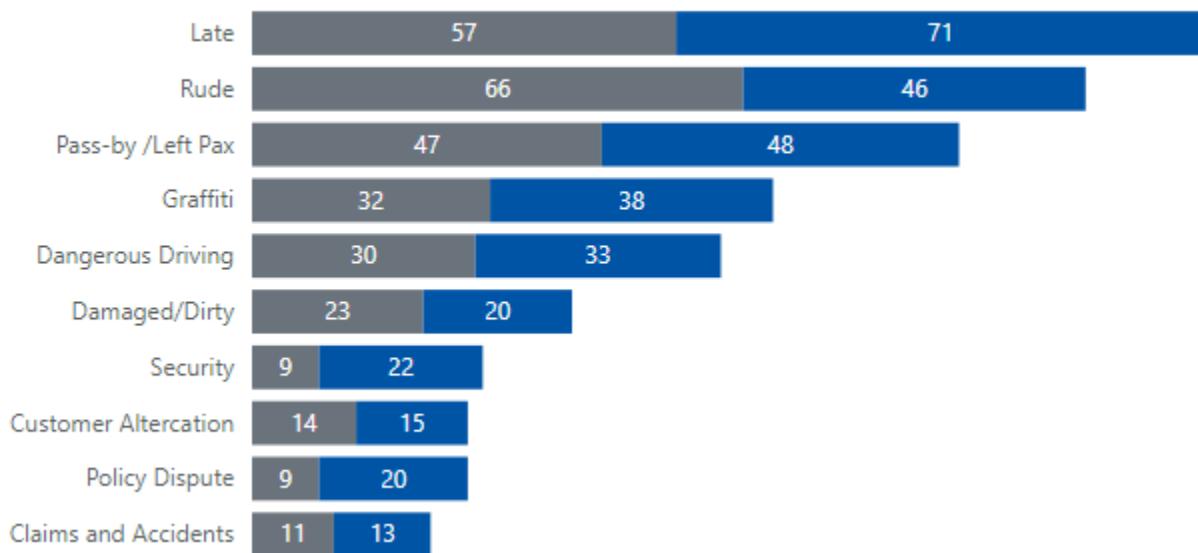
● FY24 ● FY25



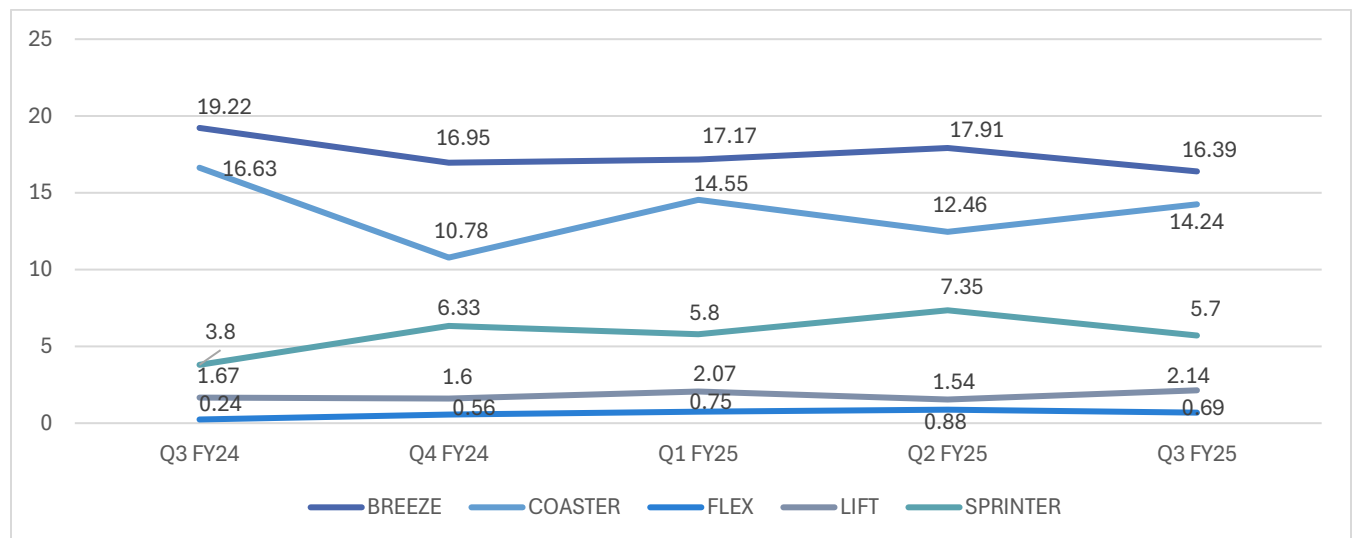
Overall systemwide feedback for Q3 FY25 is higher than Q3 FY24. All core categories experienced increases, except for equipment and operator related feedback, which experienced a decrease this quarter.

Q3 FY25 vs Q3 FY24 Systemwide feedback by top Sub-Codes

● FY24 ● FY25



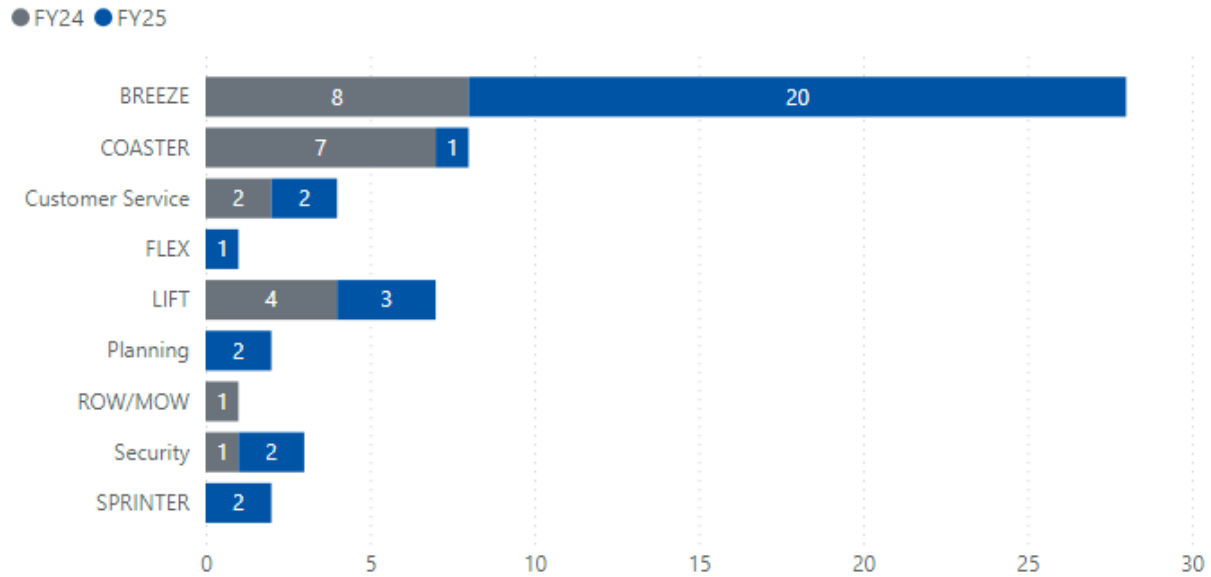
FY25 Systemwide feedback by Weighted Ridership



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 FY25 systemwide feedback weighted by ridership is trending lower for BREEZE, SPRINTER and FLEX, while trending slightly higher for LIFT and COASTER.

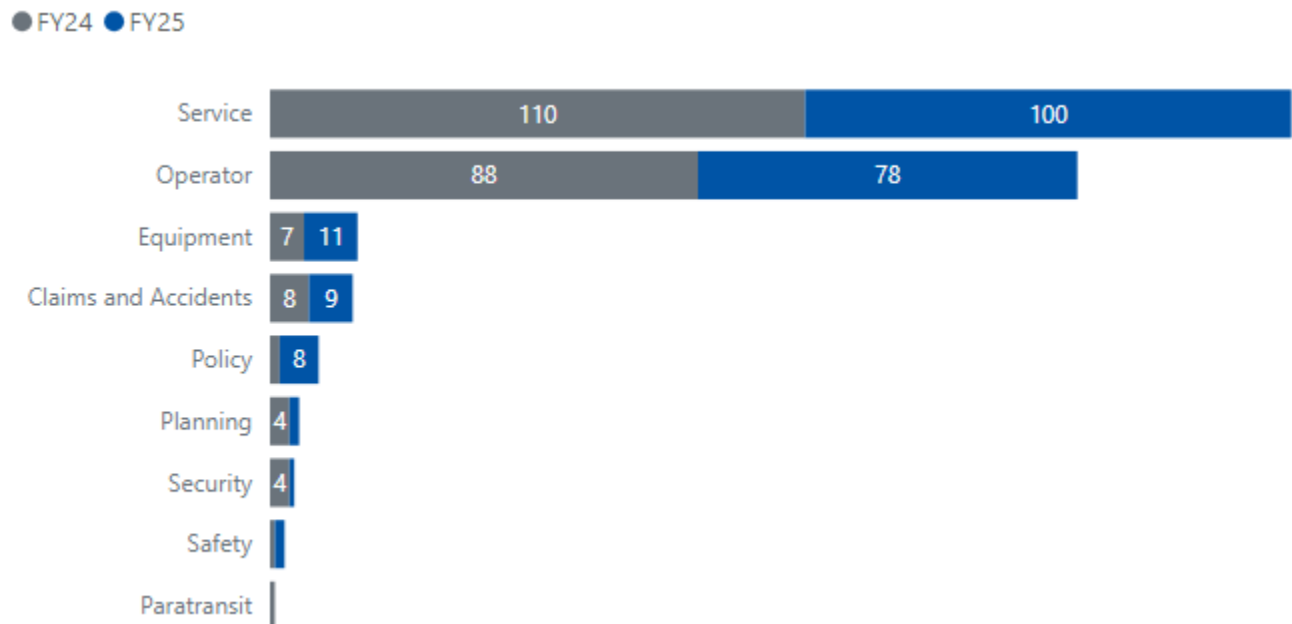
Q3 FY25 vs Q3 FY24 Systemwide Compliments by Department



Systemwide compliments for Q3 FY25 were higher than Q3 FY24. Overall, NCTD received 33 compliments versus 23 in Q3 FY24. The increase is due to BREEZE operations receiving significantly more positive feedback as well as FLEX and SPRINTER operations and the Service Planning department.

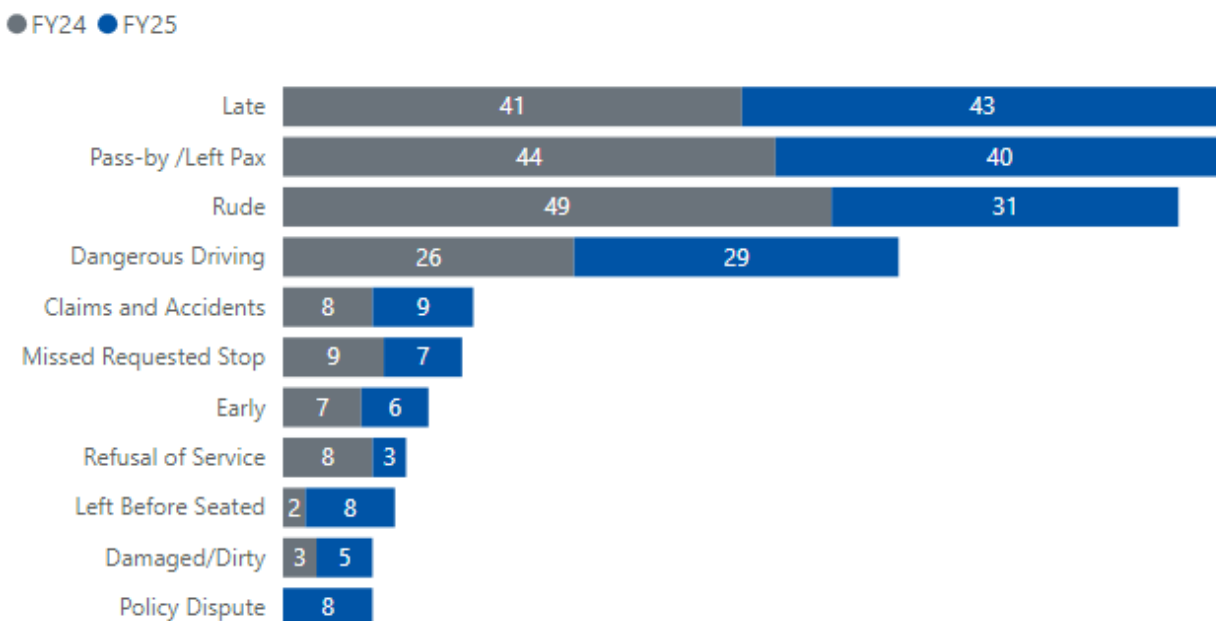
BREEZE

Q3 FY25 vs Q3 FY24 BREEZE feedback by Core Category



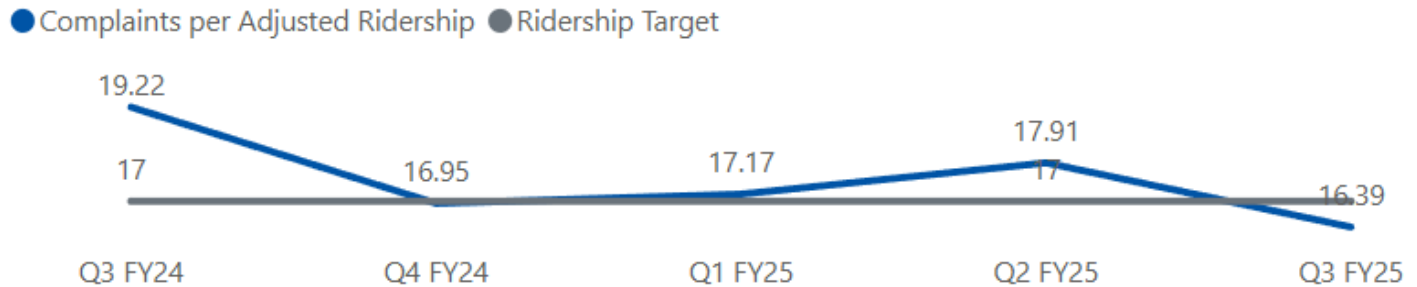
Feedback for BREEZE is lower this quarter than when compared to Q3 last year. This is due to fewer concerns involving Service and Operator issues.

Q3 FY25 vs Q3 FY24 BREEZE feedback by top Sub-Codes



In Q3 FY25, BREEZE operations received fewer concerns regarding operator behavior such as rude, refusal of service and service issues such as pass-by/ left passenger. Conversely, there were increases in policy disputes, left before seated, dangerous driving.

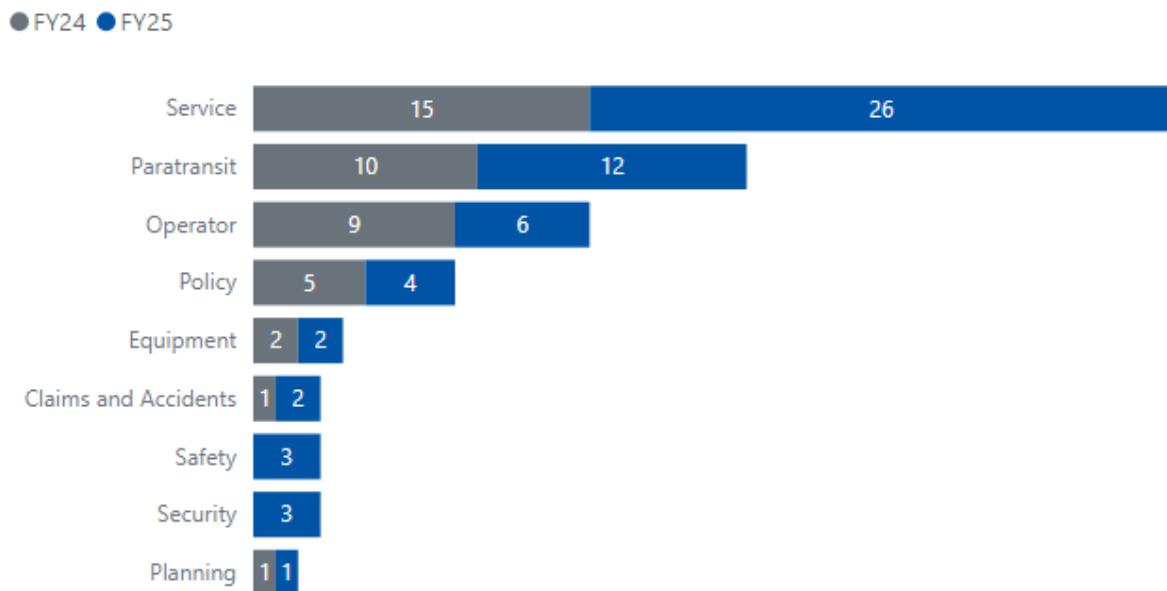
BREEZE feedback by Weighted Ridership



The FY25 goal for BREEZE is a maximum of 17 feedback reports per every 100,000 rides. Q3FY25 is the lowest this metric has been in the past five rolling quarters.

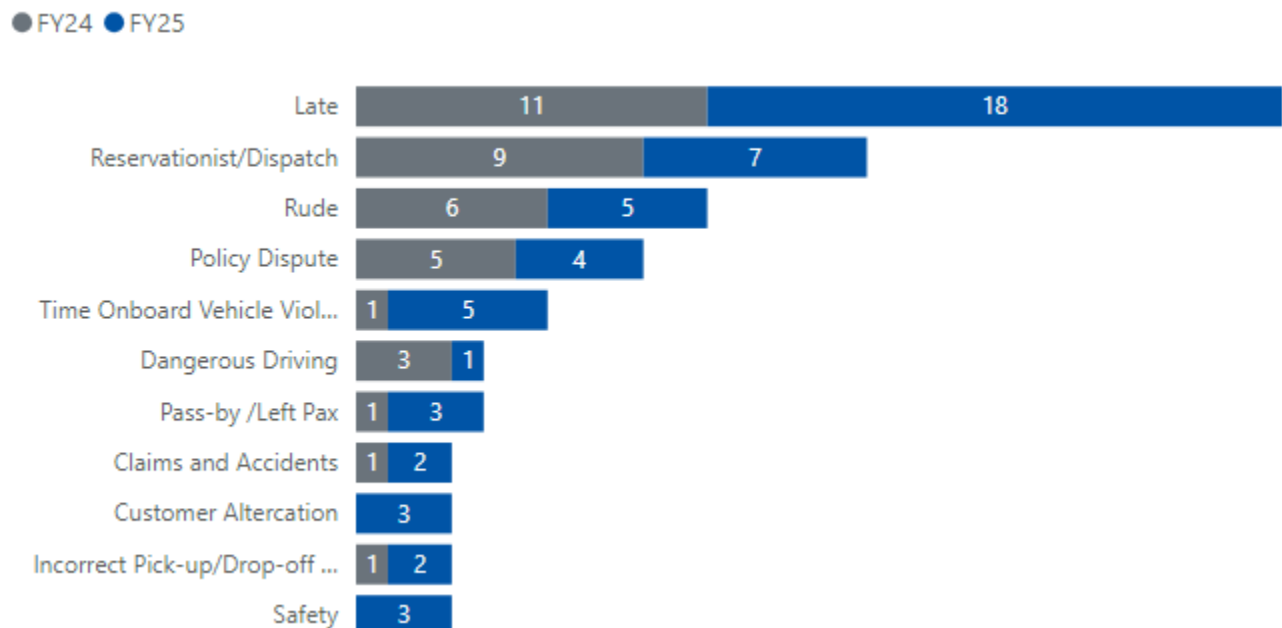
LIFT

Q3 FY25 vs Q3 FY24 LIFT feedback by Core Category



Feedback for LIFT is higher this quarter than when compared to Q3 last year. This is due to an increase in concerns involving Service, Paratransit related feedback and Safety and Security issues.

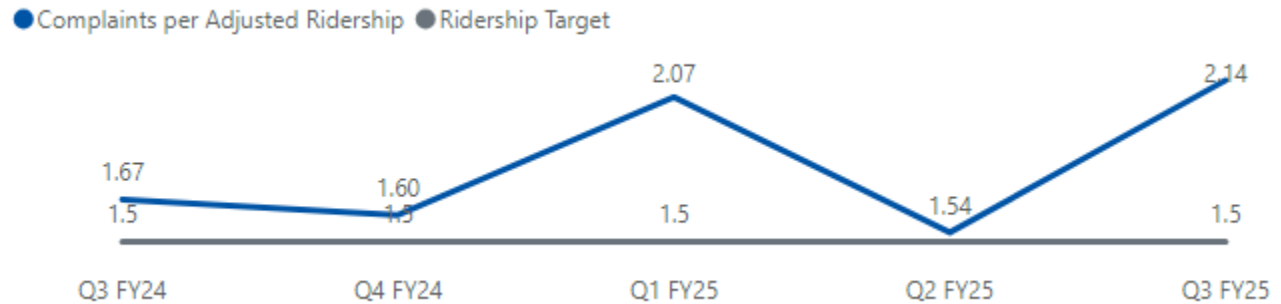
Q3 FY25 vs Q3 FY24 LIFT feedback by top Sub-Codes



In Q3 FY25, the increase in LIFT feedback was specific to late service, time-on-board vehicle violations, pass-by's / left passenger as well as concerns for safety and security issues involving customer altercations. Conversely, there were decreases in dangerous

driving concerns, Policy disputes, rude operators and issues with the reservations/dispatchers.

LIFT feedback by Weighted Ridership

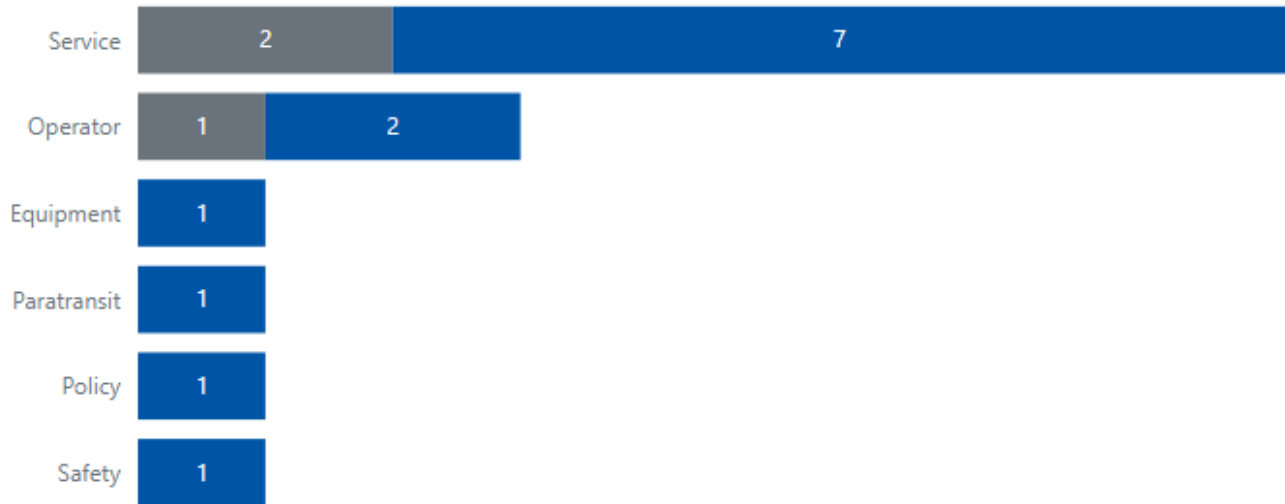


The FY25 goal for LIFT is a maximum of 1.5 feedback reports per every 1,000 rides. Q3 FY25 results are trending above our target goal.

FLEX

Q3 FY25 vs Q3 FY24 FLEX feedback by Core Category

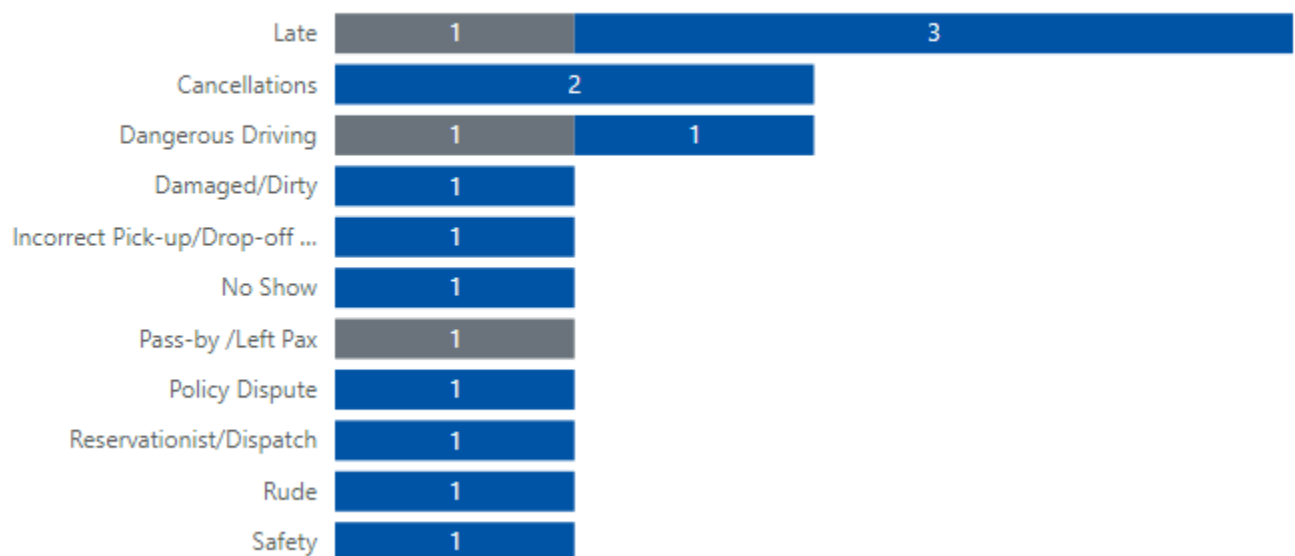
● FY24 ● FY25



Feedback for FLEX is higher this quarter than when compared to Q3 last year. This is due to an increase in concerns involving Service, Operator related feedback and Safety, Equipment, Paratransit and Policy issues.

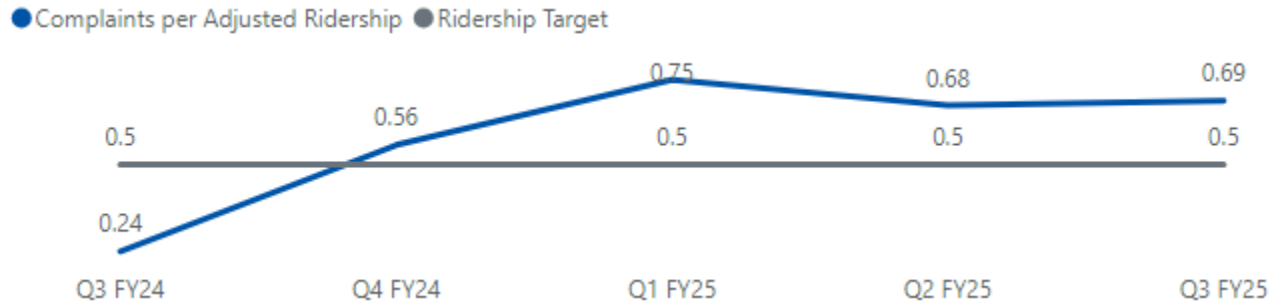
Q3 FY25 vs Q3 FY24 FLEX feedback by top Sub-Codes

● FY24 ● FY25



In Q3 FY25, the increase in FLEX feedback was specific to several issues, majority of which were late service and service cancellations. It's important to note, FLEX operations expanded service in June of Q4 of FY24 adding the COASTER Connection FLEX routes 471, 472, 473, 478 and 479.

FLEX feedback by Weighted Ridership

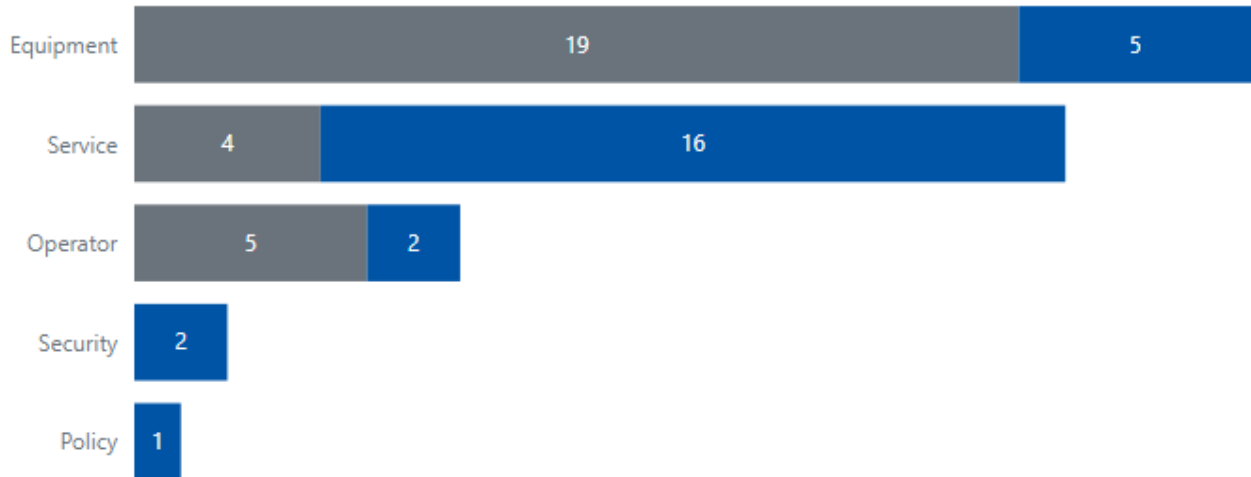


The FY25 goal for FLEX is a maximum of .5 feedback reports per every 1,000 rides. Q3 FY25 results are trending above the target goal.

COASTER

Q3 FY25 vs Q3 FY24 COASTER feedback by Core Category

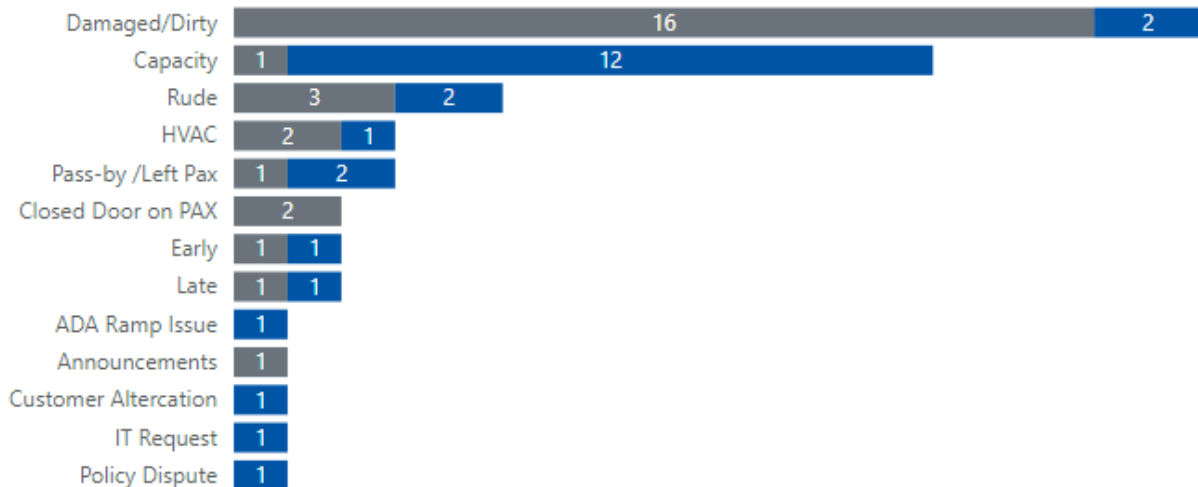
● FY24 ● FY25



Feedback for COASTER is less this quarter than when compared to Q3 last year. This is due to a decrease in concerns involving equipment, Operator related feedback. Conversely, Service related issues and Security concerns were higher this quarter than when compared to Q3 last year.

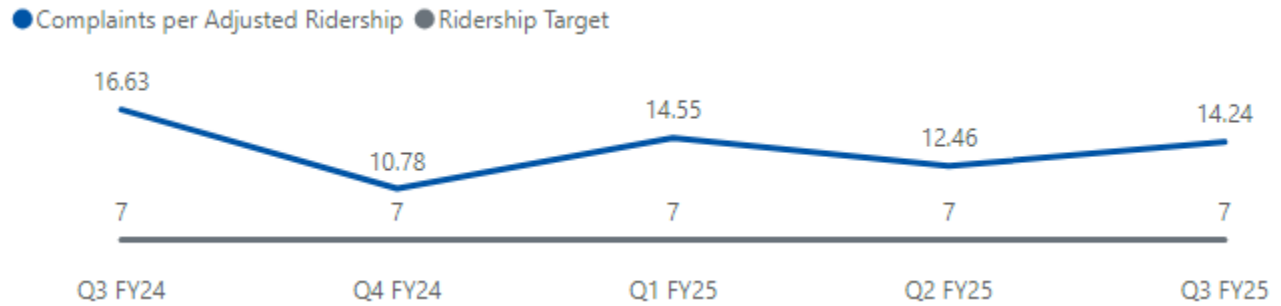
Q3 FY25 vs Q3 FY24 COASTER feedback by top Sub-Codes

● FY24 ● FY25



In Q3 FY25, the increase in COASTER feedback was specific to capacity issues, and to a lesser extent, service related concerns, Wi-Fi connectivity and ADA ramp issues. Conversely, there were decreases in equipment damaged and dirty, rude operators, and announcements.

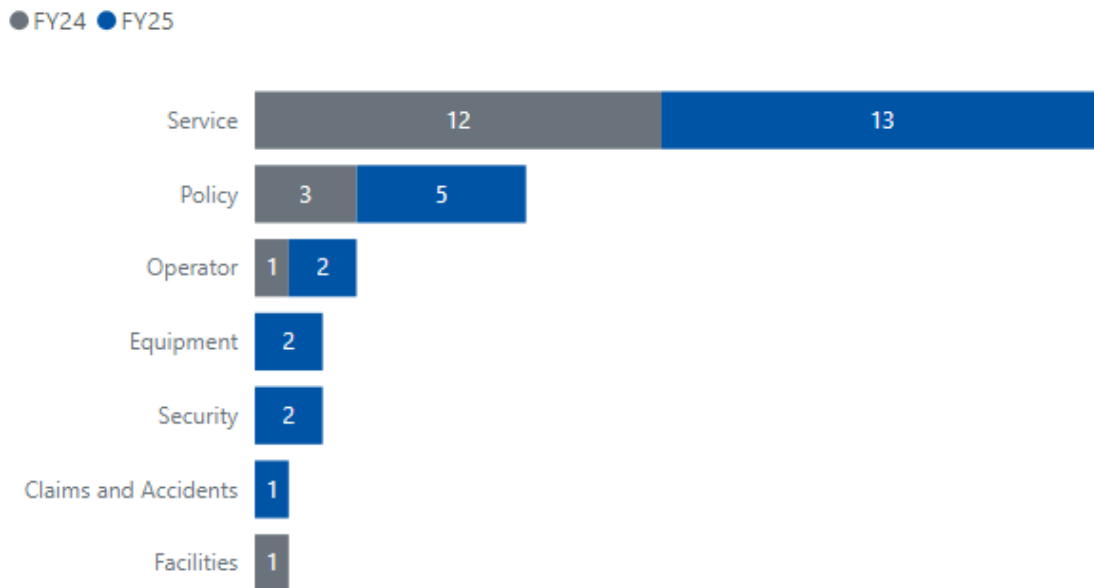
COASTER feedback by Weighted Ridership



The FY25 goal for COASTER is a maximum of seven feedback reports per every 1000,000 rides. Q3 FY25 results are trending above the target goal.

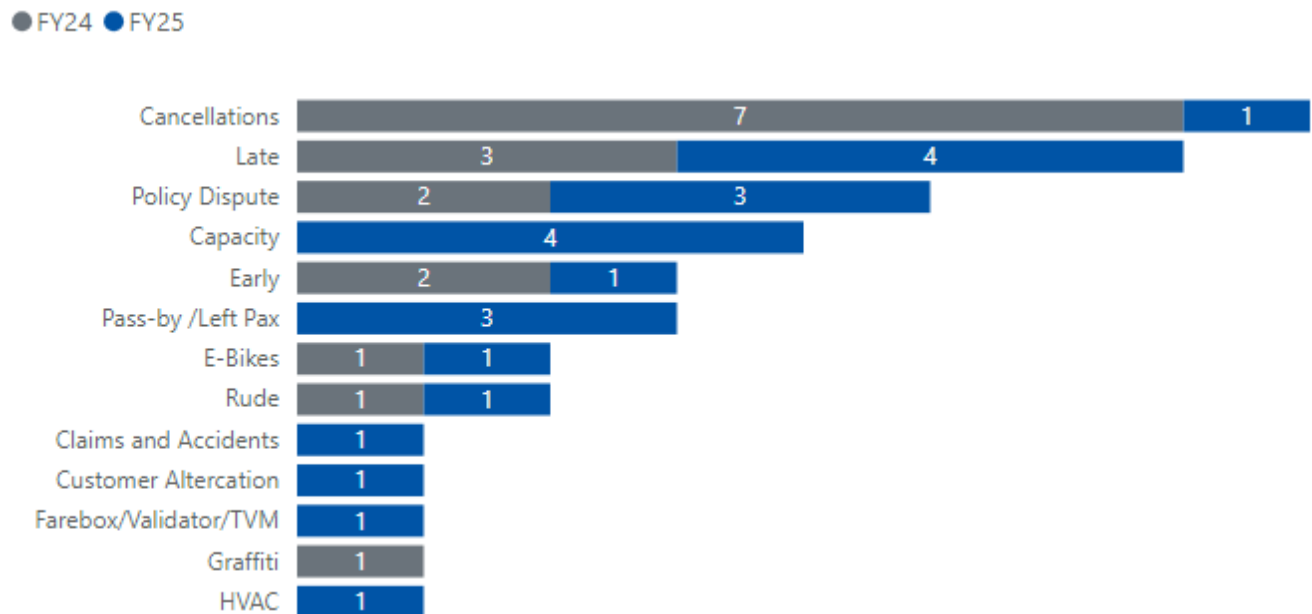
SPRINTER

Q3 FY25 vs Q3 FY24 SPRINTER feedback by Core Category



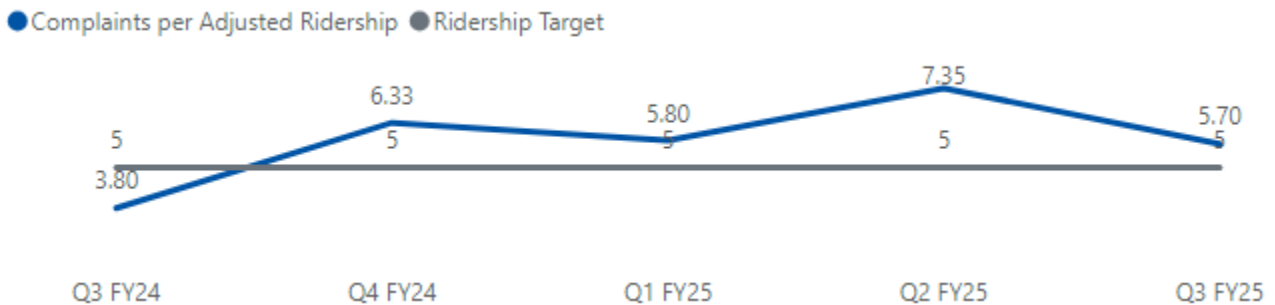
Feedback for SPRINTER is higher this quarter than when compared to Q3 last year. This is due to an increase in Service issues, Policy related concerns, Equipment and Security concerns.

Q3 FY25 vs Q3 FY24 SPRINTER feedback by top Sub-Codes



In Q3 FY25, the increase in SPRINTER feedback was specific to capacity concerns, complaints regarding pass-by/Left passenger, and to a lesser extent, claims and accidents, customer altercations and issues with HVAC. Conversely, there were decreases in service cancelations, service early and graffiti.

SPRINTER feedback by Weighted Ridership



The FY25 goal for SPRINTER is a maximum of five feedback reports per every 1000,000 rides. Q3 FY25 results are trending slightly above the target goal.

Mystery Rider

NCTD contracts with A Customer's Point of View (ACPOV) to provide 'mystery rider' services. ACPOV hires individuals to take a certain number of trips on BREEZE, COASTER, and SPRINTER on a quarterly basis to record their experiences on board and at transit stations. NCTD Customer Experience staff provides itineraries for routes on each mode as well as an extensive questionnaire to be filled out for each trip.

This method allows for an independent, objective perspective on NCTD's service delivery. While the standard protocols and procedures are observed and reported on, ACPOV mystery riders are also asked to provide a brief narrative of each trip, in their own words, to describe their experiences. Having a non-transit professional provide these insights, combined with the general public's feedback, gives NCTD and its contractor additional perspective of trends and or perceptions of service that would otherwise go unnoticed. Further, the scores represented, in conjunction with customer feedback data, offer better insight to where we apply resources that will best support NCTD's goals.

Given the unique nature of each mode, the questionnaires and guidelines for mystery riders are slightly different.

Q3 FY25 Systemwide Results

In the third quarter, 169 trips on BREEZE, COASTER, and SPRINTER were evaluated. Of the 169 rides, BREEZE received 120 evaluations, SPRINTER 30 evaluations, and COASTER 19 evaluations.

<u>Overall</u>	<u>BREEZE</u>	<u>COASTER</u>	<u>SPRINTER</u>	<u>GOAL</u>
FY2025-Q3	88.96%	91.42%	86.47%	95%

Q3 FY25 BREEZE Results

Summary Evaluation Criteria:

- Operator Conduct: Overall behavior of the Operator; uniform condition; timepoint and bus stop callouts; potential operator safety violations
- Ride Information: On-Time performance; weather conditions; ordinance violations
- ADA: ADA ramp usage; mobility device tie-down procedures
- Equipment/Vehicle: Exterior cleanliness; interior cleanliness; customer information on board

BREEZE	Operatot Conduct	Ride Information	ADA	Equipmnet / Vehcile	Overall
Score out of 100%	77.55%	91.68%	96.35%	100%	88.96%

Q3 FY25 COASTER Results

Summary Evaluation Criteria:

- Rail Station: station cleanliness; safety hazards; customer information
- Ride Information: On-time performance
- Announcements: ADA announcements for arrivals and departures
- Rail Ride: Conductor interaction (including fare enforcement); vehicle cleanliness; customer information on board

COASTER	Announcements	Ride Information	Rail Ride	Rail Station	Overall
Score out of 100%	84.21%	89.47%	94.74%	100%	91.42%

Q3 FY25 SPRINTER Results

Summary Evaluation Criteria:

- Rail Station: station cleanliness; safety hazards; customer information
- Ride Information: On-time performance
- Announcements: ADA announcements for arrivals and departures
- Rail Ride: Conductor interaction (including fare enforcement); vehicle cleanliness; customer information on board

SPRINTER	Announcements	Ride Information	Rail Ride	Rail Station	Overall
Score out of 100%	96.67%	90.00%	83.33%	87%	88.47%

STAFF REPORT

RECEIVE THE QUARTERLY REPORT OF CONTRACT ACTIONS ISSUED UNDER THE CHIEF EXECUTIVE OFFICER'S AUTHORITY FOR THE THIRD QUARTER OF FY2025 (FY2025-Q3)

Time Sensitive: ☐ **Consent:** ☒

**STAFF
RECOMMENDATION:**

Receive the quarterly report of contracts and/or contract modifications for the third quarter of FY2025 (January 1, 2025 to March 31, 2025) 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 of the Chief Executive Officer*.

**BACKGROUND
INFORMATION:**

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

- Amend a contract of any value within the Board-adopted budget if the amendment does not exceed \$250,000, singular or cumulative 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.
- Award a contract if the initial contract value does not exceed \$500,000 and is within the Board-adopted budget.

The Chief Executive Officer must:

- Report contract actions and amendments made in accordance with this authority to the Board of Directors 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. The list of contract actions for FY2025-Q3 is included in Attachment 9A.

Staff recommends that the Board of Directors receive the quarterly report of contracts and/or contract modifications for the third quarter of FY2025 (January 1, 2025 to March 31, 2025), issued pursuant to the delegation of authority provided by the Board of Directors to the Chief Executive Officer in Board Policy No. 19.

ATTACHMENT:

9A – 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

ATTACHMENT 9A

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
37049	X		TechSmith	Snagit Maintenance FY25	\$ 27.72	N	
37055	X		Amazon Capital Services, Inc.	Fireproof 3 Ring Binder	\$ 31.39	N	
37078	X		Amazon Capital Services, Inc.	Label Printer	\$ 35.70	N	
36939	X		Amazon Capital Services, Inc.	Learning & Development Supplies	\$ 42.02	N	
37022	X		Global Industrial	SOF Hand Soap/Sanitizers	\$ 46.06	N	
37042	X		Hudson Printing	Business Cards - A. Denis	\$ 47.42	N	
37071	X		Hudson Printing	Business Cards - G. Singh	\$ 49.63	N	
37077	X		Mega Depot	Key Blanks	\$ 53.93	N	
36919	X		Hudson Printing	Business Cards-SR Transit Plan	\$ 59.18	N	
36922	X		Amazon Capital Services, Inc.	Monitor Stands - GAO	\$ 69.80	N	
36923	X		Amazon Capital Services, Inc.	Desk Footrests - GAO	\$ 72.86	N	
36937	X		Hudson Printing	Custom Certificates	\$ 73.72	N	
37021	X		DirecTV	Subscriptions--Direct TV	\$ 79.80	N	
36949	X		Fastenal Company	SPRINTER Parts & Supplies	\$ 81.12	N	
37026	X		Accurate Translation Bureau DBA Acutrans	Legal Notice - Spanish Translation	\$ 82.84	N	
36994	X		Hudson Printing	COASTER-Christmas Animal Holiday	\$ 84.88	N	
37085	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 95.41	N	
36886	X		Hudson Printing	Business Cards - HR	\$ 103.60	N	
37084	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 112.93	N	
37081	X		ODP Business Solutions, LLC	Office Supplies - MOW	\$ 121.19	N	
37062	X		ODP Business Solutions, LLC	ODP - GAO Admin	\$ 130.72	N	
36958	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 142.06	N	
36989	X		Amazon Capital Services, Inc.	Garment Steamers - Marketing	\$ 147.41	N	
36925	X		Amazon Capital Services, Inc.	USB Drives - GAO	\$ 155.88	N	
36986	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 163.87	N	
36921	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 164.77	N	
36906	X		ODP Business Solutions, LLC	Office Depot - MOF	\$ 168.56	N	
36897	X		MakeStickers	BREEZE Glossy Die Cut Stickers	\$ 170.17	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
36942	X		Amazon Capital Services, Inc.	USA and California Flags - GAO	\$ 176.88	N	
36971	X		Amazon Capital Services, Inc.	Sweetener, Creamer, Cups, Sugar	\$ 184.63	N	
36998	X		Amazon Capital Services, Inc.	Office Door Signs - COF & SOF	\$ 189.26	N	
36943	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 217.80	N	
37095	X		Harbor Freight	Well Pump	\$ 227.31	N	
37061	X		Amazon Capital Services, Inc.	Pens, Notebooks, Clipboards - GAO	\$ 231.26	N	
37087	X		Amazon Capital Services, Inc.	Scissors, Markers, Creamer, Folders	\$ 232.97	N	
36944	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 235.81	N	
37031	X		ODP Business Solutions, LLC	Office Depot - OTC Sercurity	\$ 239.04	N	
36984	X		LinkedIn	LinkedIn	\$ 239.88	N	
37064	X		Hudson Printing	YOP Business Cards	\$ 244.36	N	
37086	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 251.47	N	
37032	X		ODP Business Solutions, LLC	Office Depot - ETC-ADA	\$ 256.19	N	
36904	X		Amazon Capital Services, Inc.	Coffee Creamer, Pencils, Labels - GAO	\$ 259.16	N	
37009	X		Hudson Printing	30th Anniversary Customer Alert	\$ 261.13	N	
37006	X		Amazon Capital Services, Inc.	Badge Holders, WhiteBoard, Lanyards - HR	\$ 270.49	N	
36927	X		Amazon Capital Services, Inc.	Five (5) Flag Spreaders - GAO	\$ 277.05	N	
37008	X		Dimensional Silk Screen, Inc.	COASTER 30th Anniv. Press Conf. Entry Posters	\$ 285.78	N	
37044	X		Amazon Capital Services, Inc.	Gloss Finished Paper - GAO	\$ 288.60	N	
36885	X		ODP Business Solutions, LLC	Office Depot - OTC	\$ 295.82	N	
37083	X		ODP Business Solutions, LLC	Office Depot - SMMF	\$ 296.31	N	
37048	X		Amazon Capital Services, Inc.	Two-Way Radio Batteries	\$ 304.56	N	
36913	X		Grainger, Inc	Way Oil 5 Gallon Lube	\$ 319.10	N	
37056	X		Sean Twomey DBA 2meart.com	Rail Emergency Contact Magnet	\$ 321.50	N	
37003	X		US Bank/IMPAC Govt. Services	SkyXoft Technologies Renewal	\$ 324.00	N	
36972	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 327.57	N	
37000	X		Best Materials	Roof Hatch Replacement at ETC	\$ 331.23	N	
37004	X		Ultratec - Weitbrecht	Telephone-Ultratec Minicom IV	\$ 334.33	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
36974	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 339.31	N	
37043	X		ODP Business Solutions, LLC	Office Depot - BOW	\$ 341.86	N	
37045	X		SoCal Radar-Laser Certification Lab	California Radar Laser Certification	\$ 350.00	N	
36962	X		ODP Business Solutions, LLC	Office Depot - OTC	\$ 371.17	N	
36941	X		Amazon Capital Services, Inc.	Wire Hooks, Privacy Screen, Calendar - GAO	\$ 371.60	N	
37053	X		Dimensional Silk Screen, Inc.	COASTER - Padres A-Frame Sign	\$ 374.11	N	
37091	X		Amazon Capital Services, Inc.	Cisco VOIP Replacements	\$ 378.88	N	
36948	X		Airgas USA, LLC	Sprinter-Calibration Tools	\$ 384.99	N	
36928	X		ODP Business Solutions, LLC	Office Depot - SMMF	\$ 390.86	N	
36892	X		Amazon Capital Services, Inc.	Dry Erase Board, Command Hooks, Lanyards - HR	\$ 398.23	N	
37069	X		Dimensional Silk Screen, Inc.	Title VI Bus Placards & Decals	\$ 404.10	N	
37023	X		Amazon Capital Services, Inc.	Honey Packets, Coffee Organizer, Creamer - GAO	\$ 407.25	N	
36993	X		Hudson Printing	COASTER - 30th Anniversary Water Bottles	\$ 412.60	N	
36975	X		ODP Business Solutions, LLC	Office Depot - MOW	\$ 413.79	N	
36905	X		ODP Business Solutions, LLC	Office Depot - SMMF	\$ 420.79	N	
36898	X		ODP Business Solutions, LLC	Office Depot - Learning & Development	\$ 424.74	N	
36983	X		Amazon Capital Services, Inc.	Strengths Finder Books-Learning & Development	\$ 426.75	N	
36833	X		Fastenal Company	SPRINTER Parts & Supplies	\$ 432.58	N	
37082	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 436.15	N	
37036	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 448.55	N	
36982	X		Amazon Capital Services, Inc.	Check Printer Toners	\$ 455.25	N	
36907	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 461.08	N	
37047	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 466.31	N	
37035	X		ODP Business Solutions, LLC	Office Depot - SMMF	\$ 467.49	N	
36970	X		Dimensional Silk Screen, Inc.	COASTER-30th Anniversary Feather Banners	\$ 471.97	N	
37098	X		Secure by Design, Inc.	Ninite Pro Renewal	\$ 480.00	N	
36987	X		CDW Government, Inc.	IT Equipment	\$ 482.22	N	
36959	X		ODP Business Solutions, LLC	Office Depot - ETC-ADA	\$ 523.58	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
36992	X		Dimensional Silk Screen, Inc.	COASTER 30th Anniversary Display Poster	\$ 532.59	N	
37097	X		Dimensional Silk Screen, Inc.	COASTER Schedule - Station and Platform Signs	\$ 607.28	N	
36920	X		ODP Business Solutions, LLC	Office Depot - GAO	\$ 608.24	N	
36946	X		Pacific Metrology and Engineering	Sprinter-Calibration Tools	\$ 608.68	N	
37079	X		Pacific Metrology and Engineering	Wheel Calibration Services	\$ 614.00	N	
36961	X		ODP Business Solutions, LLC	Office Depot - OTC	\$ 648.62	N	
37033	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 649.00	N	
36977	X		Amazon Capital Services, Inc.	Pulling and Dry Film Lubricants	\$ 665.52	N	
36951	X		Fastenal Company	COASTER Parts & Supplies	\$ 674.74	N	
36996	X		Harsco Rail	Track Stabilizer Equipment Manuals	\$ 676.57	N	
36934	X		Amazon Capital Services, Inc.	IT - CAT Phones	\$ 703.55	N	
36973	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 730.28	N	
37013	X		Amazon Capital Services, Inc.	Wired Computer Keyboards & Mouse	\$ 762.57	N	
37066	X		Dimensional Silk Screen, Inc.	Apple Pay Bus Placards and Train Decals 2025	\$ 809.71	N	
36929	X		ODP Business Solutions, LLC	Office Depot - OTC	\$ 819.43	N	
37015	X		Amazon Capital Services, Inc.	Headsets & Monitor Desk Mount Stands	\$ 882.44	N	
37010	X		ODP Business Solutions, LLC	Office Depot - SMMF	\$ 891.31	N	
36956	X		Hudson Printing	Bus - Schedule Problem Report Form	\$ 923.42	N	
37034	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 971.46	N	
35034	X		ODP Business Solutions, LLC	Office Depot -GAO	\$ 971.46	N	
36976	X		Amazon Capital Services, Inc.	2-4-Stroke Fuel, Solar Panels, Inverter, Organizer	\$ 985.92	N	
37076	X		Amazon Capital Services, Inc.	Sockets, LED Light, DEF Pump - MOW	\$ 1,037.19	N	
37030	X		CDW Government, Inc.	IT - Bus Transition Monitors	\$ 1,059.59	N	
37002	X		Autolift Services, Inc.	Potentiometer for Vehicle Lift	\$ 1,183.66	N	
36917	X		Hudson Printing	Free Ride Rosa Parks Alert Flyer	\$ 1,203.87	N	
37005	X		B&H / FS.com/My Asset Tag	IT - Axis Connector Pins, Cisco Transceiver, Asset Tags	\$ 1,209.68	N	
37090	X		Light Pole Systems, Inc.	Lightpole	\$ 1,267.61	N	
36960	X		ODP Business Solutions, LLC	Office Depot - SOF	\$ 1,314.43	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
37018	X		Dimensional Silk Screen, Inc.	Black History Month Flags	\$ 1,363.95	N	
37063	X		HJR Equipment Rental, Inc	Way Lube Manifold Assembly	\$ 1,387.92	N	
36938	X		Balco Holdings Inc. dba Bay Alarm	Alarm Monitoring	\$ 1,396.68	N	
36955	X		Air Health	Air Purifier, Replacement Lamps and Filters	\$ 1,415.55	N	
37080	X		SSS Hot Off the Press	NCTD Blank Badges	\$ 1,445.14	N	
36896	X		Linh Phan Wong DBA Phantastic	Bus ROADEO Promotional items	\$ 1,452.13	N	
37016	X		Amazon Capital Services, Inc.	Retransfer Film and Color Ribbon	\$ 1,478.53	N	
36924	X		Amazon Capital Services, Inc.	American Flags and Flag Accessories - GAO	\$ 1,545.54	N	
36979	X		Superior Cleaning Equipment, I	Pump Replacement - BOE	\$ 1,636.94	N	
36987/ 37005	X		B&H/FS.com/My Asset Tag	IT Equipment for Repairs throughout District	\$ 1,691.90	N	
36940	X		Bluebeam, Inc.	IT - Bluebeam Subscription	\$ 1,980.00	N	
37058	X		Cable, Pipe & Leak Detection	Fiber and Utilities Survey	\$ 2,000.00	N	
36899	X		Graffiti Shield, Inc.	Signage installation at GAO	\$ 2,026.09	N	
37096	X		Amazon Capital Services, Inc.	LED Lights, Diamond Blades - MOW	\$ 2,154.78	N	
37017	X		Dimensional Silk Screen, Inc.	International Women's Day Flag	\$ 2,235.90	N	
37070	X		Dimensional Silk Screen, Inc.	AAPL Heritage Month Flag	\$ 2,235.90	N	
36915	X		Industry-Railway Suppliers, Inc.	Hydraulic Grinder	\$ 2,251.98	N	
36894	X		Fuelhawk Equipment, Ltd.	Fuel Nozzle for SOF	\$ 2,252.43	N	
36887	X		Deluxe Small Business Sales	Laser Bottom Blank Checks	\$ 2,297.23	N	
36902	X		Amazon Capital Services, Inc.	IT Monthly Order - January 2025	\$ 2,306.06	N	
37059	X		Hudson Printing	COASTER Padres Customer Alert	\$ 2,331.25	N	
36893	X		Troy Group, Inc.	IT - Tyler Printer	\$ 2,363.27	N	
36918	X		Grainger, Inc	Padlocks	\$ 2,384.92	N	
37028	X		Grainger, Inc	COASTER Parts	\$ 2,384.92	N	
36908	X		CDW Government, Inc.	Laptop Batteries	\$ 2,444.48	N	
36935	X		B&H Photo Video Audio	Yealink Parts for GAO Conference Room	\$ 2,488.67	N	
37065	X		Amazon Capital Services, Inc.	Battery Booster Pack	\$ 2,538.07	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
37001	X		EdgeTech, Inc.	Speaker and Armada Subscription	\$ 2,596.09	N	
37052	X		Dimensional Silk Screen, Inc.	Transit Workers Zero Tolerance Decals	\$ 2,690.01	N	
37019	X		2meart.com	COASTER - 30th Anniversary Giveaway Shirts	\$ 2,771.20	N	
37046	X		Amazon Capital Services, Inc.	USB Hub, Headset, Antennas, Google Pixel Phones - IT	\$ 2,817.13	N	
36967	X		Amazon Capital Services, Inc.	Jump Box, Microphone, Oil, Notebooks, Heaters	\$ 2,910.91	N	
36965	X		Zuza	BREEZE Die Cut CNG Bus	\$ 2,922.75	N	
37027	X		Amazon Capital Services, Inc.	Running Boards, Light Pods, Tie Downs, Cabinets	\$ 3,090.07	N	
37074	X		PCH Litho, Inc.	COASTER Pocket Schedules	\$ 3,091.62	N	
37075	X		PCH Litho, Inc.	SPRINTER Pocket Schedules	\$ 3,132.76	N	
37037	X		Decked	Truck Drawer system (qty - 2)	\$ 3,199.98	N	
36957	X		Hudson Printing	SPRINTER - LRV Checklist Carbonless	\$ 3,213.64	N	
37012	X		Covenant Security Equipment	BOW Security Window	\$ 3,240.45	N	
36981	X		Cerberus by Redwood	Cerberus FTP Server Renewal	\$ 3,299.00	N	
36909	X		Neyenesch Printers, Inc.	COASTER Standard Die Cut Train	\$ 3,314.39	N	
36969	X		Neyenesch Printers, Inc.	COASTER - 30th Anniversary Die Cut Train	\$ 3,314.39	N	
37051	X		EC America, Inc.	CBT Nuggets Training Licenses	\$ 3,430.26	N	
37038	X		Zones	Damaged Laptop Replacement	\$ 3,447.00	N	
36910	X		Grainger, Inc	Water Dispenser, Ball Valves, Water Filters - SOF	\$ 3,452.90	N	
36952	X		Corodata Records Management	Record Storage	\$ 3,500.00	N	
37099	X		Dimensional Silk Screen, Inc.	System Map Kiosk Posters	\$ 3,768.18	N	
36985	X		Amazon Capital Services, Inc.	Computer Cleaner, 5 Google Pixel Phones, Cat6 Cable	\$ 3,868.57	N	
37073	X		IBM	IBM Software Renewal	\$ 3,917.20	N	
37068	X		Konecranes, Inc.	Radio Parts for Overhead Crane at SOF	\$ 3,942.46	N	
36950	X		OmniSTAR	OmniSTAR Renewal	\$ 4,020.00	N	
36895	X		Linh Phan Wong DBA Phantastic	Bus ROADEO Promotional Items	\$ 4,143.34	N	
36978	X		2meart.com	COASTER 30th Anniversary Hats	\$ 4,218.50	N	
36891	X		PRISM	Employee Assistance Program	\$ 4,238.85	N	
37089	X		Cal Systems, Inc.	HID MultiProx Card Readers	\$ 4,425.00	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
36964	X		Railroad Tools and Solutions, Inc.	Track Measuring Tools	\$ 4,524.32	N	
37014	X		Amazon Capital Services, Inc.	4K Expanded I-O Players - Bus Transition - IT	\$ 4,568.16	N	
36995	X		WVCO	Spikefast Cartridges and Mixers	\$ 4,587.19	N	
36911	X		Grainger, Inc	Extendable Pry Bar, Faucets, Toilet dispenser - MOF	\$ 4,600.64	N	
36997	X		Lanier Plans Inc. dba Korkat	Bench Sleep inhibitors	\$ 4,813.15	N	
37072	X		Draycor Inc.	Devolutions Remote Desktop Server Licenses	\$ 4,828.86	N	
37060	X		ODP Business Solutions, LLC	Lockers - SOF	\$ 4,868.10	N	
36990	X		2meart.com	COASTER 30th Anniversary - Mens Polo Shirts	\$ 4,869.63	N	
36991	X		US Bank/IMPAC Govt. Services	COASTER 30th Anniversary - Womens Polo Shirts	\$ 4,869.63	N	
37093	X		Amazon Capital Services, Inc.	Tow Straps, Pod Lights, Shackles, Breakers	\$ 4,887.26	N	
36947	X		FiberOptic.com	Certified Fidor Optic Installation Training	\$ 4,900.00	N	
37025	X		Cal Systems, Inc.	Windshield Tag Scanner	\$ 4,900.00	N	
36914	X		Waxie Enterprises, LLC	Sanitary Supplies - MOF	\$ 4,975.91	N	
36980	X		Waxie Enterprises, LLC	Janitorial Supplies	\$ 4,975.91	N	
36889	X		Raymond Allen Furniture	L-Shaped Desk, Credenza, Conference Table, Bookshelf	\$ 4,980.84	N	
37054	X		Dimensional Silk Screen, Inc.	NCTD ZEB Emissions Decal 2025	\$ 4,981.67	N	
36966	X		Grainger, Inc	Janitorial supplies for NCTD	\$ 4,993.96	N	
37088	X		Araya Construction Inc	OTC Customer Service Wet Drywall Removal	\$ 4,994.61	N	
36963	X		Cal Systems, Inc.	Renewal-LINC-NXG Service Main	\$ 4,995.00	N	
36916	X		Grainger, Inc	Janitorial Supplies - MOF	\$ 4,996.44	N	
36890	X		Escondido Metal Supply	Material for Metal Fabrication throughout District	\$ 4,999.00	N	
36900	X		Cal Systems	RFID Reader Programming at BOW	\$ 4,999.00	N	
36936	X		Network Industries DBA Hotsy	Pressure Washer Parts	\$ 4,999.00	N	
36954	X		Akeso Occupational Health	Physicals and Screenings - Q3	\$ 4,999.00	N	
37057	X		Canva	Canva Pro for Teams	\$ 4,999.00	N	
37067	X		Araya Construction Inc	Asbestos Survey	\$ 4,999.00	N	
37100	X		CertaPro Painters	GAO Painting	\$ 4,999.00	N	
36879	X		Impact Designs	As-needed Signs throughout District	\$ 4,999.00	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
36999	X		Kept Companies DBA Fleetwash	Bus Stop Power Washing	\$ 4,999.99	N	
37029	X		The Sherwin-Williams Company	As Needed Paint for NCTD Facilities	\$ 4,999.99	N	
36945	X		SHI International Corp	Monitors, UPS Batteries and UPS Replacements - IT	\$ 8,239.95	N	
23064	X		Hendrickson	Del Mar Encroachment Appraisal	\$ 8,500.00	N	
36968	X		Cart Mart Inc.	Cart Repair - MOF	\$ 8,791.20	N	
36903	X		Vertex Inc.	Vertex Renewal	\$ 8,861.00	N	X
37050	X		The Glass Company, Inc.	Glass Replacement - GAO	\$ 9,000.00	N	
37020	X		Saitech Inc	Cisco Umbrella FY25	\$ 9,490.75	N	
36932	X		Traffic Supply, Inc.	As-needed District Wide Signs	\$ 9,513.14	N	
36988	X		GovConnection, Inc dba Connect	VMWare Workspace ONE	\$ 9,942.00	N	
36309	X		HERC Rentals	As-needed Equipment Rentals	\$ 10,000.00	N	
36901	X		Insight Public Sector, Inc.	IT-Sios DataKeeper	\$ 11,539.77	N	
34011	X		Dimensional Silk Screen, Inc.	COASTER/SPRINTER Bilingual Decals	\$ 14,045.86	N	
37011	X		Dimensional Silk Screen, Inc.	COASTER - Bilingual Decals	\$ 16,913.27	N	
22025	X		Siemens	Safety Arm Bar Threads	\$ 22,822.00	Y	
36930	X		SHI International Corp	Cisco SMARTNet Renewals - IT	\$ 26,506.60	N	
37092	X		CA Business Centers	Office Furniture Install	\$ 29,273.00	N	
36931	X		Kronos Incorporated	Telestaff Licenses	\$ 36,800.00	N	
37041	X		City of Culver City	So. Cal. Regional Bus Roadeo Participation Fee	\$ 36,861.00	N	
23065		X	Roma Engineering	BOW and SOF Solar Interter Replacements	\$ 44,650.00	Y	
18007	X		STV Incorporated	COASTER Vehicle Fire Safety Assessment	\$ 47,616.64	Y	
36888	X		Nordco, Inc.	Surfacing Equipment Operator Training	\$ 50,000.00	N	X
36865	X		myCOI	Certificate of Insurance Management Services	\$ 52,250.00	N	
37039	X		Techmaster Electronics, LLC	Meter Calibration Services - MOS	\$ 55,256.06	N	
25024	X		Skaggs Co., Inc.	Security Uniforms	\$ 62,192.80	N	
25029	X		Euna Solutions, Inc.	E-Procurement Marketplace	\$ 67,500.00	N	
25031	X		Dudek	Plant Replacement Project	\$ 76,174.49	Y	
20032		X	Alstom Transportation	Change Order Locomotive Control Unit	\$ 118,342.50	N	

Original Commitments 500K in Value or Less and Change Order Commitments 250K in Value or Less
January 31, 2025 to March 31, 2025

Order Number	Original Order	Change Order	Supplier Description	Service/Product Description	Extended Cost	Fed Funds	Sole Source
20032		X	Alstom Transportation	Change Order 03 COASTER Bi-Level Car Repaint	\$ 129,722.83	N	
37094	X		CDW Government, Inc.	IT Equipment - Bus Transition	\$ 131,018.05	N	
25042	X		Sherwin-Williams	Paint for Throughout District Use	\$ 187,000.00	N	
37024	X		Downtown Ford of Sacramento	Non-Revenue Vehicles - 5 Medium SUVs	\$ 239,614.78	N	
25035	X		Gafcon PM-CM LLC	LC - PTC Lab HVAC	\$ 244,901.48	N	
36953	X		Carahsoft Technology Corp	SMART Sheets SW	\$ 287,906.15	N	
36850	X		Balfour Beatty	Pedestrian Grade Crossing Panels	\$ 308,809.23	Y	
36926	X		Downtown Ford of Sacramento	Non-Revenue Vehicles - 13 Mavericks	\$ 401,500.68	N	
36167	X		New Flyer	Fuel Cell Electric Buses Equipment Additions	\$ 447,438.20	Y	
36933	X		EdgeTech, Inc.	Radio Equipment	\$ 459,837.81	N	
25030	X		Thompson Coburn LLP	Labor Relation Issues	\$ 499,999.00	N	

STAFF REPORT

RECEIVE THE QUARTERLY REPORT OF RATIFICATION OF CONTRACT ITEMS FOR THE BUS TRANSITION FOR THE THIRD QUARTER OF FY2025

Time Sensitive: ☐ **Consent:** ☒

**STAFF
RECOMMENDATION:**

Receive the quarterly report of contract items ratified under the Chief Executive Officer's authority for the bus operations transition for the third quarter of FY2025 (January 1 – March 31, 2025).

**BACKGROUND
INFORMATION:**

To support the timely execution of agreements necessary for the insourcing of bus operations, the Board, on November 21, 2024, authorized the Chief Executive Officer (CEO), with the concurrence of the Chief General Counsel, to award agreements related to goods and services necessary for the bus transition. This authority extends from November 22, 2024, through June 30, 2025 (Agenda Item No. 14).

In accordance with the delegated authority, staff is submitting the attached quarterly report for Board review and ratification. The report outlines all agreements executed under this authority during the reporting period.

ATTACHMENT:

10A – Quarterly Report of Ratified Contract Items for the Bus Transition

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

Quarterly Report of Ratified Contract Items for the Bus Transition
January 31, 2025 to March 31, 2025

Supplier Description	Service/Product Description	Fed Funds	Or Ty	Buyer Name	Purchase Order/ Contract No.	Order Date	Extended Cost
Downtown Ford	FY25 Non-Revenue Vehicles (Ford Mavericks)	N	OP	TOVAR, SUZANNE	36926	1/15/2025	\$401,500.68
Trapeze Software Group	Trapeze EAM Implementation	Y	OS	ATKINSON, ALESIA S	25025	2/13/2025	\$1,366,625.00
CDW Government, Inc.	IT Equipment - Bus Transition	N	OP	TOVAR, SUZANNE	37094	3/26/2025	\$131,018.05

STAFF REPORT

**APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN NCTD
AND PALOMAR COLLEGE CONCERNING THE ACCELERATE
CLEAN PUBLIC TRANSIT PROGRAM**

Time Sensitive: ☒ **Consent:** ☒

**STAFF
RECOMMENDATION:**

Approve Memorandum of Understanding with Palomar College concerning the Accelerate Clean Public Transit Program including the establishment of a Zero Emission Vehicles Technologies (ZEV Tech) Certificate Program, ZEV Bus Technician Apprenticeship Program, and for the Purchase of Specialized Training Equipment and Tools.

**BACKGROUND
INFORMATION:**

In June 2023, the North County Transit District (NCTD) was awarded a \$29.3 million grant (Grant) from the Federal Transit Administration's (FTA) Low or No Emission Grant Program for the purchase of 23 hydrogen fuel cell electric buses. NCTD's successful grant application included a commitment to workforce development via partnership with Palomar College; \$1.7 million of the \$29.3 million FTA grant was awarded for the implementation of a three-year year heavy/Moderate Zero Emission Vehicle Technologies (ZEV Tech) certificate program, the development of a ZEV Bus Technician Apprenticeship Program, and for the purchase of specialty training equipment and tools (Program).

The Accelerate Clean Public Transit Program Memorandum of Understanding (MOU) formalizes a partnership between NCTD and Palomar College to satisfy the workforce development components of the Grant. Under the schedule set in the MOU, the first semester of classes in the ZEV Tech certificate program would commence in the Fall of 2026. NCTD and Palomar College anticipate continuation of the Program after the grant, creating a workforce pipeline of qualified technicians to ensure state-of-good-repair of NCTD's investment in Zero-Emission Buses.

Staff recommends that the Board approve the Memorandum of Understanding between NCTD and Palomar College concerning the Accelerate Clean Public Transit Program including the establishment of a Zero Emission Vehicles Technologies (ZEV Tech) Certificate Program, ZEV Bus Technician Apprenticeship Program, and for the Purchase of Specialized Training Equipment and Tools.

ATTACHMENT:

11A – Accelerate Clean Public Transit Memorandum of Understanding

FISCAL IMPACT:

The three (3)-year Program was awarded \$1,737,429 from FTA Grant No. CA-2024-166. The three (3)-year program's budgeted operating costs total \$1,203,558, including \$242,812 in-kind match from Palomar College. Capital costs are budgeted for \$970,856; of which NCTD will contribute \$194,173 in state or local funds.

COMMITTEE REVIEW:

None

STAFF CONTACT:

Nicholas Sofoul, Director of Strategic Planning
E-mail: nsofoul@nctd.org Phone: 760-435-9114

**MEMORANDUM OF UNDERSTANDING
BETWEEN
NORTH COUNTY TRANSIT DISTRICT
AND PALOMAR COLLEGE
CONCERNING THE ACCELERATE
CLEAN TRANSIT PROJECT**

This Memorandum of Understanding (MOU) is made and entered into by and between North County Transit District (NCTD), a public agency existing under the laws of the State of California, pursuant to California Public Utilities Code sections 125000, et seq., and Palomar College (PALOMAR), individually referred to as a "Party" and collectively referred to herein as "Parties."

RECITALS

The following recitals are a substantive part of this MOU:

WHEREAS, the purpose of this MOU is to document the Parties' understanding and responsibilities with respect to the Accelerate Clean Transit Project (PROJECT), which will advance NCTD's transition to zero-emission bus operations through the purchase of 23 hydrogen fuel cell electric buses and the implementation of an apprenticeship program with PALOMAR; and,

WHEREAS, workforce training is integral to the success of NCTD's transition to zero-emission bus operations; and,

WHEREAS, PALOMAR is a leader in college apprenticeship programs and is fully accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges (ACCJC/WASC), an institutional accrediting body recognized by the Council of Higher Education Accreditation and the Department of Education; and,

WHEREAS, the PROJECT award included \$1,737,429 from the Federal Transit Administration's (FTA) Low or No Emission Grant Program awarded to NCTD for the implementation of a three-year Heavy/Moderate Zero Emissions Vehicle Technologies (ZEVTech) certificate program (PROGRAM), the development of a ZEV Bus Technician Apprenticeship Program (APPRENTICESHIP), and for the purchase of training equipment and tools (EQUIPMENT). The funding support from the FTA is referred to herein as the "GRANT"; and,

WHEREAS, NCTD is a FTA direct recipient and will manage the GRANT; and,

WHEREAS, to support the PROGRAM, NCTD will use in-kind match provided by PALOMAR as defined in 2 CFR 200.1. Code of Federal Regulations 2 CFR 200.1 defines third-party in-kind contributions as the value of non-cash contributions (i.e., property or services) that benefit a federally-assisted project or program and are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award; and,

WHEREAS, in-kind contribution valuation for PALOMAR contributions will be calculated in accordance with 2 CFR 200.306 for the determination of PALOMAR's in-kind contribution. Code of Federal Regulations 2 CFR 200.306 allows third-party in-kind contributions as part of the non-

Federal entity's cost sharing or matching when such contributions meet all of the following criteria: (1) verifiable from the non-Federal entity's records; (2) a not included as contributions for any other Federal award; (3) necessary and reasonable for accomplishment of project or program objectives; (4) allowable under subpart E of 2 CFR 200; (5) not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs; (6) provided for in the approved budget when required by the Federal awarding agency; and (7) conform to other provisions of 2 CFR 200, as applicable; and,

WHEREAS, PALOMAR will act as a Contractor to NCTD and will be responsible for implementing the PROGRAM and submitting approval for an APPRENTICESHIP to the California Division of Apprenticeship Standard; and,

WHEREAS, the Parties will subsequently enter into an Equipment Loan Agreement, where NCTD will loan certain PROGRAM EQUIPMENT for use by PALOMAR via a separate agreement; and,

WHEREAS, the Parties agree and acknowledge that the PROGRAM cannot be implemented without the purchase and loan of the required EQUIPMENT; and,

WHEREAS, the Parties wish to memorialize their agreement in this MOU to carry out the purposes set forth above.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the Parties agree as follows:

I. PALOMAR AGREES TO:

1. Establish the PROGRAM and submit approval for the APPRENTICESHIP to the California Division of Apprenticeship Standards, which will provide students with work-to-learn opportunities in the heavy/moderate duty zero emission vehicle sector. Activities funded by the GRANT will include faculty training, marketing to prospective students, recruitment outreach, material purchases, and implementation of the PROGRAM.
2. Provide an in-kind match of 20% (\$242,812) towards \$960,746 of FTA funds. The in-kind contribution is Palomar's contribution towards the PROGRAM and is not eligible for reimbursement by NCTD or FTA funds. Unused FTA funds at the end of the three-year PROGRAM may be repurposed by NCTD at its sole discretion.
3. Follow 2 CFR 200 for the determination of PALOMAR's in-kind contribution match and provide detailed calculations supporting PALOMAR's in-kind contribution match amount.
4. Submit invoices and supporting calculations for direct program expenses and the in-kind contribution match, not more frequently than monthly, for reimbursement of direct program expenses and FTA eligible costs, as submitted in the budget (see Exhibit D) associated with the establishment of the PROGRAM. All invoices and in-kind contribution match must have proper supporting documentation attached, such as but not limited to, a detailed report of hours and rates for staff and consultant personnel that have performed services (including timesheets if available), travel expense reports with receipts, and vendor invoices for materials. There shall be no mark-up applied to any charge or cost.

5. Agree to utilize EQUIPMENT purchased with FTA funds and loaned to PALOMAR through a separate Equipment Loan Agreement to be executed by the Parties for the sole purpose of the PROGRAM and have procedures in place to prevent loss, damage, or theft of EQUIPMENT. The SAMPLE EQUIPMENT LOAN AGREEMENT shall be substantially in the form attached hereto as Exhibit F, subject to any mutually agreed-upon modifications.
6. Assist NCTD in meeting FTA grant administration requirements on a timely basis. Provide and keep a current PROGRAM schedule with milestones, deliverables, and dates. The Milestone Activity is attached hereto as Exhibit C.
7. Provide a PROGRAM activities report to NCTD within 20 calendar days at the end of each quarter ending on September 30, December 31, March 31, and June 30 (QUARTER), that includes the following information (as applicable):
 - Status of each milestone activity that has occurred during the reporting period, including the actual completion dates for any activities and revised completion dates for any milestones goals not met.
 - Narrative of activity status and any problems encountered in implementation, specification preparation, bid solicitation, resolution of protests, or third-party contract awards.
 - Detailed discussion of budget or schedule changes.
 - Explanation of why scheduled milestones or completion dates were not met.
 - Identification of problem areas and a narrative on how the problems will be solved.
 - Discussion of the expected impacts and the efforts to recover from the delays.
 - Analysis of each significant project cost variance: completion and acceptance of construction or other work, breakout of the costs incurred, and those costs required to complete the project using quantitative measures, such as hours worked, sections completed, or units delivered.
8. Upon completion of the three-year PROGRAM, either (a) exercise PALOMAR's purchase option for the EQUIPMENT, or (b) if PALOMAR elects not to purchase the EQUIPMENT and a transfer of ownership is not approved by the FTA, return all such EQUIPMENT to NCTD in accordance with the terms of the Equipment Loan Agreement. If return of the EQUIPMENT is required, it shall be solely responsible for all costs associated with the disconnection, preparation, packaging, transportation, and delivery of the EQUIPMENT to a location designated by NCTD, unless otherwise agreed in writing by the Parties. The EQUIPMENT shall be returned in good working condition, normal wear and tear excepted (see Exhibit F).
9. Agrees that it is the responsibility of PALOMAR to ensure that all clauses and certifications applicable to the GRANT are adhered to by PALOMAR and its subcontractors when applicable. Attached as Exhibit A is the Federal Transit Administration Required Clauses and Certifications.
10. Adhere to NCTD's Standard of Conduct Policy and Procedure (GM-0008), attached hereto as Exhibit B.

II. NCTD AGREES TO:

1. Apply for the FTA GRANT through the Transit Award Management System (TrAMS) and administer the GRANT.

2. Coordinate and work in collaboration with PALOMAR on the development and implementation of the PROGRAM including supporting future grant applications to fund potential ongoing needs of the PROGRAM.
3. Ensure that New Flyer provide training on relevant parts of the fuel-celled bus systems to PALOMAR faculty involved in the delivery of the PROGRAM.
4. Purchase EQUIPMENT utilizing FTA funds needed for the PROGRAM (identified in Exhibit E).
5. Coordinate with PALOMAR on EQUIPMENT purchasing and delivery to ensure that EQUIPMENT is available in a timely manner for PROGRAM schedule. NCTD understands that delays in training EQUIPMENT delivery may result in delays in PROGRAM schedule (see Exhibit C).
6. Collaborate with PALOMAR to develop APPRENTICESHIPS (e.g., including pursuing additional funding opportunities, such as through the California Apprenticeship Council).
7. Reimburse PALOMAR for direct PROGRAM costs as identified in the budget (Exhibit D) within 30 calendar days after NCTD receives a proper invoice (as described in Section 4 under Section I above). An incomplete or incorrectly billed invoice will be rejected by NCTD and PALOMAR will be required to resubmit a corrected invoice, which will be paid within 30 calendar days after receipt of the corrected invoice.
8. Submit the QUARTER financial and milestones reports for the PROJECT to the FTA.
9. Accept the EQUIPMENT loaned to PALOMAR under this MOU and the Equipment Loan Agreement (see Exhibit F) at the end of the three-year PROGRAM term, provided that PALOMAR has not elected to exercise its purchase option, and the FTA has not approved a transfer of ownership to PALOMAR. If return of the EQUIPMENT is required, PALOMAR shall be responsible for returning the EQUIPMENT to NCTD in good working condition, normal wear and tear excepted, and for all associated costs of return. NCTD'S obligation to accept the returned EQUIPMENT is subject to these conditions and the applicable terms set forth in the Equipment Loan Agreement.
10. NCTD agrees to transfer ownership of the EQUIPMENT to PALOMAR at the conclusion of the three-year PROGRAM, subject to (1) prior written approval by the Federal Transit Administration (FTA), and (2) PALOMAR'S continuation of the PROGRAM. Should PALOMAR discontinue the PROGRAM at any point thereafter, PALOMAR shall return the EQUIPMENT to NCTD at its own cost and expense, unless NCTD determines that the EQUIPMENT has reached the end of its useful life in accordance with NCTD's policies and applicable FTA guidance, including FTA Circular 5010.1E or any successor guidance. If NCTD makes such a determination, PALOMAR shall not be obligated to return the EQUIPMENT to NCTD.

III. THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The above Recitals are true and correct and are integrated as part of this MOU.
2. Any correspondence required or permitted under this MOU may be personally served on the other Party by the Party giving notice, or may be served by email, fax, or prepaid registered or certified USPS mail, return receipt requested, to the following addresses:

For NCTD: North County Transit District 810 Mission Avenue Oceanside, CA 92054 Attn: Derrick Wojcik-Damers Phone: 760-966-6558	For Palomar College: Palomar College 1140 West Mission Road San Marcos, CA 92069 Attn: Contract Services
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E-mail: dwojckdamers@nctd.org	Phone: 760-744-1150 E-mail: contracts@palomar.edu
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3. Unless it is amended by the Parties in writing, this MOU shall terminate on December 31, 2028, or on such earlier or later date as the Parties may agree to in writing.
4. This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.
5. All terms, conditions, and provisions hereof shall inure to and shall bind each of the Parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.
6. In the event a named party to this MOU other than NCTD elects to use a contractor, it shall ensure that the contract meets the requirements of FTA Circular 4220.1F. by providing NCTD with (1) a copy of the contract that shows that the current FTA clauses and required certifications are included; (2) that original copies of the certificates made out to NCTD, signed by the contractors; and (3) proof that a competitive process was used in the selection of a contractor. If the work exceeds \$10,000.00 in value, the sealed bid method must have been used. These are requirements for NCTD to utilize its federal funds and make payment to PALOMAR for work performed on NCTD's behalf. No payment can be made to PALOMAR if the contracting requirements outlined herein have not been followed and evidence of such is not on record at NCTD. The entire Circular 4220.1F can be provided upon request. FTA Circular 4220.1F can also be found at <https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Third%20Party%20Contracting%20Guidance%20%28Circular%204220.1F%29.pdf> For any questions or concerns about FTA compliance, contact the NCTD contact named in item 2, above.
7. Neither Party nor any Board of Director, contract management and staff, agents, and member agencies thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other Party under or in connection with any work, authority, or jurisdiction delegated thereto under this MOU. It is understood and agreed that pursuant to Government Code section 895.4, the Parties shall mutually defend, indemnify and save harmless one another, including all officers and employees, from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code section 810.8) occurring by reason of anything done or omitted to be done by another Party under or in connection with any work, authority or jurisdiction delegated thereto under this MOU.
8. The indemnification provisions of this MOU shall survive termination of the MOU and apply until the last applicable statute of limitations expires.
9. For purposes of this MOU, the relationship of the Parties is that of independent entities and not as agents of each other or as joint ventures or partners. The Parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations, including independent use and ownership of all trademarks, service marks, domain names, patents, copyrights, trade dress, trade secrets, business names, rights of publicity, inventions, proprietary know-how and information of any type, whether or not in writing,

by the party that created them or the assigned intellectual property owner of third-party intellectual property.

10. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the Parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
11. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in third parties to this MOU or affect the legal liability of the Parties to this MOU.
12. Each Party declares that, prior to execution of this MOU, it has consulted with its attorney in order that it may intelligently exercise its own judgment in deciding whether to execute this MOU.
13. Each Party declares that it has read this MOU and understands and knows the contents thereof and represents and warrants that each of the Parties executing this MOU is empowered to do so and hereby binds the respective Party.
14. This MOU may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart. The Parties further agree that a facsimile copy of the executed counterparts shall have the same force and effect as an original.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed and delivered as of the last date of the Parties' signature.

APPROVALS ON THE NEXT PAGE

NORTH COUNTY TRANSIT DISTRICT	PALOMAR COLLEGE
By: _____ Shawn M. Donaghy Chief Executive Officer	By: _____ Ann Jensen Director of Business Services
_____ Date	_____ Date
APPROVED AS TO FORM:	
By: _____ Lori A. Winfree Deputy Chief Executive Officer / Chief General Counsel	
_____ Date	

EXHIBIT "A"**FEDERAL TRANSIT ADMINISTRATION REQUIRED CLAUSES****1. ACCESS TO RECORDS, REPORTS, & SITES. (APPLICABLE TO ALL CONTRACTS)**

[This provision will flow down to all contractors and subcontractors at all tiers]

- a. **Record Retention.** Contractor shall retain and will require its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the underlying agreement, including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third-party agreements of any type, and supporting materials related to those records.
- b. **Retention Period.** Contractor shall comply with the record retention requirement in accordance with 2 C.F.R. § 200.333. Contractor shall maintain all books, records, accounts and reports required under this Award, the accompanying underlying agreement, and any amendments thereto must be retained from the day the underlying agreement was signed by the authorized Agency official through the course of the award, accompanying underlying agreement, and any amendments thereto until three years after the Contractor has submitted its last or final expenditure report, and other pending matters are closed, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case records shall be maintained until the disposition of all such litigation, appeals, claims or exceptions related thereto.
- c. **Access to Records.** Contractors, at all tiers, shall provide sufficient access to inspect and audit records and information, including such records and information the Contractor and Subcontractors may regard as confidential or proprietary, related to its Award, the accompanying underlying agreement, and any amendments thereto to the U.S. Secretary of Transportation, the Comptroller General of the United States, FTA, NCTD and its subrecipients, and their duly authorized representatives. Permit those individuals listed above to inspect all work and materials related to its Award, and to audit any information related to its Award under the control of NCTD or Contractors within books, records, accounts, or other locations. Comply with 49 U.S.C. § 5325(g), and other federal access to records requirements as set forth in the applicable U.S. DOT Common Rules.
- d. **Access to the Sites of Performance.** Contractor shall permit FTA, NCTD, and their duly authorized representatives, access to the sites of performance of its Award, accompanying underlying agreement, and any amendments thereto, and make site visits as needed in compliance with U.S. DOT Common Rules.

2. ADA ACCESS (APPLICABLE TO ALL CONTRACTS)

[This provision will flow down to all contractors and subcontractors at all tiers]

The Contractor shall comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. Section 12101 et seq; Section 504 of the

Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 794; 49 U.S.C. Section 5301(d)., which prohibit discrimination on the basis of handicaps, with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments to that Act, and with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§ 4151 et seq., which requires that buildings and public accommodations be accessible to persons with disabilities, including any subsequent amendments to that Act.

3. CHANGES TO FEDERAL REQUIREMENTS (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

The Contractor shall at all times comply with all applicable FTA regulations, policies, procedures, and directives, including without limitation those listed directly or by reference in the Master Agreement between NCTD and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor shall also ensure compliance by subcontractors at any tier of any applicable change to federal requirements.

4. CIVIL RIGHTS (EEO, TITLE VI, ADA) (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

- a. Federal Requirements and Guidance. Contractor must prohibit discrimination based on race, color, religion, sex, sexual orientation, gender identity, or national origin. Contractor must also comply with: (a) Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e, et seq., (b) Title I of the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. 12101, et seq., (c) Executive Order 11246, "Equal Employment Opportunity" September 24, 1965 (42 U.S.C. 2000e note), as amended by any later Executive Order that amends or supersedes it in part and is applicable to federal assistance programs; (d) federal transit law, specifically 49 U.S.C. 5332, as provided in section 12 of the Master Agreement; and (e) FTA Circular 4704.1 "Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients." 29 C.F.R. Part 1630, 41 C.F.R. Part 60, 29 U.S.C. § 623, 42 U.S.C. § 2000e, 42 U.S.C. § 12112, California Government Code § 12900 – 12996. 49 U.S.C. § 5325 (k). Fixing America's Surface Transportation (FAST) Act, Public Law No: 114-94, as may be amended.
- b. Further, Contractor must follow other federal guidance pertaining to EEO laws, regulations, and requirements.
- c. Affirmative Action. If required to do so by US DOT regulations (49 C.F.R. Part 21) or US Department of Labor regulations (41 C.F.R. Ch 60), Contractor must take affirmative action that includes, but not limited to: (a) recruitment advertising, recruitment, and employment; (b) rates of pay and other forms of compensation; (c) selection for training, including apprenticeship, and upgrading; and (d) transfers, demotions, layoffs and terminations.
- d. Indian Tribe. Contractor recognizes that Title VII of the Civil Rights Act of 1964, as amended, exempts Indian Tribes under the definition of "Employer."

- e. Equal Employment Opportunity for Construction Activities. When undertaking “construction” as recognized by the US Department of Labor (USDOL), Contractor must comply with: (a) USDOL regulations, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” 41 C.F.R. Ch 60; and (b) Executive Order 11246, “Equal Employment Opportunity in Federal Employment,” September 24, 1965, 42 U.S.C. 2000e note (30 Fed. Reg. 12319, 12935), as amended by any later Executive Order that amends or supersedes it, referenced in 42 U.S.C. 2000e note.
- f. Equal Employment Opportunity – The following equal employment opportunity requirements apply to the Agreement:
 - 1. Race, Color, Ancestry, Marital Status, Medical Condition, Genetic Information, Religion, National Origin, Sex, Sexual Orientation, Gender Identity, Gender Expression – In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, 49 U.S.C. § 5332, FTA Circular 4704.1, “Equal Employment Program Guidelines for Grant Recipients”, and , the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, including “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” 41 C.F.R. Parts 60, et seq., (which implement Executive Order No. 11246, “Equal Employment Opportunity,” as amended by Executive Order No. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” 42 U.S.C. § 2000e note), Fair Employment and Housing Act, California Government Code Sections 12900 – 12996 and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, ancestry, religion, marital status, medical condition, genetic information, national origin, sex, sexual orientation, gender identity, gender expression, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements that DOT or FTA may issue, and any other applicable Federal statutes that may be signed into law or Federal regulations that may be promulgated.
 - 2. Sex – The Contractor agrees to comply with all applicable requirements of Title IX of the Education Amendments of 1975, as amended, 20 U.S.C. § 1681, and 49 C.F.R. part 25. In addition, the Contractor agrees to comply with any implementing requirements that DOT or FTA may issue.
 - 3. Age - The Contractor agrees to comply with all applicable requirements of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101, 45 C.F.R. part 90, the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-634, and Equal Employment Opportunity Commission (EEOC) implementing regulations 29 C.F.R. part 1625. In addition, the Contractor agrees to comply with any implementing requirements that DOT or FTA may issue.

4. Disabilities – The Contractor agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794(d), 36 C.F.R. part 1194, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101, 49 C.F.R. parts 27, 37, 38, and 39, and FTA Circular 4710.1, “Americans with Disabilities Act: Guidance”. In addition, the Contractor agrees to comply with any implementing requirements that DOT or FTA may issue.
- g. The Contractor agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

5. CLEAN AIR ACT (APPLICABLE TO ALL CONTRACTS GREATER THAN \$150,000)

[This provision will flow down to all contractors and subcontractors at all tiers]

- a. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 – 7601(q) et seq. The Contractor agrees to report each violation to NCTD and understands and agrees that NCTD, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- b. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

6. CLEAN WATER ACT (APPLICABLE TO ALL CONTRACTS GREATER THAN \$150,000)

[This provision will flow down to all contractors and subcontractors at all tiers]

- a. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Water Act, as amended, 33 U.S.C. 1251 – 1377 et seq.
- b. The Contractor agrees to report each violation to NCTD and understands and agrees that NCTD will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office in compliance with the notice of violating facility provisions in section 508 of the Clean Water Act, as amended, 33 U.S.C. 1368
- c. The Contractor agrees to protect underground sources of drinking water in compliance with the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f – 300j-6.
- d. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

7. DEBARMENT AND SUSPENSION (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS EXCEEDING \$25,000)

[This provision will flow down to all contractors and subcontractors at all tiers]

The Contractor shall comply and facilitate compliance with U.S. DOT regulations, “Non-procurement Suspension and Debarment,” 2 C.F.R. part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) “Guidelines to Agencies on Government wide Debarment and Suspension (Non-procurement),” 2 C.F.R. part 180. Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any Federal department or agency to be: a) Debarred from participation in any federally assisted Award; b) Suspended from participation in any federally assisted Award; c) Proposed for debarment from participation in any federally assisted Award; d) Declared ineligible to participate in any federally assisted Award; e) Voluntarily excluded from participation in any federally assisted Award; or f) Disqualified from participation in any federally assisted Award. The Contractor agrees to include a provision requiring compliance to this section in its lower tier covered transactions.

8. DISADVANTAGED BUSINESS ENTERPRISE (APPLICABLE TO ALL CONTRACTS)

[This provision will flow down to all contractors and subcontractors at all tiers]

To the extent authorized by applicable federal laws, regulations, or requirements, the Recipient agrees to facilitate, and assures that each Third-Party Participant will facilitate, participation by small business concerns owned and controlled by socially and economically disadvantaged individuals, also referred to as “Disadvantaged Business Enterprises” (DBEs), in the Underlying Agreement as follows:

- a. Statutory and Regulatory Requirements. The Recipient agrees to comply with: (a) Section 11101(e) of IIJA; (b) U.S. DOT regulations, “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs,” 49 C.F.R. Part 26; and (c) Federal transit law, specifically 49 U.S.C. § 5332, as provided in section 12 of Master Agreement #31, May 2024.
- b. DBE Program Requirements. A Recipient that receives planning, capital and/or operating assistance and that will award prime third-party contracts exceeding \$250,000 in a federal fiscal year must have a DBE program that is approved by FTA and meets the requirements of 49 C.F.R. Part 26.
- c. Special Requirements for a Transit Vehicle Manufacturer (TVM). The Contractor agrees that: (a) *TVM Certification*. Each TVM, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, must certify that it has complied with the requirements of 49 C.F.R. Part 26; and (b) *Reporting TVM Awards*. Within 30 days of any third-party contract award for a transit vehicle purchase, the Recipient must submit to FTA the name of the TVM contractor and the total dollar value of the third-party contract using the Transit Vehicle Award Reporting Form on FTA’s website. The Recipient must also submit additional

notifications if options are exercised in subsequent years to ensure that the TVM is still in good standing.

- d. Assurance. As required by 49 C.F.R. 26.13(a): The Recipient agrees and assures that: (a) It must not discriminate based on race, color, national origin, or sex in the award and performance of any FTA or USDOT-assisted contract, or in the administration of its DBE program or the requirements of 49 C.F.R. Part 26; (b) must take all necessary and reasonable steps under 49 C.F.R. Part 26 to ensure nondiscrimination in the award and administration of USDOT-assisted contracts; (c) Its DBE program, as required under 49 C.F.R. Part 26 and as approved by USDOT, is incorporated by reference and made part of the Underlying Agreement; and (d) Implementation of its DBE program approved by USDOT is a legal obligation and failure to carry out its terms shall be treated as a violation of the Master Agreement.
- e. Third Party Contractor/Subcontractor Assurance. Must not discriminate based on race, color, notional origin, or sex in the award and performance of any FTA or U.S. DOT assisted sub-agreements, third party contract, and third party subcontract, as applicable, and the administration of its DBE program or the requirements of 49 CFR Part 26. Must take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of U.S. DOT assisted sub-agreements, third party contracts, and third party subcontracts, as applicable. Failure to carry out the requirements of above is a material breach of this sub-agreement, third party contract, or third party subcontract, as applicable. Remedies include, but not limited to, withholding monthly progress payments, assessing sanctions, liquidated damages, and/or disqualifying the Contractor or Subcontractor from future bidding as non-responsible.

9. ENERGY CONSERVATION (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

The Contractor and any Subcontractor agrees to comply with the mandatory energy efficiency standards and policies within the applicable state energy conservation plans issued in compliance with the Energy Policy and Conservation Act, 42 U.S.C. §§ 6321 et seq and 49 C.F.R. Part 622, subpart C.

10. ENVIRONMENTAL PROTECTIONS (*APPLICABLE TO ALL CONTRACTS*)

- a. General. Contractor agrees to comply with all applicable environmental and resource use laws, regulations, and requirements, and follow applicable guidance, now in effect or that may become effective in the future, including state and local laws, ordinances, regulations, and requirements and follow applicable guidance.
- b. National Environmental Policy Act. An Award of federal assistance requires the full compliance with applicable environmental laws, regulations, and requirements. Accordingly, the Contractor agrees that it will: (1) Comply and facilitate compliance with federal laws, regulations, and requirements, including, but not limited to: (a)

Federal transit laws, such as 49 U.S.C. § 5323(c)(2), and 23 U.S.C. § 139, (b) The National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. §§ 4321 et seq., as limited by 42 U.S.C. § 5159, and CEQ's implementing regulations 40 C.F.R. part 1500 – 1508, (c) Joint FHWA and FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. part 771 and 49 C.F.R. part 622, (d) Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," March 5, 1970, 42 U.S.C. § 4321 note, and (e) Other federal environmental protection laws, regulations, and requirements applicable to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto. (2) Follow the federal guidance identified herein to the extent that the guidance is consistent with applicable authorizing legislation: (a) Joint FHWA and FTA final guidance, "Interim Guidance on MAP-21 Section 1319, Accelerated Decision making in Environmental Reviews," January 14, 2013, (b) Joint FHWA and FTA final guidance, "SAFETEA-LU Environmental Review Process (Pub. L. 109-59)," 71 Fed. Reg. 66576, November 15, 2006, and (c) Other federal environmental guidance applicable to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto.

- c. Environmental Justice. Contractor agrees to promote environmental justice by following: (1) Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994, 42 U.S.C. § 4321 note, as well as facilitating compliance with that Executive Order, (2) U.S. DOT Order 5610.2, "Department of Transportation Actions To Address Environmental Justice in Minority Populations and Low-Income Populations," 62 Fed. Reg. 18377, April 15, 1997, and (3) The most recent edition of FTA Circular 4703.1, "Environmental Justice Policy Guidance for Federal Transit Administration Recipients," August 15, 2012, to the extent consistent with applicable federal laws, regulations, requirements, and guidance.
- d. Other Environmental Federal Laws. Contractor agrees that it will comply or facilitate compliance with all applicable federal laws, regulations, and requirements, and will follow applicable guidance, including, but not limited to, the Clean Air Act, Clean Water Act, Wild and Scenic Rivers Act of 1968, Coastal Zone Management Act of 1972, the Endangered Species Act of 1973, Magnuson Stevens Fishery Conservation and Management Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act, Executive Order No. 11990 relating to "Protection of Wetlands," and Executive Order Nos. 11988 and 13690 relating to "Floodplain Management."
- e. Use of Certain Public Lands. Contractor agrees it will comply with U.S. DOT laws, specifically 49 U.S.C. § 303 (often referred to as "section 4(f)"), and joint FHWA and FTA regulations, "Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites," 23 C.F.R. part 774, and referenced in 49 C.F.R. part 622.
- f. Historic Preservation. The Contractor agrees that it will: (1) Comply with U.S. DOT laws, including 49 U.S.C. § 303 (often referred to as "section 4(f)"), which requires

certain findings be made before an Award may be undertaken if it involves the use of any land from a historic site that is on or eligible for inclusion on the National Register of Historic Places. (2) Encourage compliance with the federal historic and archaeological preservation requirements of section 106 of the National Historic Preservation Act, as amended, 54 U.S.C. § 306108. (3) Comply with the Archeological and Historic Preservation Act of 1974, as amended, 54 U.S.C. § 312501 et seq. (4) Comply with U.S. Advisory Council on Historic Preservation regulations, "Protection of Historic Properties," 36 C.F.R. part 800. (5) Comply with federal requirements and follow federal guidance to avoid or mitigate adverse effects on historic properties.

- g. Indian Sacred Sites. The Contractor agrees that it will facilitate compliance with federal efforts to promote the preservation of places and objects of religious importance to American Indians, Eskimos, Aleuts, and Native Hawaiians, and facilitate compliance with the American Indian Religious Freedom Act, 42 U.S.C. § 1996, and Executive Order No. 13007, "Indian Sacred Sites," May 24, 1996, 42 U.S.C. § 3161 note.

11. FEDERAL TAX LIABILITY AND RECENT FELONY CONVICTIONS (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

- a. Transactions Prohibited. The Recipient agrees that, prior to entering into any Third Party Agreement with any private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association, the Recipient will obtain from the prospective Third Party Participant a certification that the Third Party Participant: (a) Does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and (b) as not convicted of the felony criminal violation under any Federal law within the preceding 24 months.
- b. If the prospective Third-Party Participant cannot so certify, the Recipient agrees to refer the matter to FTA and not to enter into any Third-Party Agreement with the Third-Party Participant without FTA's written approval.
- c. Flow-Down. The Recipient agrees to require all Third-Party Participants to flow this requirement down to participants at all lower tiers, without regard to the value of any sub-agreement.

12. FLY AMERICA (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

Contractor shall comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with General Services Administration regulations 41 C.F.R. 301-10, stating that recipients and subrecipients of Federal funds and their contractors are required to use

U.S.-Flag air carriers for U.S. Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. Contractor shall include the requirements of this section in all subcontracts that may involve international air transportation.

**13. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS
(*APPLICABLE TO ALL CONTRACTS*)**

[This provision will flow down to all contractors and subcontractors at all tiers]

The preceding provisions include, in part, certain Standard Terms and Conditions required by the Department of Transportation (DOT), whether expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Contract. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any NCTD requests which would cause NCTD to be in violation of the FTA terms and conditions.

14. LOBBYING RESTRICTIONS (*APPLICABLE TO CONTRACTS GREATER THAN \$100,000*)

[This provision will flow down to all contractors and subcontractors at all tiers]

The Contractor and their subcontractors at every tier, agrees that neither it nor any Third Party Participant will use federal assistance to influence any officer or employee of a federal agency, member of Congress or an employee of a member of Congress, or officer or employee of Congress on matters that involve the Underlying Agreement, including any extension or modification, according to the following: Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352, as amended); U.S. DOT "New Restrictions on Lobbying" (49 CFR Part 20, to the extent consistent with 31 U.S.C. § 1352, as amended); and other applicable federal laws, regulations, requirements, and guidance prohibiting the use of federal assistance for any activity concerning legislation or appropriations designed to influence Congress or State legislature. The Contractor and their subcontractors at every tier must also disclose any lobbying with non-Federal funds that takes place in connections with obtaining any Federal award.

15. METRIC REQUIREMENTS (*APPLICABLE TO ALL CONTRACTS*)

As required by U.S. DOT or FTA, NCTD agrees to use the metric system of measurement in its project activities, pursuant to the Metric Conversion Act, as amended by the Omnibus Trade and Competitiveness Act, 15 U.S.C. §§ 205a *et seq.*; Executive Order No. 12770, "Metric Usage in Federal Government Programs," 15

U.S.C. § 205a note; and other U.S. DOT or FTA regulations, guidelines, and policies. To the extent practicable and feasible, the NCTD agrees to accept products and services with dimensions expressed in the metric system of measurement.

16. NO FEDERAL GOVERNMENT OBLIGATION TO THIRD PARTIES (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

NCTD and contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation of this Contract, absent the express written consent by the Federal government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to NCTD, Contractor or any other party (whether or not a party to the Contract). Contractor shall include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

17. NOTIFICATION TO FTA and U.S. DOT IG (*APPLICABLE TO CONTRACTS GREATER THAN \$25,000*)

[This provision will flow down to all contractors and subcontractors at all tiers]

If a current or prospective legal matter that may affect the Federal Government emerges, Contractor must promptly notify NCTD, which must then promptly notify the FTA Chief Counsel and the FTA Regional Counsel for Region 9. Contractor must include an equivalent provision in its sub agreements at every tier for any agreement that is a “covered transaction” according to 2 C.F.R. §§ 180.220 and 1200.220.

1. **Types of Legal Matters Requiring Notification.** The types of legal matters that require notification include, but not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.
2. **Matters Affecting the Federal Government.** Matters that may affect the Federal Government include, but not limited to, the Federal Government’s interests in the Award, the Contract, and any Amendments thereto, or the Federal Government’s administration of enforcement of federal laws, regulations, and requirements.
3. **Additional Notice to U.S. DOT Inspector General.** Contractor must promptly notify NCTD, with must then promptly notify the U.S. Inspector General in addition to the FTA Chief Counsel or Regional Counsel for Region 9 if Contractor has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA. The notification provision applies if a person has or may have submitted a false claim under the False Claims Act, 31 U.S.C. 3729, et seq., or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, briber, gratuity, or similar misconduct involving federal assistance. This responsibility occurs whether the Project is subject to this Contract or another

agreement between NCTD and FTA, or an agreement involving a principal, officer, employee, agent, or third-party participant of NCTD. It also applies to subcontractors at any tier. Knowledge, as used in this paragraph, includes, but not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative agency, a criminal complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of Contractor. In this paragraph, “promptly” means to refer information without delay and without change. This notification provision also applies to all divisions of NCTD, including divisions tasked with law enforcement or investigatory functions.

18. PRIVACY ACT REQUIREMENTS (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

1. The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor, or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.
2. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

19. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. section 3801 et seq., and USDOT regulations, “Program Fraud Civil Remedies,” 49 C.F.R. part 31, apply to its actions pertaining to this Contract. Upon execution of this Contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to this Contract or the FTA-assisted project for which this work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate. The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification

to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. chapter 53, the Federal Government reserves the right to impose the penalties of 18 U.S.C. section 1001 and 49 U.S.C. section 5323(l) on the Contractor, to the extent the Federal Government deems appropriate. The Contractor agrees to include the above language in each subcontract under this contract, modified only to identify the subcontractor that will be subject to the provisions.

20. PROHIBITED INTERESTS (*APPLICABLE TO ALL CONTRACTS*)

No Board member, officer, or employee of NCTD, during their tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof. No member of or delegate to the Congress of the United States shall be admitted to a share or part of this contract or to any benefit arising there from. If Consultant will be preparing an environmental impact statement under National Environmental Policy Act, and an awarded Agreement will include federal funding, Consultant will be required to submit a statement to NCTD certifying that the Consultant has no financial interest or other interest in the outcome of the Project. (40 C.F.R. 1506.5(c))

21. PROMOTING FREE SPEECH AND RELIGIOUS LIBERTY (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

Promoting Free Speech and Religious Liberty. Contractor agrees to ensure that Federal funding is expended in full accordance with the U.S. Constitution, Federal Law, and statutory and public policy requirements: including, but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination.

22. PROMPT PAYMENTS (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contract receives from the Recipient. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractors' work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Recipient. This clause applies to both DBE and non-DBE subcontracts.

23. RESOLUTION OF DISPUTES, BREACHES, DEFAULTS, AND OTHER LITIGATION (*APPLICABLE TO ALL CONTRACTS GREATER THAN \$250,000*)

[This provision will flow down to all contractors and subcontractors at all tiers]

- a. Disputes arising in the performance of this contract which are not resolved by agreement of the parties shall be decided in writing by the recipient's authorized representative. This decision shall be final and conclusive unless within ten days from the date of receipt of its copy, contractor mails or otherwise furnishes a written appeal to the recipient's CEO. In connection with such appeal, contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the recipient's CEO shall be binding upon contractor and contractor shall abide by the decision. FTA has a vested interest in the settlement of any violation of Federal law including the False Claims Act, 31 U.S.C. § 3729.
 1. Performance During Dispute. Unless otherwise directed by the recipient, contractor shall continue performance under this contract while matters in dispute are being resolved.
 2. Claims for Damages. Should either party to the contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within ten days after the first observance of such injury or damage.
 3. Remedies. Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the recipient and contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the residing State.
 4. Rights and Remedies. Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the recipient or contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

24. SAFE OPERATION OF MOTOR VEHICLES (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

DISTRACTED DRIVING (INCLUDING TEXT MESSAGING WHILE DRIVING)

The Contractor agrees to comply with: (a) Executive Order No. 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009, 23 U.S.C. § 402 note, (74 Fed. Reg. 51225); (b) U.S. DOT Order 3902.10, "Text Messaging While Driving," December 30, 2009; and (c) The following U.S. DOT Special Provision pertaining to Distracted Driving: (a) Safety. The Recipient agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Recipient owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the Award, or when performing any work for or on behalf of the Award; (ii) Recipient Size. The Recipient agrees to conduct workplace safety initiatives in a

manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving; and (iii) Extension of Provision. The Recipient agrees to include the preceding Special Provision of section 34(b)(3)(I) – (ii) of this Master Agreement in its third-party agreements and encourage its Third-Party Participants to comply with this Special Provision and include this Special Provision in each third-party sub-agreement at each tier supported with federal assistance.

SEAT BELT USE

The Contractor agrees to implement Executive Order No. 13043, “Increasing Seat Belt Use in the United States,” April 16, 1997, 23 U.S.C. § 402 note, (62 Fed. Reg. 19217), by: (a) Adopting and promoting on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles; and (b) Including a “Seat Belt Use” provision in each third party agreement related to the Award.

25. TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT PROHIBITIONS (*APPLICABLE TO ALL CONTRACTS*)

[This provision will flow down to all contractors and subcontractors at all tiers]

In accordance with 2 C.F.R. part 200.216, Contractor and its subcontractors are prohibited from expending funds under this Contract to: procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). This includes: for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); telecommunications or video surveillance services provided by such entities or using such equipment; and telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign.

26. TERMINATION (*APPLICABLE TO ALL CONTRACTS GREATER THAN \$10,000*)

- a. Termination for cause. NCTD may, without prejudice to any other right or remedy, serve written notice upon Contractor and its Surety of its intention to terminate the awarded Contract if the Contractor (i) refuses or fails to prosecute the Work or any separable part thereof with such diligence as will insure its completion within the time specified or any extension thereof, or (ii) fails to complete said Work within such time, or (iii) if the Contractor should file a bankruptcy petition or be adjudged a bankrupt, or (iv) if the Contractor should make a general assignment for the benefit of its creditors, or (v) if a receiver should be appointed on account of its insolvency, or (vi) if it should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to supply enough properly skilled workers or proper materials to complete the work in time specified, or (vii) if it should fail to make prompt payment to Subcontractors or for material or labor, or (viii) persistently disregard laws, ordinances or instructions of the NCTD or those of NCTD's Representatives, or (ix) otherwise be guilty of a substantial violation of any provision of the Contract, or (x) if it or its Subcontractors should violate any of the provisions of an awarded Contract.

The notice of intent to terminate shall contain the reasons for such intention to terminate. Unless within 10 calendar days after the service of such notice, such condition shall cease or such violation shall cease and satisfactory arrangements for the correction thereof be made, the awarded Contract shall, upon the expiration of said 10 calendar days, cease and terminate. In such case, Contractor shall not be entitled to receive any further payment until Work is finished. In event of any such termination, NCTD shall immediately serve written notice thereof upon surety and Contractor written notice of termination stating that the contract has ceased and is terminated. Surety shall have the right to investigate, take over and perform this Agreement, provided, however, that if Surety, within 15 calendar days after service upon it of said notice of termination, does not give NCTD written notice of its intention to take over and perform this Agreement and does not commence performance thereof within 20 calendar days from the date of service upon it of such notice of termination, NCTD may take over the Work and prosecute same to completion by contract or by any other method it may deem advisable for the account and at the expense of Contractor. Contractor and its Surety shall be liable to NCTD for any excess cost or other damages occasioned NCTD thereby. If NCTD takes over the Work as hereinabove provided, NCTD may, without liability for so doing, take possession of and utilize in completing the Work such materials, appliances, plant, and other property belonging to the Contractor as may be on the site of the Work and necessary, therefore. If Surety does not perform the Work itself, the Surety shall consult with NCTD regarding its planned choice of a Contractor or Contractor to complete the Project, and upon request by NCTD, Surety shall provide NCTD evidence of responsibility of Surety's proposed Contractor or Contractor. NCTD shall be entitled to reject Surety's choice of Contractor or Contractor if NCTD determines in its sole discretion that the Contractor or Contractor are non-responsible. If Surety provides NCTD written notice of its intention to take over and perform an awarded Contract, within 15 calendar days of such written notice of intent to take over and perform, Surety or

its chosen Contractor or Contractor (if such Contractor or Contractor are approved by NCTD) shall provide NCTD a detailed Progress Schedule. The Contractor and its Surety shall be liable to NCTD for any excess cost or other damages occasioned NCTD as a result of Surety or Surety's Contractor or Contractor's takeover and performance.

If the unpaid balance of the awarded contract price exceeds the expense of finishing work, including compensation for additional architectural, managerial, and administrative services, such excess shall be paid to Contractor. If such expense shall exceed such unpaid balance, Contractor shall pay the difference to NCTD. Expense incurred by NCTD as herein provided, and damage incurred through Contractor default, shall be certified by the appropriate NCTD Representative.

Should NCTD determine that environmental considerations mandate that the underlying project should not go forward, NCTD may notify Contractor that the awarded contract is terminated due to environmental considerations and NCTD shall only be obligated to pay Contractor for the Work that Contractor had performed at the time of notification of termination of the awarded Contract for environmental considerations.

- b. Termination for convenience. NCTD may terminate performance of the Work called for by the Agreement Documents in whole or, from time to time, in part, if NCTD determines that a termination is in NCTD's interest. The Contractor shall terminate all or any part of the Work upon delivery to the Contractor of a Notice of Termination specifying that the termination is for the convenience, the extent of termination, and the Effective Date of such termination. After receipt of Notice of Termination, and except as directed by NCTD, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:
1. Stop Work as specified in the Notice.
 2. Complete any Work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Agreement Documents.
 3. Leave the property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Agreement Documents is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
 4. Terminate all subcontracts to the extent that they relate to the portions of the Work terminated.
 5. Place no further subcontracts or orders, except as necessary to complete the continued portion of the awarded Contract.
 6. Submit to NCTD, within 10 calendar days from the Effective Date of the Notice of Termination, all of the usual documentation called for by the Agreement Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Effective Date of the Notice

of Termination. Any documentation substantiating costs incurred by the Contractor solely as a result of NCTD's exercise of its right to terminate the awarded Contract pursuant to this clause, which costs the Contractor is authorized under the Agreement Documents to incur, shall: (i) be submitted to and received by NCTD no later than 30 calendar days after the Effective Date of the Notice of Termination; (ii) describe the costs incurred with particularity; and (iii) be conspicuously identified as "Termination Costs occasioned by NCTD's Termination for Convenience."

Termination of the Contract shall not relieve Surety of its obligation for any just claims arising out of or relating to the Work performed. In the event that NCTD exercises its right to terminate an awarded Contract pursuant to this provision, NCTD shall pay the Contractor, upon the Contractor submission of the documentation required by this clause and other applicable provisions of the Agreement Documents, all actual reimbursable costs incurred according to the provisions of the awarded Contract.

Termination of Contract by Contractor: The Contractor may terminate the awarded Contract upon 10 calendar days written notice to NCTD, whenever: (1) the entire Work has been suspended for 90 consecutive days through no fault or negligence of the Contractor, and notice to resume the Work or to terminate the Contract has not been received from NCTD within this time period; or (2) NCTD should fail to pay the Contractor or any substantial sums due it in accordance with the terms of the Contract and within the time limits prescribed. In the event of such termination, the Contractor shall have no claims against NCTD except for Work performed as of the date of termination.

The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to NCTD.

Notwithstanding the foregoing provisions, the awarded Contract may not be terminated or modified where a trustee-in-bankruptcy has assumed the Contract pursuant to 11 U.S.C. section 365 (Federal Bankruptcy Act).

END OF SECTION

Americans With Disabilities Act Certification

The Contractor certifies that the vehicles to be supplied under this Award will conform to the accessibility guidelines for transportation vehicles as noted in 36 CFR Part 1192 (Americans with Disabilities Act Accessibility Guidelines for Transportation Vehicles) and 49 CFR Part 38, which implements the Americans with Disabilities Act of 1990.

Company: _____

Name: _____

Title: _____

Date: _____

Signature: _____

Disadvantage Business Entity (DBE) Certificate

The Contractor certifies that the firm/company is a for-profit small business where socially and economically DBE owner(s) own at least 51% interest and have managerial and operational control of the business operations; and is not tied to another firm in such a way as to compromise its independence and control. The DBE owner(s) possess the power to direct or cause the direction of the management and policies of the firm and to make day-to-day, as well as long-term decisions on matters of management, policy and operations. Contractor acknowledges that the entity is registered as a DBE entity.

Per 49 CFR § 26.13(b), the Contractor shall not discriminate on the bases of race, color, national origin, or sex in the performance of this award/agreement. Contractor shall carry out applicable requirements of 49 CFR Part 26. Failure by Contractor to carry out these requirements is a material breach of the award/agreement, which may result in the termination of the award or such other remedy as NCTD deem appropriate, which may include, but not limited to:

- 1) Withholding of monthly progress payments;
- 2) Assessing sanctions;
- 3) Liquidated damages; and/or;
- 4) Disqualifying the contractor/bidder from future bidding as non-responsible.

Company: _____
 Name: _____
 Title: _____
 Date: _____
 Signature: _____

Disadvantage Business Entity (DBE) Certificate (Subcontractors)

The subcontractor certifies that the firm/company is a for-profit small business where socially and economically DBE owner(s) own at least 51% interest and have managerial and operational control of the business operations; and is not tied to another firm in such a way as to compromise its independence and control. The DBE owner(s) possess the power to direct or cause the direction of the management and policies of the firm and to make day-to-day, as well as long-term decisions on matters of management, policy and operations. Contractor acknowledges that the entity is registered as a DBE entity.

Per 49 CFR § 26.13(b), the subcontractor shall not discriminate on the bases of race, color, national origin, or sex in the performance of this award/agreement. Contractor shall carry out applicable requirements of 49 CFR Part 26. Failure by contractor to carry out these requirements is a material breach of the award/agreement, which may result in the termination of the award or such other remedy as NCTD deem appropriate, which may include, but not limited to:

- 1) Withholding of monthly progress payments;
- 2) Assessing sanctions;
- 3) Liquidated damages; and/or;
- 4) Disqualifying the contractor/bidder from future bidding as non-responsible.

If a DBE subcontractor is decertified during the term of the Agreement, Amendments, Modifications, or Task Orders, the decertified subcontractor shall notify the Contractor in writing with the date of decertification. If the subcontractor becomes certified during the term of the Agreement, Amendments, Modifications or Task Orders, the subcontractor will notify the Contractor in writing with the date of certification. The Contractor shall furnish the written documentation, along with a signed and certified DBE Certification Status Change form, to NCTD within 90 days of change in certification status.

Company: _____
 Name: _____
 Title: _____
 Date: _____
 Signature: _____

Eligibility Certificate

☒ **Federally funded**

If federally funded, the award of this Agreement is subject to a financial assistance contract between the North County Transit District and the U.S. Department of Transportation. Any name appearing on the Comptroller General's list of ineligible Offeror for federally-financed or assisted contracts is not eligible for this contract.

If federally funded, the Firm shall certify the following:

I hereby certify that neither I, the Offeror, nor any officers or holders of a controlling interest are on the U.S. Comptroller General's list of ineligible Offerors for federally-funded and assisted contracts. In the event any of the above persons or parties become included on such a list during the performance of this project, NCTD shall be promptly informed of this fact.

☐ **Not federally funded**

NCTD has determined that any name appearing on the Comptroller General's list of ineligible Offeror for federally-financed or assisted contracts is not eligible for this Agreement, regardless of the funding source.

If not federally funded, Contractor shall certify the following:

I hereby certify that neither I, the Contractor, nor any officers or holders of a controlling interest are on the U.S. Comptroller General's list of ineligible offerors for federally-funded and assisted contracts. In the event any of the above persons or parties become included on such a list during the performance of this project, NCTD shall be promptly informed of this fact.

Company: _____
 Name: _____
 Title: _____
 Date: _____
 Signature: _____

Equal Employment Opportunity (EEO) Certificate

The Contractor hereby certifies that the company ☐ **has** **OR** ☐ **has not** been found, adjudicated, or determined to have violated any laws of Executive Orders relating to employment discrimination or affirmative action including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. Sections 2000e et seq.); the Equal Pay Act (29 U.S.C. Section 206(d); Executive Order 10925, 11114, or 11246; or the California Fair Employment and Housing Act (Cal. Gov. Code § 12900 et seq.); by any Federal or California court or agency, including but not limited to the Equal Employment Opportunity Commission, the Office of Federal Contract compliance Programs, and the California Fair Employment and Housing Commission.

If yes, please explain the circumstance.

Company: _____

Name: _____

Title: _____

Date: _____

Signature: _____

False Claims and Fraudulent Statements Certificate

The undersigned certifies that if awarded the Agreement of which this certificate shall be made a part of, Contractor will not violate any provisions of the False Claims Act or any other applicable federal or state laws and regulations relating to the filing of false claims against a public agency, including laws and regulations hereinafter enacted. I additionally certify that in the event it is determined that Contractor has violated the False Claims Act that such violation shall be grounds for, among other things, debarment pursuant to the policies established by Federal, State, or local law.

Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate. The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. chapter 53, the Federal Government reserves the right to impose the penalties of 18 U.S.C. section 1001 and 49 U.S.C. section 5323(l) on the Contractor, to the extent the Federal Government deems appropriate.

Company: _____
Name: _____
Title: _____
Date: _____
Signature: _____

Non-Collusion Declaration

The undersigned hereby declares that the contract is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The contract is genuine and not collusive or sham. The Contractor has not directly or indirectly induced or solicited any other Contractor to put in a false or sham bid. The Contractor has not directly or indirectly colluded, conspired, connived, or agreed with any Contractor or anyone else to put in a sham bid, or to refrain from bidding. The Contractor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Contractor or any other Contractor, or to fix any overhead, profit, or cost element of the bid price, or of that of any other Contractor. All statements contained in the bid are true. The Contractor has not, directly or indirectly, submitted its bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Contractor that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Contractor.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____ [city], _____ [state].

Company: _____
 Name: _____
 Title: _____
 Date: _____
 Signature: _____

Public Records Indemnification Certificate

The Contractor certifies that it will indemnify and defend NCTD in the event NCTD withholds production of any records submitted in response to this IFB that are marked "Confidential", "Trade Secret", "Proprietary", or similar designations, in response to a Public Records Act request (Cal. Gov. Code §7920 et al) or a Freedom of Information Act request (5 U.S.C. § 552).

Company: _____
Name: _____
Title: _____
Date: _____
Signature: _____

**Restrictions on Telecommunications and Video Surveillance Equipment and
Services Certification**
[Applies to All Contracts]

The Contractor, to best of its knowledge, certifies or affirms that all products or services to be used under this Award are in full compliance with Section 889(a)(1)(A) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which provides that:

1. Prohibition. No head of an executive agency on or after August 13, 2019, will procure or obtain, or extend or renew a contract to procure to obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. The Contractor is prohibited from providing to the Government any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
2. Covered Telecommunications. Equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities). Telecommunications or video surveillance services provided by such entities or using such equipment.
3. Reporting. In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during the contract performance, or the Contractor is notified of such by a subcontractor at any tier or by any source, shall report the information to the Contracting Officer.
 - a. Within one business day from the date of such identification or notification: contract number; order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number; item description; and any readily available information about mitigation actions undertaken or recommended.
 - b. Within 10 business days of submitting the information in paragraph two above: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

4. Contractor shall insert the substance of this certification/clause in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products or commercial services.

Company: _____
Name: _____
Title: _____
Date: _____
Signature: _____

Tax Liability Certification
[Applies to All Contracts]

Contractor certifies that:

1. It has no unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and,
2. It has not been convicted of a felony criminal violation under any Federal law within the preceding 24 months.

Contractor certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. §§ 3801 et al are applicable to this certification.

Company: _____

Name: _____

Title: _____

Date: _____

Signature: _____

Worker's Compensation Certificate

Contractor is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Labor Code and will comply with such provisions before commencing the performance of the Work of this Agreement.

Company: _____

Name: _____

Title: _____

Date: _____

Signature: _____

CERTIFICATION OF RESTRICTIONS ON LOBBYING

I, _____ hereby certify on behalf of
(Type name)

_____ that:
(Name of company)

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative Agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative Agreement.
2. If at any point after the Agreement is executed, it or one of its subcontractors will use any funds, whether or not they are Federal appropriated funds, to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative Agreement (i.e. lobbying), the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, which require the undersigned or any applicable subcontractor to report quarterly on any event that occurs that requires disclosure, or that materially affects the accuracy of the information contained in any disclosure form previously filed by the entity. Those events may include: a cumulative increase of \$25,000 being paid for lobbying, or a change in the person(s) or individual(s) attempting to influence such action, or a change in the officer(s), employee(s), or member(s) contacted to attempt to influence such action. The undersigned and its subcontractors at any tier shall promptly provide NCTD's Contract Officer with a copy of the completed Standard Form-LLL, "Disclosure Form to Report Lobbying" and any quarterly changes thereto.
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontractors, sub-grants, and contracts under grants, loans, and cooperative Agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Executed this _____ day of _____, 20____.

Official, legal name of Contractor or individual (Type or Print) offering the proposal

Print Name: _____

Title: _____

Signed by: _____

Date: _____

Debarment, Suspension, and Other Responsibility Matters Certificate

1. The prospective primary contractor certifies to the best of its knowledge and belief, that it and its principals:
 - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connections with obtaining, attempting to obtain, performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1(b) of this certification;
 - d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
3. The award of this Agreement is subject to a financial assistance contract between the NCTD and the U.S. Department of Transportation. Any name appearing on the Comptroller General's list of ineligible Contractor for federally financed or assisted contracts is not eligible for this Agreement.
4. The Contractor hereby certifies that neither it nor any of its officers or holders of a controlling interest are on the U.S. Comptroller General's list of ineligible contractors for federally funded and assisted contracts. In the event any of the above persons or parties becomes included on such a list during the performance of this project, NCTD shall be promptly informed of this fact.
5. The Contractor certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification. In addition, the Contractor understands and agrees that the provisions of 31 USC §§ 3801 et al. are applicable to this certification.

Company: _____

Name: _____

Title: _____

Date: _____

Signature: _____

**Debarment, Suspension, and Other Responsibility Matters Certificate
(Subcontractor)**

1. The prospective contractor certifies to the best of its knowledge and belief, that it and its principals:
 - e) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - f) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connections with obtaining, attempting to obtain, performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - g) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1(b) of this certification;
 - h) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.
3. The award of this Agreement is subject to a financial assistance contract between the NCTD and the U.S. Department of Transportation. Any name appearing on the Comptroller General's list of ineligible Contractor for federally financed or assisted contracts is not eligible for this Agreement.
4. The Contractor hereby certifies that neither it nor any of its officers or holders of a controlling interest are on the U.S. Comptroller General's list of ineligible contractors for federally funded and assisted contracts. In the event any of the above persons or parties becomes included on such a list during the performance of this project, NCTD shall be promptly informed of this fact.
5. The Contractor certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification. In addition, the Contractor understands and agrees that the provisions of 31 USC §§ 3801 et al. are applicable to this certification.

Company: _____

Name: _____

Title: _____

Date: _____

Signature: _____

EXHIBIT “B”

STANDARD OF CONDUCT POLICY AND PROCEDURE (GM-0008)

	ADMINISTRATIVE POLICY AND PROCEDURE	
GENERAL MANAGEMENT	STANDARD OF CONDUCT POLICY AND PROCEDURE	GM-0008

1.0 Purpose:

This administrative policy and procedure establishes the standard of conduct applicable to all North County Transit District (NCTD) officers, employees, agents, and Board members and is consistent with Board-approved policies, rules, and regulations. Every staff member will be informed of this policy, and this policy will be placed on NCTD's Document Management System (DMS). This policy is intended to comply, in part, with the provisions of Federal Transit Administration (FTA) Circular 4220.1F. Additionally, in compliance with this policy, all staff designated in the Board-adopted Conflict of Interest Code, must complete a Statement of Economic Interests annually while working at NCTD.

2.0 Scope:

This administrative policy and procedure applies to all NCTD officers, employees, agents, and Board members.

3.0 Definitions:

- 3.1 *“Designated Staff”* – Any NCTD staff member who is required to file a statement of economic interests pursuant to the California Political Reform Act of 1974 (Form 700), as amended, and any other staff who is engaged in or otherwise involved in the award or administration of third-party contracts of NCTD.
- 3.2 *“Gift”* – Any payment or item to the extent that consideration of equal or greater value is not received, including a rebate or discount in the price of anything of value, unless the rebate or discount is being offered to the general public in the regular course of business, and excluding payments that are exempt from the definition of gifts under the Political Reform Act and regulations adopted by the Fair Political Practices Commission, such as informational material, gifts that are returned or donated to a charity within 30 days without being claimed as a tax deduction, gifts from certain family members, campaign contributions, inheritances, personalized plaques or trophies, hospitality (including food, beverages, and lodging) provided by an individual in his or her home, and presents exchanged between the official and an individual other than a lobbyist on holidays, birthdays, or similar occasions provided that the presents exchanged are not substantially disproportionate in value. Gifts to a Board, committee or staff member's immediate family which confer a clear personal benefit on the Board, committee or staff member are gifts within this definition.
- 3.3 *“NCTD Board Member”* – A member of the Board of Directors of NCTD.
- 3.4 *“NCTD Decision”* – (a) The drafting, introduction, consideration, reconsideration, adoption, defeat, or repeal of any ordinance or resolution of NCTD; (b) the amendment of any ordinance or resolution of NCTD; (c) a report by NCTD staff to the Board or a committee; (d) contracts of NCTD; (e) quasi-judicial decisions of NCTD, including: (1) any decision on a land development permit, map, or other



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matter; or (2) any declaration of debarment; (f) appointment of any person to any position within NCTD; and (g) any other governmental decision made by the Board, any committee or staff member of NCTD as defined by the Political Reform Act and Regulations adopted by the Fair Political Practices Commission.

- 3.5 *"Person"* – Any individual, business entity, trust, corporation, association, committee, or any other organization or group of persons acting in concert, whether for profit or not for profit.
- 3.6 *"Position of Substantial Responsibility"* – Means a position in which a person took part personally and substantially by rendering a decision, approval, or disapproval for a department's projects; by making a formal written recommendation; by conducting an investigation; by rendering advice on a significant basis; or by using confidential information.
- 3.7 *"Staff"* – All NCTD officers, employees, agents, Board members and consultants delegated specified decision-making authority or who perform the duties of an officer or employee of NCTD.

4.0 Responsibility:

All NCTD Staff members are expected to comply with this policy as well as all other applicable state and federal laws and regulations regarding employment by public agencies including, but not limited to, conflict of interest laws.

5.0 Policy/Reference:

None

6.0 General Principles:

Staff must abide by the following principles when doing their work:

- 6.1 Staff is to implement the policies and decisions of NCTD in an impartial manner. In particular, staff shall comply with all applicable laws regarding conflicts of interest, including, but not limited to, the California Political Reform Act and the provisions of the California Government Code regarding Prohibited Interests in Contracts, as these laws may be amended from time to time.
- 6.2 Staff is to treat their colleagues and members of the public fairly and consistently, in a non-discriminatory manner with proper regard for their rights and obligations. In this regard, staff should perform their duties in a professional and responsible manner. They should ensure that their decisions and actions are reasonable, fair, and appropriate to the circumstance, based upon consideration of all the relevant facts and supported by adequate documentation.



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- 6.3 Staff is to promote confidence in the integrity of NCTD and always act in the public interest and not in their private interest while conducting NCTD business. Staff should protect the reputation of NCTD. They should not engage in activities, at work or outside work that would bring NCTD into disrepute.
- 6.4 Staff is to provide relevant and responsible service to the public and other staff, providing necessary and appropriate assistance. They should provide information promptly and in an appropriate format that is easy for the recipient to understand. The information should be clear, accurate, and complete.
- 6.5 Staff should keep up to date with advances and changes in their area of expertise and look for ways to improve performance and achieve high standards of work. They should use their authority, available resources, and information only for the work-related purpose intended.

7.0 Guide to Ethical Decision Making:

To assist in fostering a climate of ethical awareness, conduct, and decision making at NCTD, staff may find it useful to refer to or consider, either by themselves or if they are uncertain, in conjunction with the Executive Director and/or General Counsel, the following five points:

- 7.1 Is the decision or conduct lawful?
- 7.2 Is the decision or conduct consistent with NCTD's policies and goals?
- 7.3 What will the outcome be for the staff member, other staff, NCTD, and others?
- 7.4 Do these outcomes raise a conflict of interest or lead to private gain to any person, including but not limited to the staff member or the staff member's family at NCTD's expense?
- 7.5 Can the decision or conduct be justified in terms of public interest, and would it withstand public scrutiny?

8.0 Recognizing a Conflict of Interest:

In addition to the provisions of the Political Reform Act, as enforced by the Fair Political Practices Commission, which prohibit a public official or employee from participating in NCTD decisions in which he/ she knows or has reason to know he/she has a financial interest, a conflict of interest exists when it is likely that a staff member could be influenced, or could be perceived to be influenced, by a personal interest in carrying out his/her duties of employment. Acting for the benefit of private interests instead of for the benefit of the public may constitute official misconduct. In some cases, bias in decision-making may cause invalidation of a decision. Some related interests that may give rise to a conflict of interest include:

- 8.1 Personal beliefs or attitudes that influence the impartiality of NCTD decisions;
- 8.2 Personal relationships with the people NCTD is dealing with that go beyond the level of a professional working relationship;



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- 8.3 Secondary employment that compromises the integrity of the employee and NCTD.
- 8.4 In all purchases for NCTD, any practices which might result in unlawful activity are prohibited, including, but not limited to, rebates, kickbacks, or other unlawful considerations. NCTD staff are specifically prohibited from participating in the selection process when those staff have a close personal relationship, family relationship, or business relationship, outside of NCTD business, with a person or business entity seeking a contract. An individual staff member may often be the only person aware of the potential for conflict. It is, therefore, each individual's responsibility to avoid any financial or other interest that could compromise the impartial performance of his/her duties and disclose any potential or actual conflict of interest to the Executive Director.
- 8.5 If a staff member is uncertain whether a conflict exists, he/she should discuss the related interest matter with the Director of Human Resources and attempt to resolve any conflicts of interest that may exist. To resolve any conflict of interest that occurs, or could occur, a range of options is available, depending upon the significance of the conflict. These options include:
- Recording the details of the disclosure and taking no further action because the potential for conflict is minimal or can be eliminated by disclosure or effective supervision;
 - The staff member relinquishing the personal interest;
 - The staff member being removed from the task/activity/situation where the conflict could occur.
- 8.6 The Human Resources Manager should present disputes over alleged conflicts of interest to General Counsel for resolution.

9.0 Prohibition Against Financial Interest in a Contract:

- 9.1 It is unlawful for any NCTD Board member, committee member, officer, or staff member to be financially interested in any contract made by them in their official capacity.
- 9.2 It is unlawful for any contract to be made by the NCTD Board or any committee established by NCTD's Board if any individual member of the governing body has a financial interest in the contract.
- 9.3 For purposes of the prohibitions set forth above in subsections 1 and 2 of this section, the term "financial interest" means any interest, direct or indirect, other than a remote interest (applicable to Board or committee members only) or a non-interest, as defined in California Government Code sections 1091 *et seq.*, which would prevent the individual involved from exercising absolute loyalty and undivided allegiance to the best interests of NCTD and the public.



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- 9.4 Any Board or committee member with a remote interest in a prospective contract of NCTD must disclose the existence of the remote interest to the Board, committee or other body on which he/ she is a member if that Board, committee or body has any role in creating, negotiating, reviewing, or approving the contract; the interest must be noted in the official record of the Board, committee or body; and the individual must abstain from influencing or anticipating in the creation, negotiation, review, or approval of the contract.
- 9.5 Special Prohibitions Applicable to FTA-Funded Contracts: In addition to all of the foregoing prohibitions, no employee, officer, agent or Board member engaged or involved in the award or administration of third-party contracts shall participate in the selection, award, or administration of a contract supported with Federal Transit Administration assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following individuals has a financial or other interest in the firm selected for award:
- The officers, employees, agents, and Board members;
 - Any member of his or her immediate family;
 - His or her partner; or
 - An organization which employs, or is about to employ, any of the above.

10.0 Prohibition Against Influencing NCTD Decisions Affecting Economic Interests

It is unlawful for any NCTD Board, committee or staff member to make, participate in making, or in any way attempt to use his/her official position to influence a governmental decision of NCTD in which he/she knows or has reason to know it is reasonably foreseeable that the NCTD decision will have a material financial effect on:

- 10.1 the Board, committee or staff member or a member of his/her immediate family, if the material financial effect is distinguishable from its effect on the public generally; or
- 10.2 any of the following economic interests:
- 10.2.1 any business entity in which the Board, committee or staff member or a member of his/ her immediate family has invested; and
- 10.2.2 any business entity for which the Board, committee or staff member, or a member of his/ her immediate family is a director, officer, partner, trustee, or employee, or holds any position of management; and
- 10.2.3 any real property which the Board, committee or staff member, or a member of his/ her immediate family has invested; and



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10.2.4 any person from whom a Board, committee or staff member, or a member of his/ her immediate family has received (or by whom you have been promised) income within twelve (12) months prior to the NCTD decision.

10.2.5 For purposes of this section, "material financial effect" has the same meaning as that term is used in Title 2, sections 18705 through 18705.5 of the California Code of Regulations.

11.0 Prospective Employment:

- 11.1 It is unlawful for any Board, committee, or staff member to make, participate in making, or use his/her official position with NCTD to influence an NCTD decision involving the interests of a person with whom he or she is seeking, negotiating, or securing an agreement concerning future employment.
- 11.2 It is unlawful for any person who has a matter pending before NCTD to negotiate, directly or indirectly, knowingly or willfully, the possibility of future employment of a Board, committee or staff member who is making, participating in making, or using his/her official position to influence, an NCTD decision concerning that matter.

12.0 Restrictions Concerning Contracts and Procurements by Current and Former Employees:

Notwithstanding any other section of this Policy, NCTD shall not contract with, and shall reject any bid or proposal submitted by, the persons or entities specified below, unless the Executive Director finds that special circumstances exist which justify the approval of such contract:

- 12.1 Persons employed by NCTD;
- 12.2 Profit-making firms or businesses in which NCTD employees serve as officers, principals, partners, or major shareholders;
- 12.3 Persons who, within the immediately preceding twelve (12) months, were employed by NCTD and (1) were employed in positions of substantial responsibility in the area of service to be performed by the contract, or (2) participated in any way in developing the contract or its service specifications; and
- 12.4 Profit-making firms or businesses in which the former employees described in subsection (c) serve as officers, principals, partners, or major shareholders.
- 12.5 NCTD shall prohibit all contractors and consultants under contract to provide goods or services to NCTD from assigning persons to work under such contract who, within the immediately preceding twelve (12) months, were employed by NCTD and (1) were employed in positions of substantial responsibility in the NCTD department that awarded or will award the contract, or (2) participated in any way in developing the contract or its specifications.



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- 12.6 Persons leaving NCTD's employment who were employed in positions of substantial responsibility or who participated in developing contracts or specifications while at NCTD should avoid participating in developing a proposal or bid document in response to an NCTD solicitation or in negotiating contract terms on behalf of anyone other than a public employer for a period of twelve (12) months after leaving NCTD's employment in order to avoid a conflict of interest if either of the following conditions exist: (a) the solicitation or contract is issued by the person's former NCTD department, or (b) the former NCTD employee participated in developing the solicitation or contract specifications.

13.0 Acceptance of Gifts, Benefits, or Gratuities:

Pursuant to the Political Reform Act, as enforced by the Fair Political Practices Commission, officers, employees, agents, and Board members shall not accept gifts or benefits that are intended to, are likely to, or will be perceived to cause them to act in a partial manner in the course of their duties, inclusive of all requirements and thresholds as identified therein. Designated staff will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from potential or current consultant or contractor, party to sub-agreements, or other contracting parties in violation of the requirements of the Political Reform Act.

14.0 Reporting Corrupt Conduct:

Staff is urged to report suspected corrupt conduct to the Executive Director and/or General Counsel. Anonymous reports can be made via the District's Whistleblower Hotline. Employees are urged to report suspected corrupt conduct to the Executive Director, other executive staff or NCTD's Whistleblower Hotline, which can be accessed through www.nctd.ethicspoint.com or (855) 877-6048.

15.0 Records:

The Manager of Administration shall retain copies of all original approved and superseded administrative policies and procedures in keeping in compliance with NCTD Administrative Policy and Procedure *GM-0000, Policy and Procedure Development and Management*.

16.0 Appendices:

None

17.0 Training Requirements:

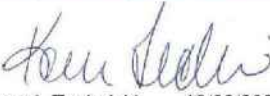
The General Counsel Department will conduct annual training to keep all NCTD officers, employees, agents, and Board members aware of any changes to this policy. The Director of Human Resources will provide assistance as necessary.



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18.0 Approval Information:

SENIOR LEGAL COUNSEL SIGNATURE	GENERAL COUNSEL SIGNATURE	CHIEF ADMINISTRATIVE OFFICER SIGNATURE
 R. Jacob Gould 12/07/2020 Senior Legal Counsel	 Lori A. Winfree 12/03/2020 General Counsel	 Karen L. Tucholski 12/03/2020 Chief Administrative Officer

REVISION RECORD:

The Revision Record shall include a listing of all substantive changes made to an Administrative Policy and Procedure. The Revision Record shall also be used as the location to explain if the document has been designated INACTIVE.

DATE	REVISION No.	DESCRIPTION
02/12/2014		ADOPTION
10/30/2014	1	ANNUAL REVIEW, NO CHANGES.
03/23/2015	2	ANNUAL REVIEW, NO CHANGES.
10/28/2016	3	ANNUAL REVIEW, SECTIONS 10.2 AND 10.3 UPDATED.
04/09/2018	4	ANNUAL REVIEW, ADDITION OF REVISION LANGUAGE.
05/23/2019	5	ANNUAL REVIEW, SECTION 13 UPDATED
12/07/2020	6	ANNUAL REVIEW



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EXHIBIT C – MILESTONE ACTIVITY CHART

The following timeline will inform this agreement:

Time	Milestone/Activity	Responsible Party
Year 1		
	Purchase equipment (see Exhibit E) to be used in the ZEVTech training program at Palomar College and make this available in time for the Fall 2026 semester schedule.	NCTD
	Palomar College faculty participate in New Flyer training on relevant parts of the fuel-celled bus systems.	NCTD
	Launch the ZEVTech Certificate/Degree program. Guarantee run of courses during Year 1, regardless of enrollment.	Palomar
	Enroll selected NCTD employees in ZEVTech program.	NCTD
	Develop marketing materials featuring the ZEVTech program to be distributed through the college's social media channels.	Palomar
	Provide outreach and recruitment efforts to the local community, with a focus on traditionally under-represented students.	Palomar
Year 2		
	Develop the plan for a ZEV Bus Technician apprenticeship program and seek funding opportunities (such as through the California Apprenticeship Council to implement it)	Both
	Develop additional employer partners with Low/No Emission vehicle service needs and extend apprenticeship opportunities regionally.	Palomar
Year 3		
	Continue offering opportunities to incumbent workers or apprentices for the ZEVTech program.	Both
	At the grant's end, Palomar College will either (a) exercise its purchase option for the equipment, or (b) if it elects not to purchase the equipment, return all such equipment to NCTD, in accordance with the terms of the MOU and Equipment Loan Agreement. .	Palomar
All Years		
	Provide reimbursement to Palomar college for all instructional and administrative activities outlined in this agreement.	NCTD
	Provide reports and documentation to NCTD for federal reporting and reimbursement and details of in-kind match	Palomar
	Disseminate program details through college partners, regional and state workforce meetings, and selected transportation-focused conferences, such as Mobilize California Summit.	Palomar

Partner Contacts

NCTD	Palomar College
Project: Derrick Wojcik-Damers Director of Bus Maintenance Email: dwojcikdamers@nctd.org Tel. 760-966-6558 Fiscal: Eun Park-Lynch Chief Financial Officer Email: eparklynch@nctd.org Tel. 760-967-2858 Authorized Signatory: Shawn M. Donaghy Chief Executive Officer Email: sdonaghy@nctd.org Tel. 760-967-2869	Project: Nichol Roe, Dean, Career, Technical & Extended Education Email: nroe@palomar.edu Tel. 760-744-1150, ext. 3964 Fiscal: Christopher Yatooma Interim Vice President, Finance & Administrative Services Tel. 760-744-1150, ext. 2109 Email: tmcdonald@palomar.edu Authorized Signatory: Ann Jensen Director of Business Services Email: ajensen@palomar.edu Tel. 760-744-1150, ext. 2139

EXHIBIT D - BUDGET

Overarching Goal: Promote Workforce Development and Increase Job Opportunities by Supporting NCTD's Transition to Zero-Emission Bus Operation						
Objective 1: Develop and Launch the ZEVTech Certificate and Degree Program Objective 2: Establish the ZEV Bus Technician Apprenticeship Program Objective 3: Provide Faculty and Staff Training in Zero-Emission Vehicle Technologies Objective 4: Expand Partnerships with Regional Employers						
Year 1 (2025-2026)						
Expense Reporting Period	Due Date	Cost Objectives	Expense Explanation	Total Expense	In-Kind Match	Invoice Amount
Q1 (July 1 - Sept 30)	October 15th					
Q2 (Oct 1 - Dec 31)	January 15th					
Q3 (Jan 1 - Mar 30)	April 15th	Procurement of material supplies - Obj 1 & 2 Installation of leased equipment complete - Obj 1 & 2 Curriculum design and approval complete - Obj 1 Coordinate with NCTD to develop the apprenticeship structure - Obj 2	SH release time/course development (Obj 1) ISA (Obj 1) Apprenticeship Coordinator (Obj 2) STM Project Support (Obj 1, 2) office equipment & instructional/non instructional supplies (Obj 1)	\$ 130,772	\$ 33,050	\$ 163,822
Q4 (Apr 1 - June 30)	July 15th	Develop expertise in hydrogen and electrical vehicle systems - Obj 3 ZEVTech Program Curriculum Finalized - Obj 1 Coordinate with NCTD to develop the apprenticeship structure - Obj 2 Procurement of material supplies complete - Obj 1 & 2	SH release time/course development (Obj 1 & 3) ISA (Obj 1) Apprenticeship Coordinator (Obj 2) STM Project Support (Obj 1, 2, & 3) Office equipment & instructional/non instructional supplies (Obj 1) Travel to regional conferences (Obj 4)	\$ 108,374	\$ 27,390	\$ 135,764
Total for Year 1				\$ 239,146	\$ 60,440	\$ 299,586
Year 2 (2026-2027)						
Expense Reporting Period	Due Date	Cost Objectives	Expense Explanation	Total Expense	In-Kind Match	Invoice Amount
Q1 (July 1 - Sept 30)	October 15th	Launch of ZEVTech certificate & degree program - Obj 1 Apply for approval from CA Apprenticeship Council - Obj 2 Faculty participate in New Flyer training on hydrogen fueled buses - Obj 3	SH program development (Obj 1 & 3) ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 2) STM Project Support (Obj 1, 2, & 3) Software (Obj 1)	\$ 121,239	\$ 30,642	\$ 151,880
Q2 (Oct 1 - Dec 31)	January 15th	Continue implementation of ZEVTech certificate & degree program - Obj 1 Continue to coordinate with NCTD on the apprenticeship program - Obj 2 Develop faculty expertise in hydrogen and electrical vehicle systems - Obj 3 Expand partnerships with regional employers - Obj 4	Course buyout (Obj 1 & 3) ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, 3, & 4) Office equipment & instructional/non instructional supplies (Obj 1) Travel to regional conferences (Obj 3)	\$ 93,796	\$ 23,705	\$ 117,501
Q3 (Jan 1 - Mar 30)	April 15th	Continue implementation of ZEVTech certificate & degree program - Obj 1 Continue to coordinate with NCTD on the apprenticeship program - Obj 2 Recruit and enroll apprentices for the ZEVTech Apprenticeship Program - Obj 2 Develop faculty expertise in hydrogen and electrical vehicle systems - Obj 3 Expand partnerships with regional employers - Obj 4	Course buyout (Obj 1 & 3) ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, & 3)	\$ 90,627	\$ 22,904	\$ 113,531

		Continue implementation of ZEVTech certificate & degree program - Obj 1 Continue to coordinate with NCTD on the apprenticeship program - Obj 2 Recruit and enroll apprentices for the ZEVTech Apprenticeship Program - Obj 2 Engage employers with low/no emission vehicle services needs - Obj 4	Course buyout (Obj 1 & 3) ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, & 4)			
Q4 (Apr 1 - June 30)	July 15th			\$ 90,627	\$ 22,905	\$ 113,531
Total for Year 2				\$ 396,288	\$ 100,156	\$ 496,444

Year 3 (2027-2028)						
Expense Reporting Per	Due Date	Cost Objectives	Expense Explanation	Total Expense	In-Kind Match	Invoice Amount
Q1 (July 1 - Sept 30)	October 15th	Continue implementation of ZEVTech certificate & degree program - Obj 1 Continue to coordinate with NCTD on the apprenticeship program - Obj 2 Recruit and enroll apprentices for the ZEVTech Apprenticeship Program - Obj 2 Engage employers with low/no emission vehicle services needs - Obj 4	ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, & 4) non instructional supplies (Obj 1)	\$ 89,319	\$ 22,574	\$ 111,892
Q2 (Oct 1 - Dec 31)	January 15th	Continue implementation of ZEVTech certificate & degree program - Obj 1 Continue to coordinate with NCTD on the apprenticeship program - Obj 2 Recruit and enroll apprentices for the ZEVTech Apprenticeship Program - Obj 2 Engage employers with low/no emission vehicle services needs - Obj 4	ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, & 4)	\$ 77,469	\$ 19,579	\$ 97,048
Q3 (Jan 1 - Mar 30)	April 15th	Continue implementation of ZEVTech certificate & degree program - Obj 1 Continue to coordinate with NCTD on the apprenticeship program - Obj 2 Recruit and enroll apprentices for the ZEVTech Apprenticeship Program - Obj 2 Develop faculty expertise in hydrogen and electrical vehicle systems - Obj 3 Engage employers with low/no emission vehicle services needs - Obj 4	ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, & 4) Office equipment & instructional/non instructional supplies (Obj 1) Travel to regional conferences (Obj 4)	\$ 80,638	\$ 20,380	\$ 101,018
Q4 (Apr 1 - June 30)	July 15th	Continued activities to meet overarching goal	ISA (Obj 1 & 2) Apprenticeship Coordinator (Obj 4) STM Project Support (Obj 1, 2, & 4)	\$ 77,886	\$ 19,685	\$ 97,570
Total for Year 3				\$ 325,312	\$ 82,217	\$ 407,528

Total Contract Invoice	
Total Expense	\$ 960,746
Total In-Kind Match	\$ 242,812
Total Projected Program Expense	\$ 1,203,558

Budget Narrative

Palomar College ZEVTech Instructional and Apprenticeship Program Costs:

YEAR 1

Instructional Faculty Salaries. Palomar College faculty will have release time to conduct course preparation and work with NCTD on purchase of equipment, advising as necessary for purchase, shipment, delivery, and installation. Faculty will also participate in selected training offered to NCTD bus technicians. In Fall26, if timeline is met, faculty will teach two of four courses in the ZEVTech program.

Classified Salaries. An Instructional Support Specialist (ISS) will be hired to work with faculty on the purchase, inventory, and maintenance of supplies and equipment for use in the ZEVTech program and set-up and clean-up of class activities, and provide additional safety monitoring during classes, per the ISS job description. The Apprenticeship Supervisor will work with Palomar College and NCTD administrators to set up and manage the apprenticeship program.

Benefits. Benefits for faculty and classified staff are based on negotiated union contracts.

Supplies. Supplies include a computer and software for the ZEVTech faculty member, consumable supplies and small tools, office supplies, and other materials necessary for the delivery of instruction and outreach in the ZEVTech program.

Other Operating Expenses. Travel funding has been estimated for faculty and staff to meet PROGRAM objectives. \$30,000 will cover an electrical upgrade contract to increase power to the classroom laboratory needed for the simulators and training equipment. Funding for production of outreach materials (brochures, etc.) is included.

All Years - Indirect/Overhead Costs. Palomar College will forego Indirect/Overhead Costs for this grant period as the Memorandum of Understanding is replacing the subrecipient status proposed in the original grant application.

All Years - This budget includes an estimated increase in COLA of 3.5% and salary step promotion per Palomar College's union contracts. Benefits increase by 5%. Personnel costs pay for funding of instructional faculty to teach the new ZEVTECH Certificate program with the support of the ISA.

YEAR 2

Instructional Faculty Salaries. Palomar College faculty will teach two of four ZEVTech courses in rotation each semester. Faculty will also participate in any apprenticeship activities (e.g., participation in the Apprenticeship and Training Committee, if approved/funded by the CA State Office of Apprenticeship).

Classified Staff Salaries. The ISS position will continue to maintain equipment, handle inventory and ordering, and support instruction in the classroom. The Apprenticeship Supervisor will continue to support the development and implementation of the ZEVTech Apprenticeship program. Faculty and staff will also continue to support various outreach and recruitment activities of the ZEVTECH program with local high school districts and workforce partners.

Benefits. Benefits for faculty and classified staff are based on negotiated union contracts.

Supplies. Supplies for Year 2 will consist primarily of consumable supplies and small tools, office supplies, and other materials necessary for the delivery of instruction in the ZEVTech program.

Other Operating Expenses. Travel funding has been estimated for two regional or one national seminar/conference/workshop for Faculty or ISS training, as needed. Additional funds will cover renewal of equipment software and production of outreach materials (brochures, etc.)

YEAR 3

Instructional Faculty Salaries. Year 3 will transition the courses from grant funding to normal college revenue/expenses. Salaries estimated with a 3% COLA increase per year.

Classified Staff Salaries. The ISS position will continue to maintain equipment, handle inventory and ordering, and support instruction in the classroom. The Apprenticeship Coordinator will continue to manage the apprenticeship program. Salaries estimated with a 3% COLA increase per year.

Faculty and staff will also continue to support various outreach and recruitment activities of the ZEVTECH program with local high school districts and workforce partners.

Benefits. Benefits for faculty and classified staff are based on negotiated union contracts and anticipated to increase by 5% for next three years.

Supplies. Supplies for Year 3 will consist primarily of consumable supplies and replacement of small tools, office supplies, and other materials necessary for the delivery of instruction in the ZEVTech program.

Other Operating Expenses. Travel funding for the third year will be for faculty to disseminate program information at regional and state conferences/meetings. Materials for continued outreach are included. Year 3 will also focus on developing further opportunities with other regional employers of Heavy/Moderate zero-emission vehicles (such as truck service stations and dealerships) and implementing sustainability measures to continue the program beyond 2025.

ALL YEARS

In-Kind: \$242,812

Matching funds are primarily covered by a percentage of the salaries and benefits of administrators and classified staff involved with this project, plus an allowable 30% indirect rate. Costs for full-time administrators are calculated at 5% of their time in Years 1 through 3. This includes the Dean of Career, Technical, & Extended Education, who will oversee project development and general administration of the program. The Associate Dean for Workforce Development and Extended Studies (5%) will supervise the new ZEVTECH Bus Technician Apprenticeship program. Additionally, 15% of the salary and benefits for a CTE Specialist will support daily project administration and reporting.

EXHIBIT E – EQUIPMENT REQUEST

PALOMAR Equipment Request* and to be purchased by NCTD for loan to PALOMAR during the three-year program.

Quote #	Equipment Item	Vendor	Quant	Est Total Cost	Notes
1	Electromechanical Training System	Advanced Technologies Consultants	5	\$277,504.76	120 days to delivery – order now
2	EV Training Systems	Cummins	1	\$204,323.47	120 days to delivery – order now
3	HVAC Training System	Daktic	1	\$71,129.19	120 days to delivery – order now
4	EV High Voltage Tools	Snap On	4	\$216,933.35	120 days to delivery
5	EV Charging Station Training System	Keysight	1	\$204,323.47	120 days to delivery
6	Hydrogen Fuel Cell Training System	Progressive	1	\$127,175.64	120 days to delivery
7	EV HVAC Tools	Snap On	1	\$73,789.05	120 days to delivery – order now
	TOTAL			\$970,855.46	

Note: Additional shipping, insurance, warranty additions, installation costs, etc., may not fully shown in the quote. Quotes may have expired and may also include a discount for Palomar College, as an educational institution which may not transfer if NCTD is a buyer.

EXHIBIT F – EQUIPMENT LOAN AGREEMENT TEMPLATE

EQUIPMENT LOAN AGREEMENT

This Equipment Loan Agreement (“Agreement”) is made and entered into as of _____ day of _____, 2025 (“Effective Date”), by and between the NORTH COUNTY TRANSIT DISTRICT, a public agency existing under the laws of the State of California, pursuant to California Public Utility Code sections 125000, et seq. (“NCTD” or “Lender”) and PALOMAR COLLEGE (“Borrower”), individually referred to as a “Party” and collectively referred to herein as “Parties.”

RECITALS

WHEREAS, NCTD has committed to providing support for the implementation of a three-year Zero Emissions Vehicle (“ZEV”) Technologies certificate program (“Program”), the development of a ZEV Bus Technician Apprenticeship Program, and the purchase of training equipment and tools (“Equipment”) under the Federal Transportation Agency’s (“FTA”) Low or No Emission Grant Program (“Grant”); and

WHEREAS, NCTD is a FTA direct recipient and will manage the Grant; and

WHEREAS, Borrower will act as a Contractor to NCTD and will be responsible for implementing the Program; and

WHEREAS, the Parties have entered into a Memorandum of Understanding (“MOU”), which references and incorporates the terms of this Agreement; and

WHEREAS, as part of the MOU, NCTD will loan certain Program Equipment for use by Borrower, and the Parties wish to memorialize the terms of such loan; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. EQUIPMENT DESCRIPTION

Lender agrees to loan to Borrower the Equipment, as further described in Exhibit A attached hereto and incorporated by reference.

2. LOAN TERM

The term of this loan shall be for a period of three (3) years, commencing on _____, 2025, and ending on _____, 2028 (“Loan Term”), unless earlier terminated in accordance with the provisions of this Agreement.

3. LOAN FEE

This loan is provided to Borrower for nominal consideration, at a fee of \$1.00 per year during the Loan Term.

4. EQUIPMENT USAGE

Borrower shall use the Equipment solely for the purposes of the Program and in accordance with all applicable laws and regulations. Borrower shall maintain the Equipment in good working condition, subject to normal wear and tear.

5. MAINTENANCE AND REPAIR

Borrower shall be responsible for all routine maintenance and repair of the Equipment during the Loan Term, except for manufacturer defects or issues covered under warranty.

6. TITLE TO EQUIPMENT

Title to the Equipment shall remain with Lender during the Loan Term. Borrower shall have no ownership interest in the Equipment.

7. EQUIPMENT PROTECTION AND LOSS

A. Protection Procedures: Borrower agrees to implement and maintain procedures to prevent the loss, damage, or theft of the Equipment while it is in Borrower's possession.

B. Reimbursement for Loss or Theft: In the event that any Equipment is lost or stolen, Borrower shall promptly notify Lender and reimburse Lender for the net book value of such Equipment at the time of the loss or theft, as determined according to the depreciation schedule set forth in Exhibit B.

8. OPTION TO RETURN OR PURCHASE EQUIPMENT

Upon the expiration of the Loan Term, Borrower shall have the following options:

A. Purchase Option: Borrower may purchase the Equipment from Lender at its depreciated value, as determined in accordance with the requirements of 2 CFR 200.313 and subject to FTA approval, as attached hereto as Exhibit B.

B. Return Option: Borrower shall, at its sole cost and expense, return the Equipment to Lender in good working condition, normal wear and tear excepted. Borrower shall be responsible for all costs related to the disconnection, packaging, transportation, and delivery of the Equipment to a location designated by Lender. The return shall be completed no later than 30 days following the end of the Loan Term, unless otherwise agreed in writing by the Parties.

Borrower shall notify Lender in writing of its decision to exercise either the Purchase Option or the Return Option no later than sixty (60) days prior to the expiration of the Loan Term.

9. INDEMNIFICATION

Borrower agrees to indemnify, defend, and hold harmless Lender and each of Lender's employees, agents, attorneys, successors and assigns, from and against any and all claims, damages, liabilities, or expenses arising from Borrower's use of the Equipment, except to the extent caused by the gross negligence or willful misconduct of Lender.

10. INSURANCE

Borrower shall maintain general liability insurance and property insurance covering the Equipment during the Loan Term, in amounts and coverage types reasonably acceptable to Lender.

11. TERMINATION

Either Party may terminate this Agreement upon ninety (90) days' written notice to the other Party for any reason. In the event of early termination, Borrower shall, at its sole cost and expense, return the Equipment to Lender in good working condition, normal wear and tear excepted. Borrower shall be responsible for all costs associated with the disconnection, preparation, packaging, transportation, and delivery of the Equipment to a location designated by Lender, unless otherwise agreed in writing by the Parties.

12. NOTICES

All notices under this Agreement shall be in writing and sent to the Parties at the addresses set forth below:

For Lender: North County Transit District 810 Mission Avenue Oceanside, CA 92054 Attn: Derrick Wojcik-Damers Phone: 760-966-6558 E-mail: dwojcikdamers@nctd.org	For Borrower: Palomar College 1140 West Mission Road San Marcos, CA 92069 Attn: Contract Services Phone: 760-744-1150 E-mail: contracts@palomar.edu
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13. MISCELLANEOUS PROVISIONS

A. Entire Agreement. This Agreement, together with all attached addenda, and exhibits attached to this Agreement, constitutes the entire agreement between NCTD and Borrower with respect to the subject matter of the Equipment, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

B. Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity shall not affect the other terms and provisions hereof or the application of the provision in question to any other party or circumstance, all of which shall continue in full force and effect.

C. Assignment. This Agreement shall not be assignable by either Party without the prior written consent of the other Party. NCTD shall have the right to terminate this Agreement if Borrower assigns this Agreement or if there is any material change in the management or control of the Borrower.

D. Governing Law and Venue. The terms and conditions of this Agreement shall be interpreted and enforced in accordance with the laws of the State of California. This Agreement is made and entered into in the County of San Diego, California, and any legal actions or

proceeding brought by any party against any other party arising out of or related to this Agreement shall be brought in the County of San Diego.

E. Waivers; Amendments. No alterations to this Agreement or variance from the provisions hereof shall be valid unless made in writing and executed by both of the Parties hereto.

F. Authority to Enter Agreement. Each of the Parties signing this Agreement warrants to the other that it has the full authority of the entity on behalf of which its signature is made.

G. Counterparts. The Agreement may be executed in counterparts with the same force and effect as if executed in one complete document by all Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement of the date set opposite their signatures.

NORTH COUNTY TRANSIT DISTRICT

PALOMAR COLLEGE

By: _____
Shawn Donaghy
Chief Executive Officer

By: _____
Ann Jensen
Director of Business Services

Date

Date

APPROVED AS TO FORM:

By: _____
Lori A. Winfree
Deputy Chief Executive Officer / Chief
General Counsel

Date

EXHIBIT A
EQUIPMENT

EXHIBIT B
DEPRECIATION SCHEDULE

NORTH COUNTY TRANSIT

SAN DIEGO RAILROAD

Agenda Item # 12

STAFF REPORT

AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO FINALIZE AND EXECUTE AN EMPLOYMENT AND TRAINING AGREEMENT WITH THE ARC OF SAN DIEGO FOR INTERIOR VEHICLE DETAILING SERVICES AND JOB COACHING SUPPORT

Time Sensitive: ☐ **Consent:** ☒

STAFF RECOMMENDATION:

Authorize the Chief Executive Officer to finalize and execute a new Employment and Training Agreement with The Arc of San Diego to provide interior vehicle detailing services and job coaching support for adults with developmental disabilities at the Oceanside and Escondido Bus Operations Facilities, with a not-to-exceed amount of \$133,944 annually (\$11,162 per month), subject to annual budget approvals and adjustments as necessary due to regulatory changes.

BACKGROUND INFORMATION:

The North County Transit District's (NCTD) is committed to fostering inclusive, safe, and high-performing transit operations throughout its service area. This commitment includes partnering with community-based organizations to enhance services and support regional workforce development goals.

Since 2017, The Arc of San Diego has successfully partnered with MV Transportation, NCTD's current contracted bus operator, to provide employment and vocational training services for adults with developmental disabilities. Through this initiative, The Arc of San Diego provided supervised job coaching and hands-on training in bus cleaning and detailing at the Oceanside and Escondido depots.

As NCTD transitions bus operations in-house, the proposed Employment and Training Agreement with The Arc of San Diego ensures continuity of these vital services and preserves this meaningful partnership. If approved by the Board, effective July 1, 2025, The Arc of San Diego will continue delivering the same level of service under NCTD's direct oversight—advancing the District's strategic goals to improve service quality, strengthen community engagement, and promote inclusive workforce participation.

Under the proposed agreement, The Arc of San Diego will provide supervised vocational training in vehicle detailing and cleanliness at both the Oceanside and Escondido Bus Operations Facilities. Each location will host three trainees under the supervision of a qualified Job Coach. The Arc of San Diego will be responsible for managing payroll, insurance, supervision, and ongoing support for all program participants.

Based on the foregoing, staff recommends that the Board of Directors authorize the Chief Executive Officer to finalize and execute a new Employment and Training Agreement with The Arc of San Diego to provide interior vehicle detailing services and job

coaching support for adults with developmental disabilities at the Oceanside and Escondido Bus Operations Facilities, with a not-to-exceed amount of \$133,944 annually (\$11,162 per month), subject to annual budget approvals and adjustments as necessary due to regulatory changes.

ATTACHMENT: 12A – Employment and Training Agreement with The Arc of San Diego

FISCAL IMPACT: The estimated FY2026 fiscal impact is \$133,944 (12 months at \$11,162/month). This expense will be included in the FY2026 operating budget. Future years will be budgeted accordingly and subject to pricing adjustments due to legislative mandates (e.g., changes in minimum wage laws).

**COMMITTEE
REVIEW:** None

STAFF CONTACT: **Joy Freeman, Chief People Officer**
E-mail: jfreeman@nctd.org Phone: 760-435-9167

ATTACHMENT 12A

EMPLOYMENT / TRAINING AGREEMENT

This Employment/Training Agreement (“Agreement”) will constitute a contract between North County Transit District, a public agency existing under the laws of the State of California pursuant to California Public Utilities Code sections 125000, et seq. (“Customer” or “NCTD”) and The Arc of San Diego for the operation of a training program at **North County Transit District Bus Depots in Oceanside and Escondido, California**, to train adults with developmental disabilities to work in the vehicle cleaning and detailing industry.

1. Trainees

The Arc of San Diego shall provide program participants (“Trainees”). Trainees shall be selected and interviewed by The Arc of San Diego. Customer reserves the right to interview and approve or reject any Trainee prior to participation in the training program and may request removal of any Trainee at any time with or without cause.

2. Staff

An Arc of San Diego shall assign a qualified Job Coach, who shall be present on-site during all periods that Trainees are working. The Job Coach shall be an employee of The Arc of San Diego and not Customer. The Job Coach shall be responsible for supervising Trainees, providing on-site training, ensuring compliance with work performance standards, and enforcing Customer’s workplace policies as applicable to the program.

3. Work Period

Trainees shall work according to the following schedules:

- **Oceanside Bus Depot:** Trainees will work on **Mondays, Wednesdays, and Fridays, from 8:00am - 3:00pm.**
- **Escondido Bus Depot:** Trainees will work on **Tuesdays and Thursdays, from 8:00am - 4:00pm.**

The Arc of San Diego observes ten (10) holidays per year, during which our Trainees and Job Coach will not be present or working. A list of these holidays are specified in Exhibit “B,” THE ARC OF SAN DIEGO HOLIDAYS & OBSERVANCES.

Trainees shall receive one unpaid 30-minute meal break and two paid 10-minute rest breaks per shift, or as otherwise required by applicable law. All meal and rest periods shall be provided in accordance with California labor laws.

4. The Arc of San Diego Responsibilities

- a) Identify and provide a labor force of three (3) Trainees at Oceanside location and three (3) Trainees at Escondido location.
- b) Complete the agreed-upon work to be performed: **Interior Bus Detailing.**
- c) Provide daily training, supervision, and support through a Job Coach, who shall also enforce the Customer’s applicable policies.
- d) Compensate Trainees directly for work performed. The Arc of San Diego does not prorate the monthly fee for routine personnel absences. The Job Coach will function as a working member of the team.

- e) Provide worker's compensation insurance, employee benefits, and other applicable employment coverage for Trainees and Job Coach.
- f) Maintain and provide proof of all required insurance, including general liability, workers' compensation, and automobile coverage (if applicable), naming Customer as an additional insured.
- g) Share responsibility with Customer for ensuring a safeplace consistent with OSHA standards. The Arc of San Diego shall immediately notify Customer of any unsafe condition or incident.

5. Customer's Responsibilities

- a) Reimburse The Arc of San Diego a flat rate of **\$11,162.00 per month** for services provided, inclusive of all applicable payroll taxes, benefits, and administrative costs. The Arc of San Diego shall invoice monthly in arrears. Proration will not occur for routine absences, but Customer reserves the right to request adjustment for prolonged absences.
 - a. Please note that The Arc of San Diego's operational expenses, which influence the pricing outlined in this proposal, may increase due to state or local legislative mandates, particularly changes in minimum wage laws. Should such changes occur, The Arc of San Diego will notify Customer in writing with revised pricing at least 30 days before implementation.
- b) Provide all equipment and supplies necessary for the performance of the assigned work.
- c) Provide sufficient work to keep the agreed-upon number of Trainees engaged during scheduled shifts.

6. Trainee Payment and The Arc of San Diego Reimbursement

The Arc of San Diego shall handle all payroll administration for Trainees. The Job Coach shall maintain accurate time cards and production records. The Arc of San Diego shall submit detailed monthly invoices to Customer with supporting documentation such as timesheets that have been detailed, upon request.

7. Hiring of Trainees

Customer shall have the right of first refusal, but not obligation, to hire Trainees who are determined by The Arc of San Diego to be ready for competitive employment. Nothing in this Agreement shall be construed to create an employment relationship between Customer and any Trainee, or as requiring Customer to offer or guarantee employment to any Trainee.

8. Term of Agreement

This Agreement shall **commence on July 1st, 2025 and shall remain in effect until terminated by either party**. Either party may terminate this Agreement without cause by providing at least thirty (30) calendar days' written notice. The Arc of San Diego may terminate this Agreement immediately in the event of danger to the welfare of any Trainee, provided it gives Customer written notice of the danger and an opportunity to cure the unsafe condition where feasible.

9. Insurance

Without limiting The Arc of San Diego's indemnification obligations to NCTD under this Agreement, The Arc of San Diego shall provide and maintain during the term of this Agreement, at The Arc of San Diego's sole expense, insurance in the amounts and form specified in Exhibit "A," INSURANCE REQUIREMENTS. The Arc of San Diego shall name NCTD as an additional insured on each of the aforementioned insurance policies and the policies shall state that they are primary and that any policies NCTD maintains shall be noncontributory. The Arc of San Diego shall provide NCTD with

written certificates of insurance evidencing such coverage. Said policies shall expressly provide that the policies shall not be canceled or altered without at least thirty (30) days prior written notice to NCTD. Said policies shall be with insurance companies with an A.M. Best rating of AVII or better. Each policy limit herein shall be increased by The Arc of San Diego, upon request by NCTD, to the amount NCTD increases its policy limits for other contracts. In the event The Arc of San Diego reasonably believes that such an increase results in a material and documented increase in the cost of obtaining or maintaining the required insurance, The Arc of San Diego may request in writing an adjustment to the contract price. Any such adjustment shall be subject to NCTD's prior written approval and shall not take effect until agreed upon in a written amendment executed by both Parties.

10. Indemnification

Indemnity. The Arc of San Diego shall, to the fullest extent permitted by law, hold harmless, protect, defend and indemnify NCTD and its Board of Directors and each member of the Board, officers, agents and employees, representatives and their successors and assigns ("NCTD" and/or "Indemnified Parties"), from and against any and all losses, liabilities, claims, suits, damages, expenses and costs, including reasonable attorney's fees and costs, and expert costs and investigation expenses, arising out of or attributable, in whole or in part, from the performance or failure to perform by The Arc of San Diego, its employees, representatives, subcontractors, or agents regardless of whether or not such claim, loss or liability is caused, in part by a party indemnified hereunder. Insurance amounts required by NCTD shall not serve as a cap on The Arc of San Diego's liability.

General Indemnity Provisions. This indemnity is in addition to any other rights or remedies that NCTD may have under the law or this Agreement. In the event of any claim or demand made against any party that is entitled to be indemnified hereunder, NCTD may, at its sole discretion, reserve, retain or apply any monies due to The Arc of San Diego under this Agreement for the purpose of resolving such claims; provided however, that NCTD may release such funds if The Arc of San Diego provides NCTD with reasonable assurances of protection of NCTD's interest. NCTD shall, in its sole discretion determine whether such assurances are reasonable.

The Arc of San Diego agrees that its duty to defend the Indemnified Parties arises upon an allegation of liability based upon its performance under this Agreement by The Arc of San Diego, its officers, agents, representatives, employees, subcontractors, or anyone for whom The Arc of San Diego is liable and that an adjudication of The Arc of San Diego's liability is not a condition precedent to The Arc of San Diego's duty to defend. The Arc of San Diego shall defend, at its own cost, expense and risk, with counsel of NCTD's choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Indemnified Parties. To the extent of its liability, The Arc of San Diego shall pay and satisfy any judgment, award or decree that may be rendered against the Indemnified Parties, in any such suit, action or other legal proceeding. The Arc of San Diego shall reimburse the Indemnified Parties for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

This section of the Agreement shall apply to all liability, regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by The Arc of San Diego. This section of the Agreement shall survive in perpetuity.

Comprehensive Environmental Responses, Compensation, and Liability Act: The Arc of San Diego acknowledges that the indemnifications contained herein are intended, in part, to operate as indemnifications under Section 9607(e)(1) of the Comprehensive Environmental Responses, Compensation, and Liability Act (42 USC Section 9601, et seq.) as may be hereinafter amended.

Public Records: The Arc of San Diego agrees to indemnify and defend NCTD in the event NCTD withholds production of records that The Arc of San Diego has marked "Confidential" "Trade Secret" "Proprietary", or similar designations, that are responsive to a Public Records Act request pursuant to California Government Code sections 6250, et. seq. or a Freedom of Information Act request.

Prevailing Wage: The Arc of San Diego shall defend, indemnify and hold NCTD, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with prevailing wage laws, if applicable.

11. **Compliance with Laws**

The Arc of San Diego shall perform all obligations under this Agreement in compliance with all applicable federal, state, and local laws, ordinances, and regulations, including wage and hour laws, anti-discrimination laws, and OSHA standards.

12. **Attorney's Fees and Cost**

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and the costs of such action.

13. **Headings**

The headings and titles within this Agreement are inserted for convenience only and shall not affect the interpretation or construction of any provision.

14. **Governing Law and Venue**

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement is made and entered into in the County of San Diego, California, and any legal actions or proceeding brought by any party against any other party arising out of or related to this Agreement shall be brought in the County of San Diego.

15. **Entire Agreement**

This Agreement constitutes the entire agreement between the parties. All prior negotiations between the parties are merged into this Agreement, and there are no understandings or agreements other than those incorporated or referred to herein. This Agreement may not be modified except by a written instrument that is dated and signed by the duly authorized representatives of both parties.

16. **Notices**

All notices, requests, demands, and other communications shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, and properly addressed to the following address:

North County Transit District
810 Mission Ave.
Oceanside, CA 92054
Att: Joy Freeman
Phone: (760) 435-9167
Email: jfreeman@nctd.org

The Arc of San Diego
3030 Market St.
San Diego, CA 92012
Att: Kirk Conrad Dela Cruz
Tel: (619) 795-4129
Email: kdelacruz@arc-sd.com

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement of the date set opposite their signatures.

NORTH COUNTY TRANSIT DISTRICT

THE ARC OF SAN DIEGO

Shawn M. Donaghy
Chief Executive Officer

Name/Title

Date Signed

Date Signed

APPROVED AS TO FORM

APPROVED AS TO FORM

Lori A. Winfree
Deputy Chief Executive Officer/Chief General Counsel

Name/Title

Date Signed

Date Signed

EXHIBIT A – INSURANCE REQUIREMENTS

The Arc of San Diego shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons, or damages to property, which may arise from, or in connection with, the performance of the Work hereunder by The Arc of San Diego, its agents, representatives, or employees. Proof of insurance shall be submitted to NCTD within five (5) working days of NCTD's request and is required before the commencement of Work.

- a. **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VI. Carriers must be licensed to do business in California and maintain an agent for service of process within California. Exceptions may be made for insurers when not specifically rated such as the State Compensation Insurance Fund, conglomerates such as Lloyds of London, or for self-insured entities.
- b. **Pass-Through Costs to NCTD:** To the extent The Arc of San Diego elects to pass through insurance premium costs to NCTD, The Arc of San Diego shall not charge NCTD for any insurance costs that are not directly attributable to the Work. The Arc of San Diego shall not pass through insurance costs to NCTD that are attributable to, or overlap with, work performed for The Arc of San Diego's other project or clients or are included in The Arc of San Diego's overhead rate.
- c. **Notice of Termination, Cancellation, or Change:** Should any of the insurance policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions and sent to NCTD. The Arc of San Diego shall notify NCTD immediately following The Arc of San Diego's first notice or awareness of any proposed or actual termination, cancellation, or change in its insurance coverage. Each insurance policy required by this clause shall state or be endorsed to state that coverage shall not be amended or canceled, except after 30 days' prior written notice has been given to NCTD. Notice of cancellation sent by email to insurance@nctd.org shall be sufficient notice.
- d. **Failure to Provide Insurance:** Failure to provide and continue in force any insurance as described in this Insurance Section shall be deemed a material breach of this Agreement, which NCTD may deem to constitute cause for immediate termination. NCTD reserves the right to withhold payments to The Arc of San Diego in the event of material noncompliance with the insurance requirements outlined herein. If The Arc of San Diego fails to maintain the insurance as set forth herein, NCTD shall have the right, but not the obligation, to purchase said insurance at The Arc of San Diego's expense and to withhold the expense of such insurance from any payments otherwise due to The Arc of San Diego.
- e. **Certificates of Insurance and Endorsements:** The Arc of San Diego shall furnish NCTD with Certificates of Insurance and any required endorsements affecting coverage required by this section. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Endorsements must specifically state that they modify the policy language. All certificates and endorsements are to be received and approved by NCTD before work commences. The Arc of San Diego shall ensure that the representations made on the Certificate of Insurance and Endorsements are true and correct. Complete policies of insurance shall be provided to NCTD upon request and no later than five (5) days after such request. Failure to provide NCTD a copy of the insurance policies required in this contract shall be deemed a material breach of contract, which shall be deemed at the option of NCTD to constitute a cause for immediate termination hereof. The coverage forms and related endorsements required herein required by The Arc of San Diego shall conform to the Insurance Services Office (ISO) 2013 Edition (or the latest revision available).
- f. **Commercial General Liability and Auto Liability Endorsements:** The Commercial General and Auto Liability policies shall contain, or be endorsed to contain, the following provisions:

NCTD, its directors, officers, agents and employees are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of The Arc of San Diego including materials, parts, or

equipment furnished in connection with such work or operations. The commercial general liability policy does not need to cover products and completed operations when services The Arc of San Diego will perform on the Work are not connected to construction or maintenance.

Commercial general liability coverage shall be provided in the form of an additional insured policy endorsement to the The Arc of San Diego's insurance at least as broad as ISO CG 20 10 and CG 20 37 forms, respectively.

For any claims related to this Work, The Arc of San Diego's insurance coverage shall be primary insurance as respects NCTD, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the entity, its officers, officials, employees, or volunteers shall be excess of The Arc of San Diego's insurance and shall not contribute with it. The Arc of San Diego shall provide NCTD a conforming ISO CG 20 01 Endorsement for Commercial General Liability.

The Arc of San Diego agrees to waive all rights against NCTD and its directors, officers, agents and employees for recovery of damages to the extent these damages are covered by the Commercial General Liability and Auto Liability insurance required pursuant to this contract. The Arc of San Diego shall provide NCTD a conforming ISO CG 24 04 Endorsement for Commercial General Liability and ISO CA 04 43 Endorsement for Auto Liability, respectively.

- g. Certificate of Insurance (COI) Submittals:** NCTD currently uses PlanetBids as its COI management system to track and verify insurance coverage. The Arc of San Diego shall include the Agreement number and/or task order number on all insurance-related correspondence submitted to PlanetBids (i.e., the insurance certificate itself).

Initial COI Submittal: After The Arc of San Diego's receipt of the Notice of Intent to Negotiate, The Arc of San Diego shall submit its certificates of insurance through the PlanetBids portal established for NCTD. NCTD will not execute the Agreement and The Arc of San Diego shall not commence work unless The Arc of San Diego has submitted compliant Certificates of Insurance (COIs) and endorsements have been received, and NCTD has deemed the The Arc of San Diego as compliant with the insurance requirements.

Renewal Certificate Submittals: The Arc of San Diego shall cause its insurance agents to comply with requests for updated information from NCTD's COI management system. The Arc of San Diego is responsible for ensuring that its agents send NCTD updated COIs throughout the term of the Agreement to NCTD's COI management system. NCTD reserves the right to terminate this Agreement or to withhold payments to The Arc of San Diego if The Arc of San Diego fails to maintain compliance with the insurance requirements of this Agreement, including providing current certificates of insurance and endorsements to NCTD's COI management system.

- h. No Limitation on Liabilities and Obligations:** The requirements as to the types and limits of insurance coverage to be maintained by The Arc of San Diego, and any approval of said insurance by NCTD are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by The Arc of San Diego pursuant to this Agreement, including, but not limited to, the provisions concerning indemnification.

The specified insurance limits are minimum amounts to be provided, and any insurance maintained by The Arc of San Diego above such limits shall provide protection to NCTD and all additional insureds to the same extent as other insurance provided by The Arc of San Diego.

- i. Coverage for Subcontractors:** Insurance required of The Arc of San Diego shall be provided by all subcontractors or by The Arc of San Diego on behalf of all subcontractors to cover their services performed under this Agreement. The Arc of San Diego shall not require subcontractors to maintain insurance amounts that are disproportionate to the risk exposure, scope of work and/or dollar value of work subcontracted. The Arc of San Diego shall be held responsible for all modifications, deviations, or omissions in these insurance requirements as they apply to any subcontractor.

- j.** No Waiver of Requirements: Acceptance by NCTD of a certificate or endorsement that varies from the requirements in this section shall not constitute a waiver by NCTD of strict compliance with the provisions herein.
- k.** Waiver of subrogation and release of liability for auto liability and/or Workers' Compensation insurance

Notwithstanding the foregoing section, The Arc of San Diego may be granted a waiver of the requirements in this section under the following conditions:

- If The Arc of San Diego does not purchase Workers' Compensation insurance because it has no employees or it has fewer employees than is mandated by the Workers' Compensation statutes, regulations, and applicable to employers in the state of California, then it will be required to sign the Workers' Compensation Waiver and Release of Liability Agreement in order to be allowed to perform work or services for NCTD. The document is available from the Procurement and Contract Administration Division.
 - If The Arc of San Diego does not purchase Auto Liability insurance because it has no vehicles that will be used in the course of performing work pursuant to this Agreement, and its business will not utilize hired or non-owned vehicles in the course of performing work pursuant to this Agreement in the state of California, then it will be required to sign the Automobile Liability Waiver and Release of Liability Agreement in order to be allowed to perform work or services for NCTD. The document is available from the Procurement and Contract Administration Division. Until the Waiver is signed or Auto Liability insurance consistent with this Agreement is purchased and approved by NCTD, The Arc of San Diego is not authorized to use a vehicle in the course of performing work pursuant to this Agreement.
- l.** Self-Insured Retentions: Any self-insured retentions must be declared to NCTD. At the option of NCTD, the The Arc of San Diego shall provide a financial guarantee satisfactory to NCTD guaranteeing payment of losses and related investigations, claim administration and defense expenses.
 - m.** Claims-Made Coverages

If any of The Arc of San Diego's insurance is written on a claims-made form:

- The insurance coverage period must commence before the effective date of the Agreement or the beginning of work performed pursuant to the Agreement.
 - Insurance must be maintained and evidence of insurance must be provided for at least three years after completion of work under the Agreement.
 - If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Agreement effective date, The Arc of San Diego must purchase an extended reporting coverage for a minimum of three years after completion of work under the Agreement.
 - A copy of the claims reporting requirements must be submitted to NCTD for review.
- n.** Cross-Liability Coverage: If The Arc of San Diego's liability policies do not contain the standard ISO separation of insured's condition, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.
 - o.** Additional Insureds: The Commercial General Liability and Auto Liability policies shall name in the endorsements and schedules as additional insured for ongoing and completed operations, as applicable, North County Transit District (NCTD) and its directors, officers, agents, employees, and designated volunteers.
 - p.** Minimum Policy Limits and Requirements

Prior to performing any Work, The Arc of San Diego shall provide proof and maintain limits no less than the following coverages.

Insurance Type	Requirements	Limits
Commercial General Liability (CGL)	Coverage shall conform to ISO Form CG 00 01 covering CGL on an “occurrence” basis. Policy shall include all elements of Coverages A, B and C.	Limits no less than \$2,000,000 - per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall be twice the required occurrence limit. The policy shall be issued on an occurrence basis.
Automobile Liability	Coverage shall conform to ISO Form CA 00 01 covering any auto (Code 1).	Limits no less than \$1,000,000 - per accident for bodily injury and property damage. The policy shall be issued on a combined single limit.
Workers’ Compensation and Employer’s Liability	Insurance shall cover or insure under the applicable laws relating to workers’ compensation insurance, all in accordance with the “Workers’ Compensation and Insurance Act,” Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Not required for sole proprietors or companies with no employees. Verifiable proof of exemption shall be required by The Arc of San Diego.	As required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident; \$1,000,000 policy limit bodily injury by disease; and \$1,000,000 each employee bodily injury by disease.
Sexual Abuse and Molestation (SAM) Liability	If the CGL policy is not endorsed to include affirmative coverage for sexual abuse or molestation, The Arc of San Diego shall obtain and maintain a separate policy.	Limits no less than \$1,000,000 per claim and annual aggregate limit of \$1,000,000.

EXHIBIT B – THE ARC OF SAN DIEGO HOLIDAYS & OBSERVANCES

Month	Holiday / Holiday Observed
January	New Year's Day Martin Luther King, Jr. Day
February	President's Day
May	Memorial Day
July	Independence Day
September	Labor Day
November	Thanksgiving Day Day After Thanksgiving
December	Christmas Eve Christmas Day

STAFF REPORT

ADOPT RESOLUTION NO. 25-04 APPROVING MODIFICATIONS TO BOARD POLICY NO. 24 – *EMPLOYEE DRUG AND ALCOHOL POLICY*

Time Sensitive: ☒ **Consent:** ☒

**STAFF
RECOMMENDATION:**

Adopt Resolution No. 25-04 approving modifications to Board Policy No 24 – *Employee Drug and Alcohol Policy* to ensure continued compliance with Department of Transportation and Federal Transit Administration requirements.

**BACKGROUND
INFORMATION:**

In accordance with U.S. Department of Transportation (DOT) and Federal Transit Administration (FTA) Drug and Alcohol Program requirements, the North County Transit District must maintain compliance with the following regulations:

- 49 Code of Federal Regulations (CFR) Part 32 “Government-wide Requirements for a Drug-Free Workplace (Financial Assistance)”
- 41 United States Code (USC) Sections 701, et. seq., as amended, Drug-Free Workplace Act (DFWA) of 1988
- 29 CFR {art 655 “Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations”
- 49 CFR Part 40 “Procedures for Transportation Workplace Drug and Alcohol Testing Programs”

Due to the upcoming transition of Bus Operations personnel coming in-house, as well as transitions in personnel responsible for daily program management and implementation, updates to Board Policy No. 24 – *Employee Drug and Alcohol Policy*, are required. Primary changes to the policy reflect inclusion of the newly identified DOT “safety-sensitive” positions, which are those positions covered by the random screening pool requirements.

Staff recommends that the NCTD Board of Directors adopt Resolution No. 25-04 approving modifications to Board Policy No. 24 – *Employee Drug and Alcohol Policy*, to ensure continued compliance with Department of Transportation and Federal Transit Administration requirements.

ATTACHMENT:

13A – Draft Resolution No. 25-04 Approving Modifications to Board Policy No. 24
13B – Draft Board Policy No. 24 - *Employee Drug and Alcohol Policy*

FISCAL IMPACT:

This staff report has no fiscal impact.

COMMITTEE REVIEW

None

STAFF CONTACT:

Joy Freeman, Chief People Officer
E-mail: jfreeman@nctd.org Phone: (760)435-9167

NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD

RESOLUTION NO. 25-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NORTH COUNTY TRANSIT DISTRICT APPROVING
MODIFICATIONS TO
BOARD POLICY NO. 24 – *EMPLOYEE DRUG AND ALCOHOL POLICY***

WHEREAS, the North County Transit District (“NCTD”) Board of Directors (“Board”) has adopted Board Policies 1 through 34 to guide the daily operations of NCTD; and

WHEREAS, Board Policy No. 1 states that at least annually, the Board will review such Board Policies as previously adopted; and

WHEREAS, Due to the upcoming transition of Bus Operations personnel coming in-house, as well as transitions in personnel responsible for daily program management and implementation, updates to Board Policy No. 24 – *Employee Drug and Alcohol Policy*, are required.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the North County Transit District hereby approves modifications to Board Policy No. 24 – *Employee Drug and Alcohol Policy*, set forth in full in Exhibit A to this Resolution.

BE IT FURTHER RESOLVED that insofar as the provisions of any Ordinance, Resolution, document or previous action of the Board and/or the Chief Executive Officer, prior to the date of this Resolution, are inconsistent with the provisions of this Resolution or the policy adopted by this Resolution, this Resolution and the Board Policy adopted herein shall control.

PASSED, APPROVED AND ADOPTED at the regular meeting of the Board of Directors of the North County Transit District this 26th day of June 2025.

BOARD CHAIR
North County Transit District

CERTIFICATION

I, Suheil Rodriguez, duly appointed and qualified, Clerk of the Board of the North County Transit District, do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Board of Directors of the North County Transit District adopted at a legally convened meeting of the Board of Directors of the North County Transit District held on the 26th day of June 2025.

CLERK OF THE BOARD
North County Transit District

RESOLUTION NO. 25-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NORTH COUNTY TRANSIT DISTRICT APPROVING MODIFICATIONS TO
BOARD POLICY NO. 24 - *EMPLOYEE DRUG AND ALCOHOL POLICY***

Exhibit A (on following page)



Board Policy No. 24

Employee Drug and Alcohol/Drug-Free Workplace Policy

Summary

This policy applies to employees of the North County Transit District (NCTD, District), who are covered under U.S. Department of Transportation (DOT) regulations based upon the nature of their job duties. Terms that are applicable per DOT regulations are identified in regular typeface, and terms that are applicable based on NCTD (non-DOT) authority are identified in *italic* typeface. Upon adoption by the Board, this policy supersedes the Drug & Alcohol Policy of ~~October 20, 2022~~ June 26, 2025 ~~October 17, 2024~~ and all other prior-adopted Drug & Alcohol policies.

NCTD is a drug-free workplace in accordance with ~~7~~ Drug-Free Workplace statutory requirements (41 U.S.C. sections 8101, et seq.), as promulgated under 49 CFR Part 32.

Purposes

- A. To maintain a safe and efficient public transportation system;
- B. To maintain a safe, healthy working environment for all employees;
- C. To reduce the incidence of accidental injury to person or property;
- D. To reduce absenteeism, tardiness and indifferent job performance;
- E. To maintain a work environment free of alcohol and drug related performance problems, accidents and injuries; and
- F. To comply with the Federal Transit Administration (FTA) regulations on prevention of alcohol misuse and prohibited drug use in transit operations (49 C.F.R. Part 655) and on procedures for transportation workplace drug and alcohol testing programs (49 C.F.R. Part 40).

Drug-Free Workplace

The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited while on NCTD business or on NCTD premises, property or vehicles. Further, no employee shall bring drug paraphernalia onto NCTD premises or property or into NCTD vehicles. All employees must abide by this policy statement as a condition of employment. Violation of these rules will result in disciplinary action, up to and including termination; termination is likely for any violation, even a first offense.

Under the Federal Drug Free Workplace Act, all employees are required to notify the Human Resources department in writing immediately, but in any event within five (5) calendar days, after they have been convicted of violating a criminal drug statute that occurred in the workplace or while working. *Any employee who fails to provide such notification shall be subject to termination of employment under NCTD authority.*

- 1.1 Pursuant to 49 CFR Part 32.225, NCTD is responsible to notify the appropriate Federal agencies if an employee- who is engaged in the performance of an award informed NCTD about a conviction, or if NCTD otherwise learns of this conviction. "Award" means an

Board Policy No. 24 – Employee Drug and Alcohol Policy

award of financial assistance by the DOT or other Federal agency directly to a recipient such as NCTD. NCTD must notify every Federal agency on whose award the convicted employee was working. The notice must be in writing, include the employee's position title and employee identification number(s) of each affected award, and must be sent within 10 (ten) calendar days to the affected Federal agencies after NCTD has learned of a conviction. It must be sent to every awarding official or –designee unless the Federal agency has specified a central point for the receipt of the notice. Within 30 (thirty) calendar days of learning about the employee's conviction, NCTD must take appropriate personnel action against the employee, up to and including termination.

Application of Policy

This policy applies to employees of the NCTD who work in the titles listed in Appendix A and/or perform safety-sensitive functions as defined below.

Some of the drug and alcohol testing and procedures required in this policy are mandated by FTA regulations preventing prohibited drug use and alcohol misuse in transit operations (49 C.F.R. Part 655). The drug testing and alcohol testing mandated by FTA (49 C.F.R. Part 40) is applicable to "safety-sensitive employees" of the District, which includes those who:

- A. Operate revenue service vehicles, including when such vehicles are not in revenue service;
- B. Operate a non-revenue service vehicle, when such vehicle is required to be operated by a holder of a Commercial Driver's License;
- C. Control dispatch or movement of a revenue service vehicle;
- D. Maintain a revenue service vehicle or equipment used in revenue service;
- E. Security personnel who carry firearms;

The District has reviewed the actual duties performed by employees. The positions listed in Appendix A have been determined to require the performance of safety-sensitive duties as defined above.

The District does not employ volunteers to conduct safety-sensitive duties.

Illegal Drugs, Legal Drugs, and Alcohol

A. Illegal Drugs

Illegal drug means any drug (a) which is not legally obtainable or (b) which is legally obtainable but has not been legally obtained. The term includes marijuana, cocaine, opiates (codeine, morphine, heroin), phencyclidine (PCP), amphetamines (amphetamine, methamphetamine, MDMA, MDA), and semi-synthetic opioids (hydrocodone, oxycodone, hydromorphone, oxymorphone). Regardless of any State laws protecting the medicinal or recreational use of marijuana, federal regulations forbid its use by safety-sensitive employees. Employees are prohibited from using the six listed drugs at all times, and covered employee may be tested for these drugs any time while on duty as discussed below. *The term "illegal drugs" also includes prescribed drugs not legally obtained, or prescribed drugs not being used for prescribed purposes.*

Board Policy No. 24 – Employee Drug and Alcohol Policy

B. Legal Drugs

The use of legal drugs at a level, or in a manner, combination or quantity which impedes an employee's ability to perform his job is prohibited and will lead to disciplinary action, up to and including termination. District policy (not FTA regulations) also deems failure to report the use of legal drugs per the procedure described below as a violation of this policy that will result in discipline up to and including termination of employment.

It is the employee's responsibility to ensure that any legal drug(s) they are taking allow them to safely perform their duties. Employees have an affirmative obligation to discuss any potential impact a prescription drug may have upon their ability to perform their job duties with their physician. If the physician feels a potential impact may exist, the employee must report any such prescribed drug or medication, using the "Prescription Drug Notification Form", to the Director of Human Resources, to a member of the Human Resources Department, the Chief People Officer or Designee so that a determination can be made as to the ability of the employee to perform his/her particular job safely while using that drug or combination of drugs. If the District has determined that the employee does not pose a threat to his or her own safety, public safety, or the safety of coworkers, and that the employee's job performance will not be significantly affected by the legal drug, the employee may continue to work while taking that particular legal drug. Any employee using a prescription legal drug must provide the prescription to the designated ~~District medical facility~~ Medical Review Officer as soon as possible (but in any case, within 24 business hours) after notification by District management ~~or its physicians~~.

C. Alcohol

No employee shall consume alcoholic beverages in District vehicles, within four hours before performing safety-sensitive functions, or while in uniform. An employee shall not allow an open container of alcohol or an illegal drug to be placed or carried in an NCTD vehicle or in any vehicle over which an employee has control while conducting NCTD business. NCTD prohibits the consumption of alcohol by employees while conducting NCTD business, whether or not such consumption will cause the employee to be considered under the influence of alcohol. Violation of these rules will result in disciplinary action, up to and including termination, even for a first offense.

No employee who is on-call and therefore subject to being called in to work shall consume alcohol within four hours of or during those on-call hours. In the event such an employee is called and must report for duty, the employee has the opportunity to acknowledge that he/she has used alcohol and therefore is not able to perform his/her safety-sensitive function. *In such a case, that employee shall not be required to perform work, but may be disciplined for the use of alcohol during on-call hours based on District policy (not FTA regulations).* FTA regulations mandate that employees with a breath-alcohol concentration between 0.02 percent and 0.039 percent not be allowed to perform any safety-sensitive function until the start of the employee's next regularly scheduled duty period that is at least eight hours following the administration of the alcohol test. FTA regulations also mandate that employees with a breath-alcohol concentration of 0.04 or greater not be allowed to perform any safety-sensitive function and follow additional steps before a return to duty as described below for a positive test. *The District policy is that any employee who is tested for alcohol and has a breath-alcohol content of 0.02 percent or greater will be terminated, even for a first offense.*

Board Policy No. 24 – Employee Drug and Alcohol Policy

Prohibition Against Employees Having Illegal Drugs or Alcohol in their Bodies During Working Time

All employees must report for work with no illegal drugs or their metabolites or alcohol in their bodies. *Employees must not have illegal drugs or their metabolites or alcohol in their bodies at any time while on the job and employees may be tested for the presence of drugs and/or alcohol at any time while on duty or at a District facility, under the circumstances described below.* Alcohol tests on safety-sensitive employees who are performing, are about to perform or who have just completed performing safety-sensitive duties are FTA-mandated tests when they are based on reasonable suspicion, post-accident or random (as described below); *all other alcohol tests are required by NCTD policy.* Drug tests on safety-sensitive employees are FTA-mandated tests when they are pre-employment (including assuming safety-sensitive duties), based on reasonable suspicion, post-accident, follow-up or random (as described below); all other drug tests are required by NCTD policy. FTA regulations prohibit safety-sensitive employees from using alcohol within four hours prior to their shift or while on call, and from having a breath-alcohol concentration of 0.02 or higher while performing safety-sensitive duties. *District policy likewise prohibits employees from having a breath-alcohol concentration while on duty of 0.02 percent or higher. Any employee with a breath-alcohol concentration of 0.02 percent or higher will be terminated.* ***Compliance with these rules is considered an essential job qualification for all employees. Termination of employment will occur for a violation of any of these rules, even for a first offense. This is a zero-tolerance policy. No employee who violates this policy will be given a second chance.***

Enforcement of Rule Prohibiting Employees from Having Illegal Drugs or Alcohol in their Bodies During Working Time

A. Pre-employment Drug Testing

Individuals who are applying for safety-sensitive positions are subject to an FTA pre-employment drug test. All drug tests will be administered by a medical facility designated by the District. If the drug test is cancelled by the Medical Review Officer (MRO), the applicant must retake and pass the drug test before being hired. The District extends conditional offers of employment to successful candidate's contingent on their passing a pre-employment drug test; any prospective employee refusing to submit to the drug test will not be hired by the District. A covered employee or applicant, who has not performed a safety-sensitive function for ninety (90) consecutive calendar days regardless of the reason and has not been in the District's random selection pool, shall take a pre-employment drug test with a verified negative result before being permitted to perform any safety-sensitive duties.

Any prospective employee with a positive drug test will be rejected from further consideration for employment with the District. Further, any applicant or employee who has previously failed or refused a drug test must provide proof to the District, prior to being considered for employment, that he/she has successfully completed a referral, evaluation and substance abuse treatment plan compliant with the requirements in 49 CFR Parts 40 and 655. The District will provide each applicant or employee who fails a drug test with a list of names, addresses and telephone numbers of locally available Substance Abuse Professionals (SAPs) qualified under 49 CFR Part 40 requirements. *District policy, not FTA regulations, requires that all fees, other than the cost of the drug test itself, including but not limited to referral, counseling and treatment fees will be paid by the candidate/employee.*

Board Policy No. 24 – Employee Drug and Alcohol Policy

B. Reasonable Suspicion Alcohol and Drug Testing

Employees who work in safety-sensitive positions are subject to an FTA alcohol test and drug test. Reasonable suspicion testing will be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of an employee. One or more supervisors or District officials trained in detecting the signs and symptoms of drug use and alcohol misuse must make the required observations. For FTA reasonable suspicion alcohol tests, the alcohol testing authorized in this section (and the observations required by the supervisors or District officials referred to above) must occur during, just before or just after the performance of safety sensitive job functions. Observations leading to FTA drug tests may occur any time a safety-sensitive employee is on duty.

FTA regulations require that any employee with a positive drug test or an alcohol concentration measure of 0.02 percent or higher be immediately removed from service, and that an employee with an alcohol concentration measure of 0.02 to 0.039 percent will, at a minimum, not be allowed to perform a safety-sensitive function until the start of the employee's next regularly scheduled duty period that is at least eight hours following the administration of the alcohol test.

Any employee with a positive drug test or having a breath alcohol concentration measure of 0.02 percent or higher will be terminated from employment with the District. Any employee who has a positive FTA drug test or an alcohol concentration measure of 0.04 percent or higher on an FTA-mandated alcohol test will be referred to the SAP for evaluation in accordance with 49 CFR Part 40. District policy, not FTA regulations, requires that all costs, other than the cost of the drug test itself, including but not limited to, referral, counseling and treatment fees will be paid by the candidate/employee.

Refusal to submit to any testing required by this section will be sufficient grounds for termination and will result in the employee being relieved of his or her duties immediately.

C. Post-Accident Alcohol and Drug Testing

FTA regulations require drug and alcohol testing following certain accidents. In addition, the District requires post-accident testing for accidents in circumstances when such testing is not required by the FTA. The following guidelines describe when a test is required by the FTA versus when the test is required by District policy. Employees will be informed whether the test is an FTA test or a District test. District tests will not be conducted using FTA testing forms.

1. FTA Definition of "Accident": An accident, as defined by the FTA, is an occurrence associated with the operation of a vehicle, if as a result:
 - a) An individual dies; or
 - b) An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or
 - c) With respect to an occurrence in which the public transportation vehicle involved is a bus, van or automobile, one or more vehicles (including non-FTA funded vehicles) incurs disabling damage as a result of the occurrence and such vehicle or vehicles are transported away from the scene by a tow truck or other vehicle. In the case of a rail vehicle, disabling damage means that the vehicle must be removed from operation.

Board Policy No. 24 – Employee Drug and Alcohol Policy

- d) Disabling damage means damage that precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs. Disabling damage includes damage to a motor vehicle, where the vehicle could have been driven, but would have been further damaged if so driven. Disabling damage does not include damage that can be remedied temporarily at the scene of the accident without special tools or parts, tire disablement without other damage even if no spare tire is available or damage to headlights, tail lights, turn signals, horns, or windshield wipers that makes the vehicle inoperative.
- 2. Fatal Accidents. As soon as practicable following an accident involving the loss of human life, each surviving employee operating the public transportation vehicle at the time of the accident shall submit to an alcohol test and a drug test. Further, any other employee whose performance could have contributed to the accident (e.g., a mechanic in the case of brake failure causing the accident), as determined by the District using the best information available at the time of the decision, shall also be required to submit to an alcohol test and a drug-screen test.
- 3. Non-fatal Accidents. As soon as practicable following an accident not involving the loss of human life, each employee operating the public transportation vehicle (as defined above in item 4.F.1. – FTA Definition of “Accident”) at the time of the accident shall submit to an alcohol test and a drug-screen test, unless District management determines, using the best information available at the time of the decision, that the employee’s performance can be completely discounted as a contributing factor to the accident. In addition, any employee whose performance could have contributed to the accident, as determined by the District, using the best information available at the time of the decision, will be required to submit to an alcohol test and a drug-screen test.
- 4. District Definition of “Accident”. *The District adheres to the same definition of an accident as the FTA definition above at 4.F.1., which extends application to any District vehicle, including non-revenue vehicles. All employees involved in an accident in as defined in 4.F.1 will be subject to a post-accident drug and alcohol test. The procedures and rules outlined in this section apply uniformly regardless of whether the test is a District test or an FTA test; however, the District sets the procedures for its own testing based on its own authority, not FTA authority.*
- 5. Post-Accident Testing Procedures.
 - a) Any employee involved in an accident is prohibited from using alcohol for eight (8) hours following the accident or until he or she undergoes a post-accident alcohol test and drug test. Any employee involved in an accident who fails to remain readily available for the testing required by this section, including notifying District officials of his or her location if he or she leaves the scene of the accident prior to submission to such tests, will be deemed to have refused to submit to testing.
 - b) Post-accident testing will occur after the employee assists in resolution of the accident or receives medical attention following the accident. The District will complete the post-accident drug testing as soon as possible, and such testing will occur no later than thirty-two (32) hours after the accident. The District will attempt to complete the post-accident alcohol testing within two (2) hours of the accident. If the testing is not completed within two (2) hours, the District will continue to attempt to complete the test and will prepare a report explaining why the breath specimen was not collected within two (2) hours. If the alcohol test is not completed within eight (8) hours of the accident, the District shall

Board Policy No. 24 – Employee Drug and Alcohol Policy

cease attempts to complete the test and update the report as to why the test was not completed.

- c) *Refusal to submit to a test required by this section will be sufficient grounds for termination* and will result in the employee being relieved of his or her duties immediately. Based on FTA regulations, any employee with a positive drug test or having an alcohol concentration measure of 0.02 percent or higher will be immediately removed from service. *Based on District policy, any employee with a positive drug test and/or an alcohol concentration measure of 0.02 percent or higher will be terminated from employment with the District.*
- d) Any employee who has a positive FTA drug test or an alcohol concentration measure of 0.04 percent or higher on an FTA-mandated alcohol test will be referred to the SAP for evaluation in accordance with 49 C.F.R. Part 40. *District policy, not FTA regulations, requires that all costs, other than the cost of the drug test itself, including but not limited to referral, counseling and treatment fees will be paid by the employee/former employee*

D. Random Alcohol Testing and Drug Testing

All safety-sensitive employees as identified in Appendix A will be subject to unannounced, random alcohol testing and random drug testing in accordance with 49 CFR Part 655. The selection of employees for random alcohol testing and random drug testing shall be made randomly by the District. The selection of employees for random alcohol testing and random drug testing shall be by a scientifically valid method, such as a random number table or a computer-based random number generator. Each employee will have an equal chance of being tested each time selections are made. These tests will not be announced in advance and will be administered on all days and at during all work hours throughout the year. The minimum testing requirement effective January 1, 2022 is to annually perform drug tests on fifty (50) percent and alcohol tests on ten (10) percent of the safety-sensitive employees. The District's Drug and Alcohol Program Manager (DAPM) will adjust the number of tests as needed to ensure the District conducts no fewer than the FTA-mandated number of tests.

Each employee selected for random alcohol testing and/or random drug testing must proceed to the test site immediately. *Refusal to submit to such testing will be deemed a positive and be sufficient grounds for termination* and will result in the employee being relieved of his or her duties immediately. Based on FTA regulations, any employee failing a drug test or having an alcohol concentration measure of 0.02 percent or higher will be immediately removed from service. *Based on District policy, any employee with a positive drug test and/or an alcohol concentration measure of 0.02 percent or higher will be terminated from employment with the District.* Any employee who has a positive FTA drug test or a finding of an alcohol concentration measure of 0.04 percent or higher on an FTA-mandated alcohol test will be referred to the SAP for evaluation in accordance with 49 CFR Part 40. *District policy, not FTA regulations, requires that all costs, other than the cost of the drug test itself, including but not limited to referral, counseling and treatment fees will be paid by the employee/former employee.*

Random alcohol testing is only permissible just before an employee performs safety-sensitive duties, during that performance, and just after an employee has performed covered duties.

Board Policy No. 24 – Employee Drug and Alcohol Policy

E. Drug Testing for Employees Assuming Safety-Sensitive Duties

Any employee who accepts a position with the District involving safety-sensitive duties, who has previously been engaged in non-safety-sensitive duties, will be required to submit to and pass a pre-employment drug test prior to assumption of the safety-sensitive duties. In addition, any employee who has not performed a safety-sensitive function for ninety (90) consecutive calendar days regardless of the reason, and where that employee has not been in the District's random drug testing selection pool during that time, shall be required to take a pre-employment drug test in accordance with Section A (Pre-Employment Drug Testing) above, with a verified negative result before returning to duty.

If the drug test is cancelled by the MRO, the employee must retake and pass the test before assuming safety-sensitive duties. *Refusal to submit to such testing will be deemed a positive and are sufficient grounds for termination of employment.* Any employee with a positive drug test result will be immediately removed from service. *Further, having a positive drug test result will subject the employee to termination from employment with the District.* Any employee who has a positive FTA drug test will be referred to the SAP for evaluation in accordance with 49 CFR Part 40. *District policy, not FTA regulations, requires that all costs, other than the cost of the drug test itself, including but not limited to referral, counseling and treatment fees will be paid by the employee/former employee.*

F. Reasonable Cause Testing – NCTD Authority – NON-DOT

Under NCTD authority, NCTD may require any employee to submit to drug and alcohol testing whenever a determination is made that "Cause" exists. Any tests done under NCTD authority shall be non-DOT tests and shall be conducted accordingly.

In addition to the Reasonable Suspicion testing described in Section B above, the following circumstances constitute "Cause" for the administration of drug and/or alcohol testing:

1. *Safety Critical Violation: ALL FTA Regulated Employees*
 - *An employee directly involved in a safety critical rule or whose performance resulted in a violation that could possess an immediate threat to the safety of employees, passengers or the general public will be immediately taken out of service and required to submit to drug and/or alcohol testing.*
2. *Operating Rule Violation: All FTA Regulated SPRINTER Operations Employees*
 - *An employee directly involved in one of the following Operating Rules violations will be required to submit to drug and/or alcohol testing:*
 - *Noncompliance with a Track Permit, Timetable, Signal Indication, Special instruction or other rule or procedure with respect to movement of a train.*
 - *Operation of a train at a speed that exceeds the maximum authorized speed by at least five (5) miles per hour or by 50 percent of such maximum authorized speed, whichever is less.*
 - *Failure to apply or stop short of derail as required.*

Board Policy No. 24 – Employee Drug and Alcohol Policy

G. Alcohol Testing and Drug Testing Following Injuries

The alcohol testing and drug testing required in this section is required by the District; these are not FTA-mandated tests. Any employee who sustains an injury on the job may be required to submit to an alcohol test and a drug test as part of the physician's examination of the employee for the injury, at Management's discretion. Refusal to submit to such alcohol tests or drug tests will result in the employee being relieved of his or her duties immediately and will subject the employee to termination of employment. Any employee with a positive drug test or an alcohol concentration measure of 0.02 percent or higher will be terminated by the District.

Falsification, Failure to Timely Arrive for Testing, and Failure to Notify

Any employee who provides false information in connection with an alcohol test or drug test administered under this policy, or who attempts to falsify test results through tampering, contamination, adulteration or substitution, shall be terminated by the District. Any employee who fails to appear for a drug test or alcohol test within a reasonable time when required by this policy, or to remain at the testing site until the testing process is completed, or to cooperate fully in the testing process, will be deemed to have refused to be tested, and will be considered to have a positive test.

Behavior Constituting a Refusal to Submit to a Test

The behaviors listed in 49 CFR Part 40 apply to all tests administered under this policy regardless of if they are FTA-mandated or required by the District's authority; however, District tests will not be conducted on DOT testing forms. The behaviors that constitute a refusal to submit to a drug and/or alcohol test are identified in 49 CFR Part 40 as amended, and below. Employees can obtain a current list from the DAPM.

A. Refusal to Submit to Testing for Alcohol and/or Drug

In accordance with 49 CFR Part 40 the following are considered a refusal to test if the employee:

1. Fails to appear for any test (excluding pre-employment) within a reasonable time, as determined by the employer, after being directed to do so by the employer;
2. Fails to remain at the testing site until the testing process is complete (an employee who leaves the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test);
3. Fails to provide a urine specimen or adequate amount of breath for any drug or alcohol test required by 49 C.F.R. Part 40 or DOT agency regulations;
4. In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of provision of a specimen;
5. For an observed collection fails to follow the observer's instructions to raise your clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if you have any type of prosthetic or other device that could be used to interfere with the collection process;
6. Possessing or wearing a prosthetic or other device that could be used to interfere with the collection process;
7. Admitting to the collector or MRO that you adulterated or substituted the specimen;

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8. Fails to provide a sufficient amount of urine or breath when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
9. Fails or declines to take a second test the employer or collector has directed you to take;
10. Fails to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER as part of the “Shy Bladder” or “Shy Lung” procedures;
11. Fails to sign the certification at Step 2 of the Alcohol Test Form;
12. Fails to cooperate with any part of the testing process (e.g., refuses to empty pockets when so directed by the collector, behaves in a confrontational way that disrupts the collection process, fails to wash hands after being directed to do so by the collector);
13. If the MRO confirms that you have a verified adulterated or substituted test result that test is considered a refusal to test.

Any covered employee who refuses to submit to a drug or alcohol test will be immediately removed from performing any safety-sensitive function and in accordance with 49 C.F.R., Part 40.285, and Subpart O will be referred to the District’s SAP.

Procedures for Alcohol and Drug Testing

A. Procedure for Alcohol Tests

All FTA-mandated alcohol testing called for in this policy shall be conducted in accordance with 49 CFR Part 40: Procedures for Transportation Workplace Drug and Alcohol Testing Programs, as amended. All District-mandated breath alcohol testing will follow the same procedures, but District-mandated tests are not required or governed by 49 C.F.R. Part 40. However, the results of FTA-mandated breath alcohol testing will be compiled on a DOT Alcohol Testing Form (ATF). *The results of breath alcohol testing required by the District (and not FTA) will be on non-DOT testing forms.* District management will inform the collection facility whether the test is an FTA or a District test. The alcohol testing in this policy applies regardless of whether the alcohol was ingested as beverage alcohol or in a medicinal or other preparation.

The alcohol tests will be administered by a breath alcohol technician (BAT), using an evidential breath testing device (EBT). The BAT will be trained to proficiency in the operation of the EBT. The EBTs are subject to a quality assurance plan developed by the manufacturers of EBTs. In order to ensure that the test results are attributed to the correct employee, the BAT will require the employee to provide photo identification before tests are conducted. If the result of the alcohol screening test is an alcohol concentration of less than 0.02 percent, the employee will be deemed to have passed the FTA and District alcohol test. If the initial result of an FTA screening test is a breath alcohol concentration of 0.02 percent or higher, a confirmation test shall be performed under the FTA’s authority. *If the initial result of a District screening test is a breath alcohol concentration of 0.02 percent or higher, a confirmation test shall be performed under the District’s authority.* All alcohol confirmation tests shall be conducted within thirty (30) minutes of the completion of the screening test.

Board Policy No. 24 – Employee Drug and Alcohol Policy

B. Procedure for Drug Tests

All FTA-mandated drug tests called for in this policy shall be conducted in accordance with 49 C.F.R. Part 40: Procedures for Transportation Workplace Drug and Alcohol Testing Programs, as amended. All District-mandated drug tests will follow the same procedures, but District-mandated tests are not required or governed by 49 CFR Part 40. The DOT drug testing custody and control form will be used in connection with all FTA-mandated drug tests administered pursuant to this policy. *The results of drug testing required by the District (and not FTA) will be on non-DOT testing forms.* District management will inform the collection facility whether the test is an FTA or a District test.

The drugs tested for will be marijuana metabolites, cocaine metabolites, opioids, phencyclidine, and amphetamines (amphetamine, methamphetamine, MDMA, MDA). When an employee arrives at the collection site, the collection site person shall positively identify the employee through the presentation of photo identification. Collection personnel will be trained to ensure employee privacy in providing the urine specimen.

Urine specimens collected for drug testing will be split into two (2) containers at the collection site. Collection site personnel will be trained to maintain the integrity of the specimen collection and transfer process. In order to maintain the integrity of the urine specimen, the specimen shall remain under the direct control of the collection site person from delivery to its being sealed in the mailer to the laboratory conducting the testing on the urine specimen. A tamper-proof sealing system will be utilized to ensure against undetected opening. The specimen bottle shall be identified with a unique identifying number identical to that appearing on the urine custody and control form.

Transfer of urine specimens will be accomplished through appropriate chain of custody procedures. The forms accompanying the specimens will have unique preprinted specimen ID numbers and the employee will sign or initial certifying that the specimen was taken from that employee. All drug tests that are positive will be retested in a confirmation test prior to the laboratory specifying a positive result on a drug test. All drug testing done under this policy will be done by a laboratory that has been certified by the federal Department of Health and Human Services (DHHS). The District's current DHHS-certified laboratory is Pacific Toxicology and Quest Diagnostics, Inc. for out-of-town testing. All confirmatory tests will be performed using CC/MS techniques.

There are federally mandated cut-off limits for the minimum quantity of drug that must be detected for a positive test on the initial and confirming test. The current cut-off limits are as specified in 49 CFR 40.87.

In order to protect the District's employees and the integrity of the drug screen testing process, the District has retained the services of an MRO. The District's MRO is Dr. Kirk A. Roberts, M.D., of Cynergy Wellness. Dr. ~~Weinstein's~~ Robert's phone number is 844-730-7996. The MRO is a licensed physician with knowledge of drug abuse disorders. If the laboratory results are confirmed positive, the MRO will interview the employee and review all information provided by the employee to determine whether the results are indicative of illegal or illicit drug use. If the employee provides an adequate explanation, the MRO will verify the test results as negative with the Drug and Alcohol Program Manager and take no further action. If the test result of the primary specimen is positive, the employee may request that the MRO direct that the second split specimen be tested in a different DHHS laboratory. *District policy requires that employees bear all expenses related to verification tests they request.*

Board Policy No. 24 – Employee Drug and Alcohol Policy

The MRO shall honor such request if it is made within ~~seventy-two (72)~~ hours of the employee having been notified of a verified positive test. If an employee has not contacted the MRO within ~~seventy-two (72)~~ hours, the employee may present to the MRO information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the verified positive test, or other circumstances unavoidably prevented the employee from timely contacting the MRO. If the MRO concludes that there is a legitimate explanation for the employee's failure to contact the MRO within ~~seventy-two (72)~~ hours, the MRO shall direct that analysis of the split specimen be performed. The results of the test at the second DHHS-approved laboratory will be forwarded to the MRO. If the results of the second test fail to confirm the presence of the drugs or drug metabolites found in the primary specimen, the MRO shall cancel the test.

If the MRO advises the District that the result of the drug test was negative, but that the test was diluted because the specimen contained a creatinine concentration greater than or equal to two ~~(2)~~-mg/dL, but less than or equal to five ~~(5)~~-mg/dL, the employee will be required to take another drug screen test immediately; the new test will be an observed collection. In this circumstance, the employee will be given as little advance notice as possible that he or she must return to the collection site. The test result from this test will be used to determine if the employee passes the drug test.

If the MRO advises the District that the result of the drug test was negative, but that the test was diluted and the specimen contained a creatinine concentration greater than five ~~(5)~~-mg/dL, the employee will be required to take another drug screen test immediately; the new test will not be an observed collection. In this circumstance, the employee will be given as little advance notice as possible that he or she must return to the collection site. The test result from this test will be used to determine if the employee passes the drug test.

The drug testing laboratory shall report test results to the MRO in writing, identifying the results of the test. The MRO will report to the DAPM whether the test is positive or negative, and will report the drug for which there was a positive test, but shall not disclose the quantitation of the test results (except in the case of a grievance, lawsuit, or other proceeding or inquiry initiated by the employee arising out of the verified positive drug test). All records pertaining to urine specimens shall be retained by the drug testing laboratory for a minimum of two ~~(2)~~-years. The drug testing laboratory shall retain all urine specimens confirmed as positive and place them into properly secured long-term frozen storage for a minimum of one ~~(1)~~-year.

NCTD policy, not FTA regulations, requires that employees who are waiting to provide a breath or urine sample refrain from using electronic devices such as laptops, cell phones, iPads, and PDAs. Employees violating this rule will be suspended without pay for a minimum of one day.

Miscellaneous Information Regarding this Drug and Alcohol Policy

- A. Contact Person – Drug and Alcohol Program Manager (DAPM). See Appendix A.
- B. Training

The District provides training for all its supervisors in order for them to be able to make a determination of whether reasonable suspicion exists for an employee to be required to submit to reasonable suspicion alcohol testing and drug testing. This training includes a minimum of ~~sixty (60)~~ minutes of supervisor training on the effects of drug use and ~~sixty (60)~~ minutes of supervisor training on the effects of alcohol use and this policy. Training of newly promoted or hired supervisors will occur before they assume supervisory duties (unless they are under the direct supervision of a trained supervisor or manager).

Board Policy No. 24 – Employee Drug and Alcohol Policy

C. Notice of Certain Requirements in Addition to FTA-Mandated Requirements

The policy is designed in part to comply with FTA regulations on prevention of prohibited drug use and alcohol misuse in transit operations, 49 CFR Part 655. However, NCTD has added certain additional requirements to this policy, including the following:

- 1. The District requires post-accident alcohol and drug testing in cases where such testing is not required by the FTA. The FTA regulations limit the circumstances under which post-accident alcohol and drug testing will occur, as set forth in Section 5 (Post-Accident Testing) The District requires post-accident alcohol and drug testing using a much broader definition of accident.*
- 2. The District requires alcohol testing and drug testing following work injuries (if deemed necessary) as a result of an incident or unsafe action that had a direct result in causing the injury, which is not required by FTA regulations.*
- 3. This policy requires employees using prescription drugs, as defined under Illegal Drugs, Legal Drugs, and Alcohol, Section B in this policy, to report the prescription to the Drug and Alcohol Program Manager by using the "Prescription Drug Notification Form".*
- 4. This policy sets forth the disciplinary action for violations of the policy, which is a District decision, and is not part of the FTA regulations.*
- 5. This policy requires that all costs of drug treatment and/or SAP evaluation be paid by the employee or former employee. This is a District decision, not an FTA requirement.*

D. Substance Abuse Professional

The District has secured the services of an SAP as noted in Appendix A.

E. Right to Examine Records

Every employee has the right to review his/her drug and alcohol testing records (except SAP determined DOT follow-up testing plans), provide information to dispute the results of a drug or alcohol test and, upon written request, to obtain copies of any records pertaining to his or her drug and alcohol tests, including records pertaining to equipment calibration and laboratory certifications.

F. Reporting Alcohol/Drug Related Motor Vehicle Actions

Employees must report any of the following alcohol/drug-related motor vehicle actions to the DER/DAPM within 48 hours:

- DUI charge*
- Driver's License cancellation*
- Driver's License suspension*
- Conviction for DUI or any other related offense (i.e., reckless driving, "wet and reckless," etc.)*
- Denial of Driver License issuance / renewal*

Approvals

Board Chair

Date _____

Chief Executive Officer~~Director~~

Date _____

Deputy Chief Executive Officer/Chief General Counsel

Date _____

Board Policy No. 24 – Employee Drug and Alcohol Policy

DATE	REVISION NO.	RESOLUTION NO.	COMMENTS
10/18/2012	ADOPTED	12-10	
10/17/2013	1	13-07	2013 REVISION
10/16/2014	3	14-04	2014 REVISION
11/19/2015	4	15-08	2015 REVISION
10/20/2016	5	16-10	2016 REVISION
01/19/2017	6	17-01	2017 REVISION
10/19/2017	7	17-10	2017 REVISION
12/21/2017	8	17-14	FTA DRUG SCHEDULE UPDATE.
10/18/2018	9	18-09	2018 REVISION; ADDRESSES FTA 49 CFR 655.45 REVISION EFFECTIVE 01/01/2019
10/17/2019	10	19-06	SECTION NO. 1 OF APPENDIX A UPDATED.
6/18/2020	11	20-06	SECTION NO. 1 AND 3 OF APPENDIX A UPDATED
10/15/2020	12	20-08	STRUCTURE OF POLICY UPDATED FOR BETTER FLOW OF INFORMATION.
10/21/2021	13	21-05	2021 REVISION
05/19/2022	14	22-07	2022 REVISION; ADDS FTA SAFETY SENSITIVE POSITIONS
10/20/2022	15	22-18	2022 REVISION
10/19/2023	16	23-06	2023 REVISION; ADDED REASONABLE CAUSE TESTING
10/17/2024	17	24-08	2024 REVISION: ADDED SECTION F IN MISCELLANEOUS INFORMATION ADDED NEW DAPM
<u>6/26/2025</u>	<u>18</u>	<u>25-XX04</u>	<u>REVISION DUE TO ADDITION OF POSITIONS FOR BUS TRANSITION</u>

Board Policy No. 24 – Employee Drug and Alcohol Policy

Appendix A

1. DOT Safety-Sensitive Positions (effective June ~~26~~25, 20225):

- SPRINTER Train Attendant
- SPRINTER Train Operator
- SPRINTER Maintenance Technician
- SPRINTER Maintenance of Equipment Supervisor
- SPRINTER Maintenance of Equipment Manager
- SPRINTER Operations Supervisor
- Bus Operations Manager
- Road Supervisor/Dispatcher
- Coach Operator
- Demand Response Dispatcher
- ~~Paratransit Scheduler~~
- Demand Response Driver
- OCC Traffic Controller
- ~~Eligibility and Administrative Coordinator~~
- ~~Reservationist~~
- Senior Operations Instructor, Bus
- Operations Instructor, Bus
- Maintenance Supervisor
- Maintenance Manager
- Auto Technician II
- Auto Technician III
- Body Technician III
- Electronics Technician
- Bus Servicer
- Operations Supervisor, On-Demand Services

Board Policy No. 24 – Employee Drug and Alcohol Policy

2. DAPM Contact Information

Any employees having questions about the District's Drug and Alcohol Policy should contact one of the following individuals:

Albert Agüero
Program Administrator – Drug & Alcohol
760-435-9158

~~Jesus Garcia~~
Human Resources Business Partner
760-967-2824

~~Celeste Leichter~~
Human Resources Business Partner
760-967-2815

~~Karen Tucholski~~ Joy Freeman
Chief ~~Safety and Security~~ People Officer
760-~~966-6574~~ 435-9167

3. SAP Provider Information

American Substance Abuse Professionals (ASAP)
10151 York Road, Suite 120
Cockeysville, MS 21030
(888)792-2727

STAFF REPORT

CONDUCT PUBLIC HEARING AND ADOPT THE FY2026 OPERATING BUDGET AND FY2026-FY2030 CAPITAL IMPROVEMENT PROGRAM AND RELATED DOCUMENTS AND APPROVE THE FY2026–FY2030 SERVICE IMPLEMENTATION PLAN

Time Sensitive: ☒ **Consent:** ☐

**STAFF
RECOMMENDATION:**

Following receipt and consideration of public comment, Staff recommends that the North County Transit District's Board of Directors:

- Close the Public Hearing on the Proposed FY2026 Operating Budget and FY2026–2030 Capital Improvement Program; and
- That the Board take the following actions related to the Budget:
 - Adopt the Proposed FY2026 Operating Budget and FY2026–2030 Capital Improvement Program;
 - Approve the Proposed FY2026 Employee Classification and Compensation Schedule;
 - Approve the Proposed FY2026 Cost Recovery Fee Schedule; and
 - Approve the Proposed FY2026–FY2030 Service Implementation Plan

**BACKGROUND
INFORMATION:**

The North County Transit District's (NCTD/District) Board of Directors' (Board) Policy No. 17 – *Budget Development* (Board Policy No. 17) guides the development and implementation of the District's annual operating budget and capital improvement program. The Proposed FY2026 Operating Budget and FY2026–2030 Capital Improvement Program (CIP) (collectively, the FY2026 Proposed Budget) have been developed under Board Policy No. 17 guidelines, in compliance with all regulatory requirements, and represent a balanced budget in FY2026.

Key Milestones

The following key milestones have been completed in support of the overall development of the FY2026 Proposed Budget:

- On January 23, 2025 (Agenda Item No. 13), the Board approved the proposed FY2026–FY2030 Capital Improvement Program (CIP) based on estimated federal and non-federal funding levels at that time and the projects were programmed in the 2025 Regional Transportation Improvement Program (RTIP);
- On March 20, 2025 (Agenda Item No. 15), the Board waived the provisions of Board Policy No. 3 – Committees and External Appointments and Board Policy No. 17 – Budget Development, that require that the Performance, Administration and Finance (PAF) Committee to review and advance the annual budget to the full Board;
- On March 24, 2025, the Marketing, Service Planning, and Business Development (MSPBD) Committee received the FY2026 Service Implementation Plan (SIP) key assumptions;

- On April 17, 2025, the Board authorized staff to publish a public notice no later than May 26, 2025, related to the consideration and adoption of the capital and operating budget, and to release the budget documents for public review and comment no later than June 10, 2025;
- On April 17, 2025, the Board set a public hearing for June 26, 2025, to consider adoption of the FY2026 Operating Budget and FY2026–FY2030 Capital Improvement Program;
- On April 30, 2025, the Clerk of the Board published notice of the Public Hearing, including the date the documents would be made available for public review and comment;
- On May 15, 2025 (Agenda Item No. 8), the Board received an update regarding the development of the Proposed FY2026 Operating Budget and revisions to the FY2026–FY2030 CIP;
- On June 10, 2025, 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/. To date, NCTD has received no public comments.

Proposed FY2026 Operating Budget and FY2026–FY2030 Capital Improvement Program (CIP)

The Proposed FY2026 Operating Budget is submitted at \$178,805,577, a reduction of \$9,353,196 (4.97%) from the FY2025 Operating Budget. Line items were revised from the draft presented at the May 15, 2025 Board meeting (Agenda Item No. 8); however, the total FY2026 Proposed Operating Budget remains balanced at \$178,805,577.

The constrained FY2026–FY2030 CIP totals \$106,229,695, of which \$86,096,889 million is programmed for FY2026 (an increase of \$6,898,000 from the May 15, 2025 Board meeting). Prior years’ capital funding carryovers in the amount of \$7,918,706 will be utilized for the FY2026 CIP.

Attachment 14A summarizes the proposed FY2026 Operating Budget and Attachment 14B provides the proposed FY2026–FY2030 Constrained CIP. The complete budget document is in Attachment 14C.

Proposed FY2026–FY2030 Service Implementation Plan (SIP)

The SIP outlines the District’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 the District. Planning coordinates with Finance, Bus Operations, and Rail Operations to review and develop the 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. 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 FY2026 service levels are included as Attachment 14G to this staff report.

Proposed FY2026 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 District fee schedule established annually with the budget.

The proposed Cost Recovery Fee Schedule is included as attachment 14F to this staff report and will be effective on July 1, 2025.

Proposed Employee Classification and Compensation Schedule

The Employee Classification and Compensation Schedules for FY2026 are included as attachments 14D and 14E to this staff report. The schedules have been separated between Represented and Non-Represented employee positions for ease of administrative management.

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 FY2026 Operating Budget and FY2026–2030 Capital Improvement Program; and
- That the Board take the following actions:
 - Adopt the Proposed FY2026 Operating Budget and FY2026–2030 Capital Improvement Program;
 - Approve the Proposed FY2026 Employee Classification and Compensation Schedules;
 - Approve the Proposed FY2026 Cost Recovery Fee Schedule; and
 - Approve the Proposed FY2026–FY2030 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/>

14A - Proposed FY2026 Operating Budget - Summary

14B - Proposed FY2026–2030 Constrained Baseline Capital Improvement Program

14C - Proposed FY2026 Budget Document

14D - Proposed FY2026 Represented Employee Classification and Compensation Schedule

14E - Proposed FY2026 Non-Represented Employee Classification and Compensation Schedule

14F - Proposed FY2026 Cost Recovery Fee Schedule

14G - Proposed FY2026–FY2030 Service Implementation Plan

FISCAL IMPACT: The fiscal impact of adopting the Proposed FY2026 Operating Budget is the acceptance and allocation of revenues in the amount of \$178,805,577 and the authorization of \$178,805,577 in expenditures. The fiscal impact of adopting the FY2026 Proposed Capital Improvement Program is the acceptance and allocation of \$86,096,889 in revenues and the authorization of \$86,096,889 in expenditures.

COMMITTEE REVIEW:
Date: Marketing, Service Planning, and Business Development Committee
March 24, 2025

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

FY2026 OPERATING BUDGET - SUMMARY

	FY2024 Actual	FY2025 ** Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (#)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (#)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Revenues								
Passenger Fares	\$ 10,732,805	\$ 10,201,124	\$ 11,263,584	\$ 12,492,298	\$ 2,291,174	22.46%	\$ 1,228,714	10.91%
Non-Transportation Revenues	7,725,055	4,528,000	7,191,895	4,731,200	203,200	4.49%	(2,460,695)	-34.21%
Auxiliary Revenues	12,373,406	11,623,114	11,973,464	11,199,184	(423,930)	-3.65%	(774,280)	-6.47%
Federal Grants	46,058,066	53,721,004	48,188,834	37,254,595	(16,466,409)	-30.65%	(10,934,239)	-22.69%
State Grants	10,056,331	23,579,635	16,498,745	33,654,670	10,075,035	42.73%	17,155,925	103.98%
Local Grants	75,862,156	84,505,896	79,699,870	79,473,630	(5,032,266)	-5.95%	(226,240)	-0.28%
	162,807,819	188,158,773	174,816,392	178,805,577	(9,353,196)	-4.97%	\$ 3,989,185	2.28%
Operating Expenditures								
Salaries and Wages	\$ 30,548,023	\$ 39,687,280	\$ 34,601,055	\$ 70,118,247	\$ 30,430,967	76.68%	\$ 35,517,192	102.65%
Employee Benefits *	13,520,817	13,202,830	14,952,931	22,748,554	9,545,724	72.30%	7,795,623	52.13%
Professional Services	36,046,520	48,191,849	40,453,679	43,190,410	(5,001,439)	-10.38%	2,736,731	6.77%
Materials and Supplies	11,577,426	17,534,936	13,299,719	22,700,459	5,165,523	29.46%	9,400,740	70.68%
Utilities	3,263,759	3,632,614	3,323,061	3,867,188	234,574	6.46%	544,127	16.37%
Casualty and Liability	6,763,295	8,651,736	7,615,657	9,709,267	1,057,531	12.22%	2,093,610	27.49%
Taxes	1,124,064	1,507,413	1,786,869	1,270,553	(236,860)	-15.71%	(516,316)	-28.90%
Purchased Transportation	50,607,442	50,971,878	53,234,936	1,033,000	(49,938,878)	-97.97%	(52,201,936)	-98.06%
Miscellaneous Expenses	1,216,972	2,157,881	1,540,095	1,847,204	(310,677)	-14.40%	307,109	19.94%
Debt-Related Expense ***	622,260	737,200	563,487	674,300	(62,900)	-8.53%	110,813	19.67%
Leases and Rentals	1,103,279	1,383,156	1,130,668	1,146,395	(236,761)	-17.12%	15,727	1.39%
Contingency	-	500,000	58,330	500,000	-	0.00%	441,670	100.00%
	156,393,857	188,158,773	172,560,487	178,805,577	(9,353,196)	-4.97%	\$ 6,245,090	3.62%
	\$ 6,413,962	\$ -	\$ 2,255,905	\$ -	\$ -		\$ (2,255,905)	

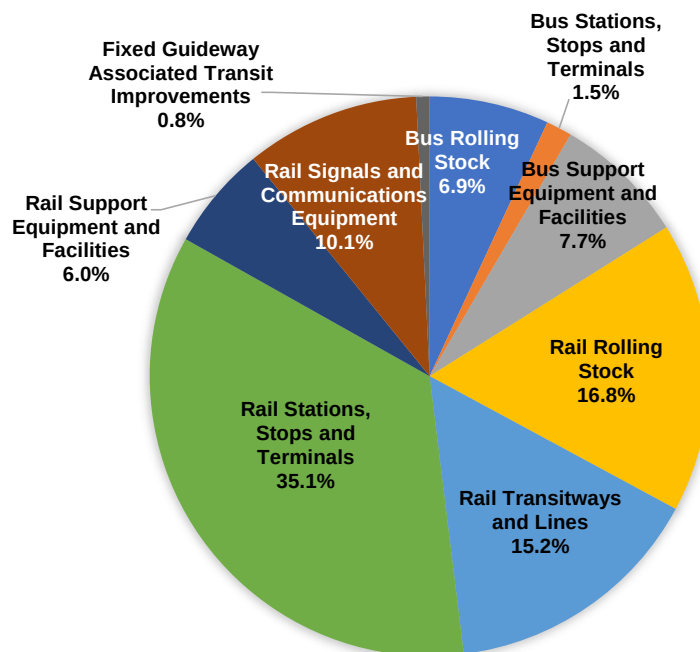
* Excludes GASB 68 and GASB 75 non-cash adjustments and the required Unfunded Accrued Liability (UAL) pension contribution

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

*** Excludes GASB 87 and GASB 96 interest adjustments

**NORTH COUNTY TRANSIT DISTRICT
CAPITAL IMPROVEMENT PROGRAM
FY2026 - FY2030
CONSTRAINED BASELINE**

FTA Scope	FTA Scope Description	FY2026	FY2027	FY2028	FY2029	FY2030	5-Year
111	Bus Rolling Stock	\$ 4,295,573	\$ 3,062,333	\$ -	\$ -	\$ -	\$ 7,357,906
113	Bus Stations, Stops and Terminals	1,585,000	-	-	-	-	1,585,000
114	Bus Support Equipment and Facilities	5,374,500	2,620,000	150,000	-	-	8,144,500
121	Rail Rolling Stock	5,845,000	5,948,783	4,031,690	2,000,000	-	17,825,473
122	Rail Transitways and Lines	16,120,695	-	-	-	-	16,120,695
123	Rail Stations, Stops and Terminals	37,296,621	-	-	-	-	37,296,621
124	Rail Support Equipment and Facilities	4,074,500	2,300,000	-	-	-	6,374,500
126	Rail Signals and Communications Equipment	10,705,000	20,000	-	-	-	10,725,000
129	Fixed Guideway Associated Transit Improvements	800,000	-	-	-	-	800,000
Total Constrained CIP		\$ 86,096,889	\$ 13,951,116	\$ 4,181,690	\$ 2,000,000	\$ -	\$ 106,229,695



**NORTH COUNTY TRANSIT DISTRICT
FY2026 CAPITAL IMPROVEMENT PROGRAM
CONSTRAINED PROJECTS**

Scope and Project Name	FY2026 CIP	% of Total
111 Bus Rolling Stock	\$ 4,295,573	5.0%
Two (2) Battery Electric Buses	2,754,023	
One (1) Battery Electric Bus	1,541,550	
113 Bus Stations, Stops, and Terminals	\$ 1,585,000	1.8%
Bus Stops Improvements Phase II (Construction)	850,000	
Bus Stop Improvement Phase III (Construction)	625,000	
Sorrento Valley Bus Parking (Design)	110,000	
114 Bus Support Equipment and Facilities	5,374,500	6.2%
Non-Revenue Vehicles	965,000	
HVAC Various Replacements	885,000	
Trapeze Enterprise Asset Management	750,000	
BREEZE Overhead Cranes	590,000	
Wonder-Bread Lot Resurfacing	350,000	
BREEZE Operations West Unleaded Dispensers	275,000	
BREEZE Operations East Conference Room	250,000	
BREEZE Operations East Outdoor Canopy Improvement	180,000	
Network Upgrades	175,000	
HASTUS Scheduling Software	150,000	
BREEZE Operations West Employee Parking (Design)	150,000	
BREEZE Hydrogen Sensors (Construction)	120,000	
BREEZE Operations West Veeder-Root System	105,000	
BREEZE Operations East Offices Remodel	100,000	
BREEZE Operations West Hydrogen Fueling Station (Design)	85,000	
Server Upgrades	72,000	
BREEZE Operations East and West Gate System	70,000	
BREEZE Operations East and West Signage	52,000	
Hydro Enhance Elevator Upgrade	50,500	
121 Rail Rolling Stock	5,845,000	6.8%
Bilevel Overhaul Materials	2,905,000	
COASTER Brake Overhaul	1,200,000	
COASTER Image Recorders (Construction)	750,000	
Bilevel Overhaul Design	720,000	
COASTER Diesel Engine Cooler Overhaul	140,000	
COASTER Battery Overhaul	130,000	
122 Rail Transitways and Lines	16,120,695	18.7%
SPRINTER Corridor Service Improvement (Environmental and Design)	12,760,695	
Miramar Rail Replacement	2,610,000	
Carlsbad Grade Crossing Safety Improvements	750,000	
123 Rail Stations, Stops and Terminals	37,296,621	43.3%
San Dieguito Lagoon Double-Track and Fairgrounds Station	36,396,621	
Platform Improvements	500,000	
Drought Tolerant Landscaping	200,000	
Oceanside Transit Center Platform Stormwater Improvements	200,000	

**NORTH COUNTY TRANSIT DISTRICT
FY2026 CAPITAL IMPROVEMENT PROGRAM
CONSTRAINED PROJECTS**

Scope and Project Name	FY2026 CIP	% of Total
Scope and Project Name	FY2026 CIP	% of Total
124 Rail Support Equipment and Facilities	4,074,500	4.7%
Maintenance-of-Way Switch Tamper	2,000,000	
Non-Revenue Vehicles	810,000	
Maintenance-of-Way Building Improvements (Construction)	540,000	
SPRINTER Fuel Dispenser	205,000	
COASTER Fuel Dispensing System (Design)	150,000	
PRONTO Fare Collection Equipment (Convention Center)	100,000	
COASTER Turntables (Design)	100,000	
Maintenance-of-Way Forklift	68,000	
COASTER Waste Rigs Carts	60,500	
Waste Pumping Carts	41,000	
126 Rail Signals and Communications Equipment	10,705,000	12.4%
SPRINTER Signal Modernization - Phase 8	5,675,000	
SPRINTER Signal Modernization - Phase 9	4,900,000	
Positive Train Control Disaster Recovery	130,000	
129 Fixed Guideway Associated Transit Improvements	800,000	0.9%
Wayfinding Master Plan	800,000	
TOTAL FY2026 CIP	\$ 86,096,889	100.0%

**NORTH COUNTY TRANSIT DISTRICT
FY2027 CAPITAL IMPROVEMENT PROGRAM
CONSTRAINED PROJECTS**

Description	FY2027 CIP	% of Total
111 Bus Rolling Stock	\$ 3,062,333	22.0%
Two (2) Zero Emission Buses	3,062,333	
114 Bus Support Equipment and Facilities	2,620,000	18.8%
Non-Revenue Vehicles	710,000	
Trapeze Enterprise Asset Management	685,000	
Fire Alarm System (Construction)	550,000	
PRONTO Enhancements	400,000	
HASTUS Scheduling Software	150,000	
BREEZE Operations West Unleaded Dispensers	125,000	
121 Rail Rolling Stock	5,948,783	42.6%
COASTER Image Recorders (Construction)	2,250,000	
SPRINTER Engine Overhauls	2,200,000	
SPRINTER WiTronix System	888,783	
SPRINTER Wheelset Overhauls	320,000	
SPRINTER Axle Gearbox Overhauls	290,000	
124 Rail Support Equipment and Facilities	2,300,000	16.5%
COASTER Train Wash (Construction)	2,300,000	
126 Rail Signals and Communications Equipment	20,000	0.1%
Positive Train Control Disaster Recovery	20,000	
TOTAL FY2027 CIP	\$ 13,951,116	100.0%

**NORTH COUNTY TRANSIT DISTRICT
FY2028 CAPITAL IMPROVEMENT PROGRAM
CONSTRAINED PROJECTS**

Description	FY2028 CIP	% of Total
114 Bus Support Equipment and Facilities	150,000	3.6%
PRONTO Enhancements	150,000	
121 Rail Rolling Stock	4,031,690	96.4%
Bilevel Overhaul Materials	3,130,000	
SPRINTER WiTronix System	901,690	
TOTAL FY2028 CIP	\$ 4,181,690	100.0%

**NORTH COUNTY TRANSIT DISTRICT
FY2029 CAPITAL IMPROVEMENT PROGRAM
CONSTRAINED PROJECTS**

Description	FY2029 CIP	% of Total
121 Rail Rolling Stock	2,000,000	100.0%
Bilevel Overhaul Materials	2,000,000	
TOTAL FY2029 CIP	\$ 2,000,000	100.0%

**NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD**



Proposed FY2026 Operating Budget and FY2026-FY2030 Capital Improvement Program

For the Fiscal Year Ending June 30, 2026



One Community - Advancing Opportunities



810 Mission Avenue
Oceanside, CA 92054



(760) 966-6500
(760) 967-2001 (fax)



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DRAFT

Board of Directors



Priya Bhat-Patel
Mayor Pro Tempore, City of Carlsbad
Board Chair
Executive Committee, Chair
Performance, Administration, and Finance
Committee, Member
SANDAG Board of Directors, 1st Alternate
SANDAG Transportation Committee, Voting
Member



Mike Sannella
Deputy Mayor, City of San Marcos
Performance, Administration, and Finance
Committee, Chair
SANDAG Board of Directors, 2nd Alternate



Tracy Martinez
Deputy Mayor, City of Del Mar
Marketing, Service Planning, and Business
Development Committee, Chair
LOSSAN Corridor Board of Directors,
Alternate



Jim O'Hara
Council Member, City of Encinitas
Marketing, Service Planning, and Business
Development Committee, Member
SANDAG Regional Planning Committee,
Alternate



Joe Garcia
Deputy Mayor, City of Escondido
Marketing, Service Planning, and Business
Development Committee, Vice Chair
SANDAG Regional Planning Committee,
Advisory Member



Eric Joyce
Deputy Mayor, City of Oceanside
Marketing, Service Planning, and Business
Development Committee, Member
SANDAG Transportation Committee,
2nd Alternate



Jim Desmond
District 5 Supervisor,
County of San Diego



Jewel Edson
Council Member, City of Solana Beach
Performance, Administration, and Finance
Committee, Vice Chair
SANDAG Board of Directors, Advisory Member
SANDAG Transportation Committee,
1st 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

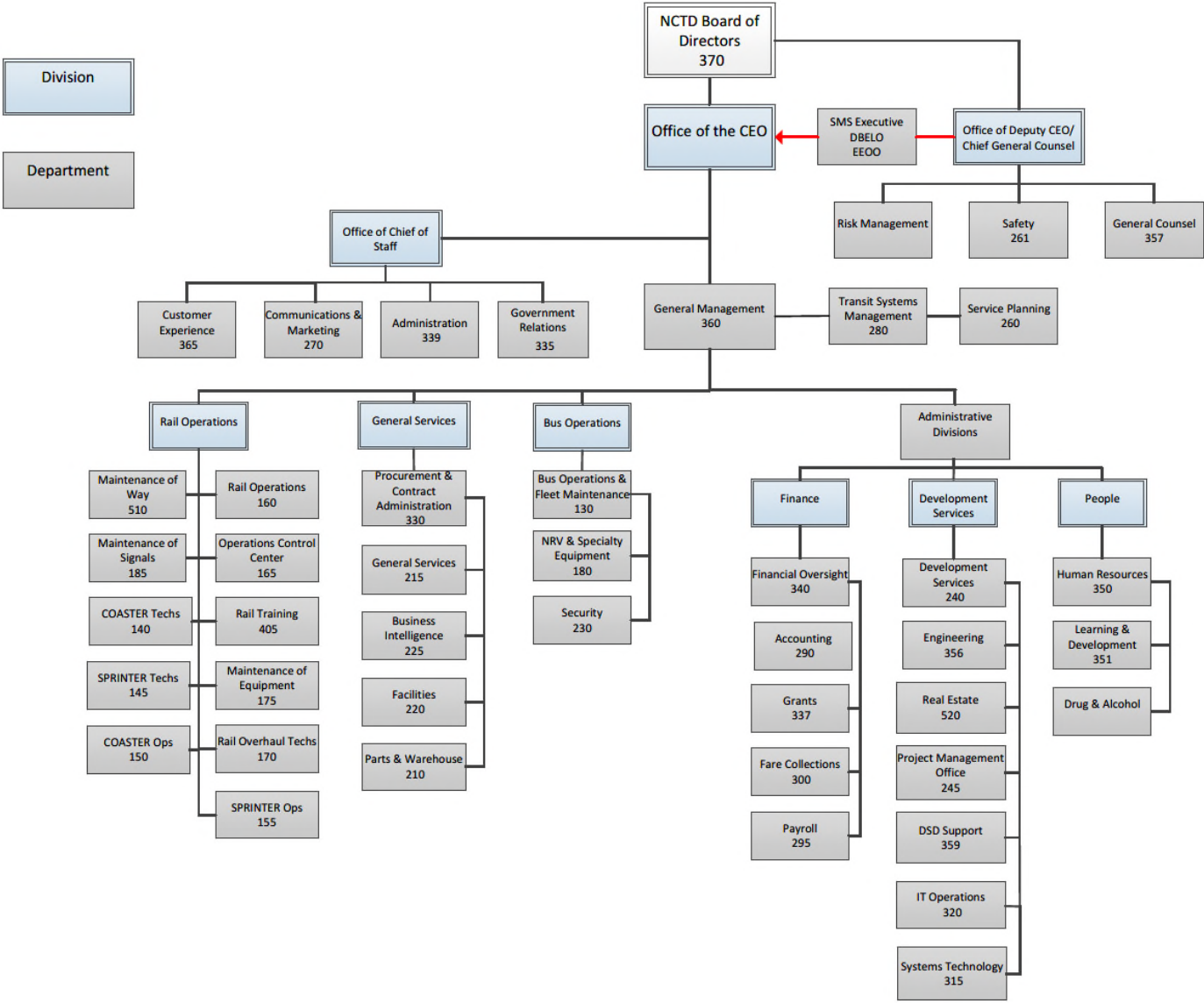


Mary Dover
Chief of Staff
North County Transit -
San Diego Railroad



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

Organizational Chart



Message from the Chief Executive Officer

June 10, 2025

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 2026 (FY2026) Operating Budget and the FY2026-FY2030 Capital Improvement Program. This document and Five-Year Plan have been developed to support NCTD's strategic priorities in the current economic environment amid changing revenue forecasts. The FY2026 Operating Budget and Capital Improvement Program prioritizes investments to further NCTD's guiding principles – 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.

Beginning in FY2026, NCTD's operating budget will reflect 100 percent direct operations of all transit services. NCTD began this transition in 2022 with rail operations and maintenance and is completing the transition on July 1, 2025, by bringing bus, paratransit, and microtransit operations and maintenance in-house.

The FY2026 Operating Budget and Capital Improvement Program makes necessary investments to ensure the success of this transition, from providing adequate resources for employee benefits packages, to appropriating funds for capital improvements that maintain effective management of NCTD's assets under this new service model. Purchased transportation costs decrease significantly compared to FY2025 while salaries and payroll expenses increase. This transition is the future of NCTD and is integral to meeting our goals to deliver a world-class customer experience and prioritize our employees.

Safety and security are also front and center in this budget. The FY2026 constrained Capital Improvement Program includes investments in grade crossing safety improvements, Positive Train Control enhancements, bus stop improvements, and more. The Operating Budget includes an increase in funding for security at transit centers and on NCTD's services. NCTD has received feedback from riders and members of the community recognizing the difference our focus on security has made and we are eager to continue that work through FY2026.

In an effort to optimize our network, NCTD has re-envisioned some of its services. Following a suitability analysis and extensive outreach to the communities we serve, NCTD added a second NCTD+ microtransit zone in the City of Vista. The inaugural NCTD+ program in the City of San Marcos, as well as the newest service in Vista, are maintained in the FY2026 Operating Budget. These services are a direct response to community feedback and aim to improve first/last mile connections to expand transit reach and increase the convenience of utilizing NCTD's fixed-route modes.

NCTD is committed to advancing the needs of our community while managing an uncertain economic environment. In FY2026, NCTD will face a decrease in projected sales tax revenues, which funds operations. Sales tax and gas tax revenue projections are lower than initially anticipated through FY2030, impacting NCTD's operating budget and capital programs over the next five years. Dedicated funding for transit will be subject to reauthorization at both the federal and state levels in the coming years.

Diversification of revenue is critical to provide the stability necessary to maintain existing service levels. NCTD is exploring all avenues and pursuing partnerships with peer agencies, stakeholder groups, and private industry to manage costs and identify new funding sources. The Capital Improvement Program is in part funded through discretionary grants, which NCTD will continue to seek in collaboration with project partners to advance priority projects and maintain a reliable transit system.

The above efforts provide the strategic framework that guides NCTD's capital and operating investments. The Five-Year Plan furthers NCTD's Mission and Vision and aligns with the Strategic Areas of Focus. A complete description of NCTD's key Strategic Areas of Focus and other organizational goals are included within this budget document. NCTD's FY2026-FY2035 Service Implementation Plan is also included. The Budget and supporting documents are the blueprint for NCTD to achieve this Five-Year Plan.

The FY2026 Operating Budget and the FY2026-FY2030 Capital Improvement Program seek to advance NCTD's priorities while managing a changing economic landscape. NCTD staff continue to work to ensure that opportunities for efficiencies are captured and this budget is successfully executed.

Sincerely,



Shawn Donaghy
Chief Executive Officer



Eun Park-Lynch
Chief Financial Officer

Overview of North County Transit - San Diego Railroad

North County Transit - San Diego Railroad services are a vital part of San Diego's regional transportation network. NCTD has projected that it will move approximately 8.6 million passengers in Fiscal Year 2025 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.

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 951,394 (SANDAG Regional Data Warehouse January 2023 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 35 routes in the North County service area, from early morning to late at night, seven days a week. The active fleet in June 2025 consisted of 154 buses.

Effective on October 1, 2019, the California Innovative Clean Transit (ICT) regulation requires that all public transit agencies gradually transition their bus fleets to zero-emission technologies. The ICT regulation requires gradual increases in the percentage of new bus purchases to be zero emission buses (ZEBs). The ZEB purchase requirements began in 2023 for large transit agencies as 25% of all buses purchased must be ZEBs. 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 each transit agency's fleet to be ZEBs) by 2040. NCTD is designated as a large transit agency under the ICT regulation. During FY2026, NCTD will have six battery electric and 35 hydrogen fuel cell buses in service, which replace diesel and CNG vehicles that reached the end of their useful life.



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.

LIFT ADA Paratransit

NCTD maintains a fleet of 40 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.



Persons 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 and SPRINTER services.

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

FLEX has two different service models: deviated fixed-route and point-deviated fixed-route. Deviated fixed-route service has a set schedule and route but can deviate from the route up to $\frac{3}{4}$ of a mile for scheduled pick-ups or drop-offs. This service model includes FLEX 392 and FLEX 395 which connects portions of Camp Pendleton and Oceanside. Point-deviated fixed-route service also has a set schedule and route but only allows scheduled deviations to specific points along the route. FLEX 371 is the only point-deviated fixed-route. It connects Escondido and Ramona and allows passengers to schedule pick-ups or drop-offs at the San Diego Zoo Safari Park. Reservations are required for any trip not starting or ending at a designated stop.



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 provides 41 directional miles of commuter rail service paralleling the busy Interstate 5 corridor between Oceanside and San Diego. COASTER trains run 30 daily trips Monday through Friday with an additional 2 trips on Fridays, and 20 daily Saturday and Sunday trips year-round. Additional trains also run for special events and for every Padres baseball game. COASTER fares must be purchased for the number of zones travelled. The additional COASTER trips that started on October 25, 2021, are 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 MTS 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 to 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 fleets 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 runs every 30 minutes and weekend trains run 30-minute frequencies during peak travel times and hourly service during non-peak times from 10:03 AM to 6:03 PM.



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

NCTD+ Microtransit Services

NCTD+ is NCTD's new on-demand microtransit mode that was introduced on June 10, 2024, with the launch of the San Marcos pilot zone.

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. A one-way ride to/from a SPRINTER station is \$1.50; all other destinations within the service zone are \$3.00. Additional riders on the same booking can be added for \$1.50 per person and youth 18 and under ride free.

NCTD launched the second NCTD+ service zone in Vista on May 19, 2025. The FY2026 budget reflects operating costs for both the Vista and San Marcos zones.

Bus Operations and Vehicle Maintenance

Effective June 29, 2025, NCTD will directly manage and operate all aspects of bus operations and vehicle maintenance for its BREEZE, FLEX, LIFT, and NCTD+ services. For FY2026, NCTD has budgeted for 471 full-time equivalents (FTEs), which includes 313 vehicle operators and 70 mechanics, all of whom are employed under NCTD's operational structure.

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 three (3) administration buildings in Oceanside, two (2) bus maintenance buildings located in Oceanside and Escondido, three (3) transit centers, eight (8) multi-modal train stations along the coastal railroad, 15 train stations along the inland railroad, two (2) train maintenance facilities, 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 minor, 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)

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 of 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 equipment and personnel are housed in a facility located in Oceanside.

Maintenance of Signals (MOS)

NCTD is responsible for all signals and communications, including Positive Train Control (PTC), on all NCTD-owned and controlled railroad right of way, including the San Diego Subdivision from the County Line (Milepost [MP] 207.4) to San Diego (MP 267.51) and the Escondido Subdivision between Escondido Junction in Oceanside (MP 0) to the end of track in Escondido (MP 21.31).

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.

Contracted Transit Services

In December 2022, the NCTD Board approved a phased plan to bring bus operations, dispatching, vehicle and facilities maintenance, and full management of the LIFT ADA paratransit services in-house, with full transition targeted for FY2026. NCTD will retain some contracted taxi service to supplement LIFT service.

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
2026	1,450,000	595,140	2,045,140
2027	1,500,000	542,360	2,042,360
2028	1,550,000	487,760	2,037,760
2029	1,600,000	431,340	2,031,340
2030	1,600,000	373,100	1,973,100
2031-2035	8,650,000	957,320	9,607,320
Total	<u>\$ 16,350,000</u>	<u>\$ 3,387,020</u>	<u>\$ 19,737,020</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 provides up to \$46 million in a revolving amount and repayment of the principal amount commences within five years of the receipt of the proceeds and is due within ten years from the first receipt. Interest is payable monthly and is deducted from NCTD's monthly TransNet distributions. NCTD has not made any draws to date from the COASTER Commercial Paper Program with SANDAG.

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

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 3.29 million as of January 1, 2024, essentially unchanged from the prior year. San Diego County's population has grown an average of 0.5% annually since 2010, despite a constant decline in net migration since 2020. Population estimates from the San Diego Association of Governments (SANDAG) for the year 2040 indicate that the San Diego regional population will grow to approximately 3.43 million, a 22.0% increase from calendar year 2000 and an increase of 4.3% compared to 2023.

SANDAG projects that in 2040, San Diego's population will continue to grow in its diversity with: 38.7% White; 34.3% Hispanic; 16.3% Asian and Pacific Islander; 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, estimated at 1.2 million in 2022, has slightly declined over the past few years. The combination of COVID-19, high housing prices, and an aging population has led to some population loss. Demographic forecasts expect this to reverse, but it is unlikely that North County will see the kind of growth it experienced in earlier decades. Slowing population growth presents particular challenges for K-12 school districts and for local governments, as sales tax growth is affected by population growth.

North County's population continues to grow considerably older, with those aged 65 years and over increased by 35% since 2015, while the population aged 64 and younger decreased by approximately 2%. Most of the population growth is driven by people aged 55 and over and the younger population has decreased since 2015.

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 creates 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.

Economic Environment

According to the Federal Reserve (Fed) press release on January 29, 2025, recent indicators suggest that economic activity has continued to expand at a solid pace. The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid. Inflation remains somewhat elevated (Federal Open Market Committee (FOMC) January 28-29, 2025, Meeting Statement, Federal Reserve Press Release). In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 4.25% to 4.5%. An increase in the federal funds rate generally reflects the Fed's objective to manage inflationary pressures and ensure long-term economic stability. By raising the rate, the Fed aims to moderate demand within the economy and prevent excessive inflation. In contrast, a reduction in the federal funds rate typically indicates the Fed's intent to stimulate economic activity, particularly in periods of economic slowdown or low inflation.

The San Diego region boasts one of the largest economies in the nation, surpassing the economic output of 25 states and 163 countries (San Diego Workforce Partnership, Navigating San Diego's economic future: Insights from the 41st Annual Economic Roundtable, January 31, 2025). With breakthrough technology companies and research institutes, the largest military concentration in the world and a strong tourism industry, the San Diego region has one of the most dynamic economies in the United States. The region's quality of life attracts a well-educated, talented workforce and well-off retirees, which have contributed to local consumer spending.

There is a significant decline in the San Diego labor force with one of the main reasons being a growing affordability crisis due to the high cost of living in the region. Nearly 35% of San Diego County residents struggle to meet San Diego County's Self Sufficiency Standard, which is approximately \$58,745 per year for a single adult and around \$97,861 per year per month for a household comprising two adults, one preschool-aged child, and one school-aged child. San Diego's job growth is lagging behind the state, with a trend of young people leaving due to high living costs. San Diego is one of the least affordable areas in the country with only a small percentage of workers able to afford a median-priced home. Conversely, San Diego continues to be a capital for attraction of venture funding, and billions have been invested in manufacturing, with San Diego being a key recipient of a lot of investments.

North County has a strong and diversified economy, which includes life sciences, technology, software, defense, advanced manufacturing, and tourism. The economy is strengthened by a large healthcare, education, and uniformed military presence that is less impacted by the business cycle. North County has more than 600,000 employed individuals and unemployment remains low.

After experiencing extraordinary growth in the three years following the onset of the COVID-19 public health emergency (FY2021-FY2023), sales tax revenue recorded negative growth in FY2024. SANDAG initially anticipated the dip in FY2024 to be a one-time occurrence; however, sales tax data in the first half of FY2025 pointed to another year of negative growth. In February 2025, SANDAG lowered its forecast for sales tax collections for FY2025 and the next five years. FY2026 sales tax revenue is anticipated to grow by 0.3% from FY2025 levels. After FY2026, sales tax revenue is forecast to gain momentum and converge on a long-term growth average that is slightly above 3% by FY2029. Several factors have contributed to softer performance in sales tax revenue, despite a relatively healthy economy:

- General retail, which includes big box stores generally accounts for 28% to 30% of total sales tax revenues in the region. Revenue from this category has been depressed as big box stores have lowered prices to remain competitive.
- Disinflation in gas prices and automobiles. While beneficial to consumers, the disinflation placed downward pressure on tax revenue from these sources. In the first five months of FY2025, gasoline prices in San Diego have averaged nearly 13% lower than the previous year. New and used vehicle prices fell 3% in FY2024 and have fallen another 3% in the first five months of FY2025.

- Food products, which largely encompass restaurants (dine-in and take-out) and food delivery services, have also been facing headwinds as households are eating at home more. The cost of eating out has accelerated while the cost of food at home (e.g., food purchased at grocery stores) is growing in line with headline inflation. In the first five months of FY2025, the prices for food away from home climbed 11% compared to the same time last year; prices for food at home during the same period rose only 2%.

Over the coming years, the District will face economic uncertainty and the District will need to consider additional cost reduction and revenue generating strategies such as adjusting service levels, reorganization, and leveraging resources outside of local revenue. District staff will continue evaluating opportunities to innovate and streamline efficient business processes.

State of Public Transit

Public Transportation Funding

In 2021, U.S. President Joe Biden signed the *Bipartisan Infrastructure Law* (BIL) providing historic levels of federal funding for transportation and infrastructure. The BIL authorized \$108 billion for public transit and \$102 billion for passenger and freight rail through federal fiscal year 2026 (NCTD's FY2027). At the state-level, the California 2023-2024 budget package included \$4 billion in additional formula funding for transit capital projects over two years and \$1.1 billion for zero-emission capital projects over five years. NCTD, in partnership with SANDAG, submitted a work plan to receive \$113 million in state funding from this package. In FY2025, NCTD received \$54.4 million in new funding from the State which was primarily programmed for capital projects. Pending approval of the 2025-2026 State budget package, NCTD expects to receive an additional \$51.8 million in FY2026, of which \$37.1 million is programmed for capital projects.

These significant investments have helped accelerate public transit's positive impacts on the economy. According to estimates by the American Public Transportation Association (APTA), long-term investment in public transit generates a 5-to-1 economic return. 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 spending.

While funding for transit at both the state and federal levels has been strong in prior years, the outlook for continued or expanded support for transit is unclear. 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.

Transit agencies in the United States are at an inflection point. Ridership, along with revenue generated from fares, remains below pre-pandemic levels. Costs continue to rise as agencies pay more to expand services and adopt innovations that are demanded by riders. Aging infrastructure is creating growing maintenance backlogs. Meanwhile, federal subsidies, which helped many agencies stabilize their operations and workforce during the disruptions caused by the pandemic, have largely been used. The end of federal support means that transit agencies must find new funding sources or be faced with the decision of making service cuts.

National Ridership Picture

According to a May 2025 report published by the American Public Transportation Association (APTA), public transit ridership is at 85% of the same period in 2019 as return-to-office policies and a strong job market both have aided in ridership recovery. 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.

The structure and makeup of local economies impacted the degree of ridership decline during the pandemic. Technology-focused economies with an existing and prominent work-from-home culture

initially noticed a steeper decline in ridership than those with more service industry jobs and essential workers who power the supply chain. Systems in college towns were also severely affected, as many universities closed and sent students home. Regions of the country that were hardest hit early in the pandemic (e.g., the Northeast, Seattle, and San Francisco Bay areas) had, in general, larger ridership drops than other areas of the country that saw the worst pandemic impacts later in 2020.

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. With bus riders on average earning less than rail riders and often working non-office jobs, they have been a critical driver of ridership recovery for many public transit agencies. 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

NCTD's monthly systemwide ridership in FY2025 has surpassed budgeted figures and is projected to continue to for the remainder of the year. Systemwide ridership is projected to increase 4.9% in FY2026 to almost nine million boardings or 86.4% of pre-pandemic levels.

NCTD has seen a notable increase 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. NCTD increased service on COASTER in October 2021, including the addition of 10 weekday trips and 12 weekend trips. Since this service increase, the COASTER saw a 38% increase in ridership between FY2022 and FY2023 following the service increase. Similarly, COASTER service sees a more than 50% increase in ridership on Padres' gamedays versus non-gamedays, underscoring the increased importance of leisure ridership.

The economy is also impacting ridership. Rising transportation costs have contributed to a shift in consumer travel choices. The average price of new cars has risen by 30%, while the cost of purchasing used cars has seen an even greater increase at 40%. Furthermore, beginning on January 1, 2025, California's minimum liability insurance requirements have doubled, increasing insurance premiums for drivers. Transit options offer relief from prohibitive transportation costs. In the City of San Diego, the annual savings by using public transit amounts to \$14,929 per year.

Regionally, several initiatives are changing the transit landscape within San Diego County, including the introduction of innovative new services, the activation of land near transit stations to generate organic ridership and create new housing opportunities, and the update of the region's 40-year plan.

Microtransit is making its debut into the public transit service industry. Microtransit is part of a broader range of mobility solutions known in the San Diego region as "Flexible Fleets." It involves the use of smaller buses and vans to offer on-demand trips within specific service zones. Microtransit is adaptable to various circumstances and can cater to different mobility needs, such as service in areas where the absence of infrastructure compromises the ability of fixed-route services to function, offering convenient connections for passengers traveling to and from existing fixed-route services and stations, and by facilitating local circulation by linking destinations at the community scale. NCTD launched its first NCTD+ service in June 2024 in San Marcos and subsequently in the City of Vista in May 2025.

Throughout the county's transportation network, SANDAG is leading regional efforts to improve modes of travel for all users. This includes Vision Zero, to eliminate collision harm on streets, expanding bikeways, and prioritizing specialized transportation for seniors and social services (SANDAG 2022 Annual Report). Studies have shown that traveling by public transit is ten times safer per mile than automobile travel, and that a person can reduce their chance of collision by over 90% commuting by transit instead of car. In 2020, there were 134 times more fatalities on highways than on transit.

To address housing supply issues and transit connectivity simultaneously, agencies are embracing Transit-Oriented Development (TOD) to provide convenient transit access. On a national scale, property values in proximity to public transportation were up to 24% higher than in other areas. NCTD is redeveloping multiple transit centers into mixed-use hubs. These efforts contribute to a more multimodal transportation system that is welcome to all types of users.

The SANDAG draft 2025 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 transportation system is categorized into several types of transportation projects: active transportation, Complete Corridors, transit, Flexible Fleets, and transportation system management. 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 among commonly traveled routes. Early insights from community outreach have revealed an interest in more frequent SPRINTER and COASTER service with expanded night and weekend service spans, as well as microtransit connections to transit stations, and demand for service connections to Palomar Airport and Riverside County.

Regional Transportation Plan (RTP)

Every four years, SANDAG 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, Sustainable Communities Strategy, and Regional Comprehensive Plan. The most recent 2021 Regional Plan, which was adopted by the SANDAG Board of Directors on December 10, 2021, provides the blueprint for how the San Diego region will grow through 2050 and beyond. The 2025 Draft Regional Plan was released by SANDAG in May 2025 and is scheduled to be presented to the SANDAG Board in December 2025 for adoption.

The 2021 Regional Plan has identified eleven major corridors of travel in the San Diego region, as well as improvements for each corridor, which includes the Interstate 5 North Coast Corridor and the North County Corridor.

Interstate 5 (I-5) North Coast Corridor

The I-5 North Coast Corridor provides people with vital connections to the San Diego metropolitan area, beach communities from Oceanside to Imperial Beach, dynamic academic and research communities at UC San Diego and the Torrey Pines Mesa, high tech employment centers in Sorrento Valley and in North County, numerous family attractions along the coast, coastal neighborhoods from La Jolla to Oceanside, and Orange County and beyond to the north. The LOSSAN Rail Corridor, which stretches 351 miles from San Diego north, includes NCTD's COASTER and SPRINTER service, along with Amtrak passenger trains and goods movement on the Union Pacific and BNSF railways. Recreation and commuting along the Coastal Rail Trail provides quality access for active transportation users. The 2021 Regional Plan focuses on highway capacity improvements on facilities that move more people, not just cars. The projects detailed in the 2021 Regional Plan will improve reliability and capacity along the rail corridor, increase facilities for walking and biking, and protect and enhance environmental resources.

North County Corridor

The North County Corridor stretches from the region's North County beaches to its inland valleys and covers the cities of Oceanside, Vista, Carlsbad, San Marcos, and Escondido. It also includes unincorporated areas of San Diego County. Major transportation infrastructure in this area includes the SPRINTER hybrid rail between the Oceanside and Escondido transit centers; major local arterials, such as Palomar Airport Road, which connect residential neighborhoods with centers of employment and major highways including State Route 78 (SR 78) between I-5 and Interstate 15 (I-15); and western portions of SR 76. This corridor also includes the Inland Rail Trail bike path between Oceanside and Escondido. New mobility hubs situated along this corridor, and served by flexible fleets, will be vital for offering travelers numerous mobility options for the shorter trips they frequently take in this part of the region.

The 2021 Regional Plan approach to the North County Corridor is to greatly expand transit offerings, while enhancing existing SPRINTER service. Numerous Rapid routes and an extension of the SPRINTER hybrid rail will provide access to North County employment, activity centers, and mobility hubs.

2025 Draft Regional Plan

The goal of the 2025 Regional Plan is to make transportation more convenient, equitable, healthy, and safe in the San Diego region. To ensure convenient and reliable movement, the Plan invests in a multimodal transportation system that reduces travel times and improves access to essential destinations. The Plan promotes equitable access to opportunities by expanding transit connections to mayor employment centers and higher education institutions.

In the 2025 Regional Plan transportation network, managed lanes are used to offer priority access to transit, carpools and vanpools, motorcycles, and emergency vehicles. New and expanded transit services include improvements to regional rail, light rail, streetcar, a variety of bus options, including Rapid, express, local, local circulators, and rural. Flexible fleets (on-demand shared transportation services) are a key strategy for improving mobility and access.

The most important near-term action related to transportation is to implement the Regional Transportation Improvement Program (RTIP), which includes the transportation projects and improvements scheduled to be built in the San Diego region over the next five year. Of significance to NCTD, the RTIP continues the double-tracking of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Corridor.

Regional Transit Capital Improvement Program

The Regional Transit Capital Improvement Program (CIP) is a rolling 5-Year Plan, which outlines current transit needs and planned investments in transit capital, rehabilitation, and replacement projects. The program is updated annually and is designed to meet ongoing transit operational and infrastructure needs in a responsive and efficient manner.

As the Metropolitan Planning Organization (MPO) for the San Diego region, SANDAG is the designated recipient for Federal Transit Administration (FTA) formula funds and is responsible for approving the grant applications for the San Diego region and programming the FTA Regional Transportation Improvement Program (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.

Three FTA formula programs: Section 5307 Urbanized Area Formula Program, Section 5337 State of Good Repair Program, and Section 5339 Bus and Bus Facilities Program, are the primary source of funding for the transit agency CIP and generally provide 80% of the cost of eligible activities. Additional state and local funding sources supplement the FTA programs. NCTD reviews and prioritizes its capital projects to ensure that operationally critical projects are funded. The NCTD Board of Directors approved the constrained FY2026-FY2030 CIP on January 23, 2025. The FY2026-FY2030 CIP was subsequently revised and is scheduled to be approved by the Board on June 26, 2025.

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 an asset that has a unit cost of \$5,000 or more with an expected life of more than one year. 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.

Budget preparation takes approximately nine months. The Project Management Office, 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 project 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, the CIP is approved by the Board in December or January and submitted to SANDAG to be incorporated into the Regional Transportation Improvement Program (RTIP) and, subsequently, in the State of California Transportation Improvement Plan. The District 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:

Criteria	Description
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 that is been replaced 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?
Safety and Security	Does the project help ensure the safety and security of our employees and customers?
Mandated by Regulation	Is the project required to meet legal obligations set forth by the state and/or federal government?
Social Equity	Does the project use public transit to address social equity by serving low-income or minority communities?
Climate Change	Is the project relevant in addressing climate change?

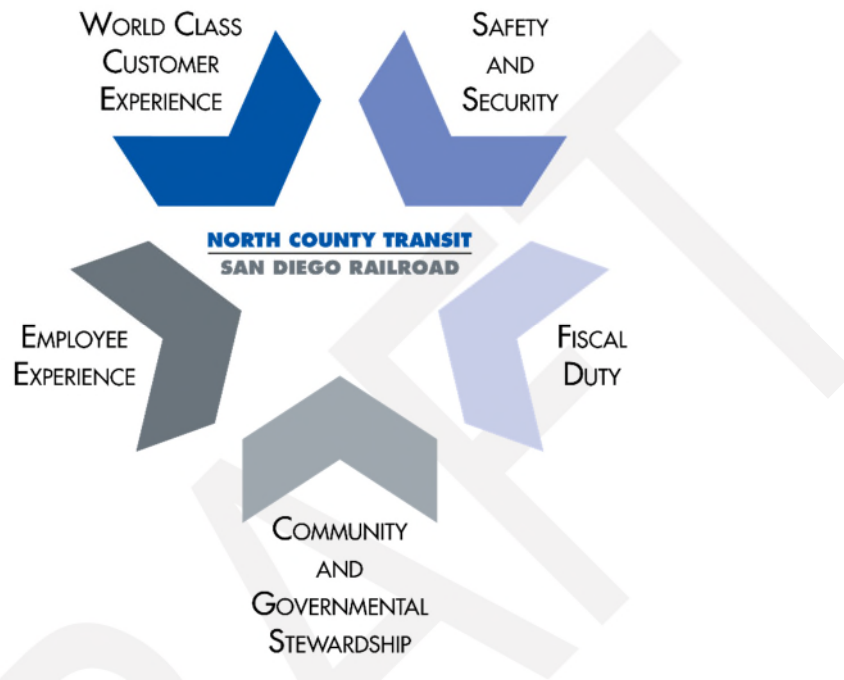
During the CIP evaluation, NCTD implements a process to identify high priority capital projects for funding through the CPSC. This process includes reviewing and ranking submitted capital projects based on the aforementioned strategic value criteria. As capital projects require a significant investment, 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 or January, 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 dependent 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 the District's "North Star", which provides the framework on how the District prioritizes business initiatives and projects. The District's North Star guides the District'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 the District. 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 the District. Below are the strategic areas of focus for FY2026:

World-Class Customer Experience

- Enhance Service Reliability
- Improve Customer Communications During Service Disruptions
- Improve Real-Time Information
- Maintain Service Needs for Essential Workers
- Increase Oversight Over Operations Through Bus Transition
- Explore Ability to Manage Corridor / Planning Studies

Safety and Security

- Upgrade of Positive Train Control System
- Prioritize Capital Improvements to Increase Rail Safety
- Ensure Front Line Employee Safety and Security
- Expand Reach of the District's Sherriff's Team
- Increase Security on Modes and Transit Centers

Fiscal Duty

- Manage Expenses Through the Bus Transition
- 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
- Conduct Fare Analysis

Community and Governmental Stewardship

- Support Local Economies Through Robust Transit Options
- 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
- Provide Feedback to Federal Reauthorization and Funding Opportunities
- Explore Opportunities for Collaboration on the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Corridor

Employee Experience

- Enhance Employee Experience Through Bus Transition
- Promote Succession Planning for Future Leaders
- Provide Learning and Development Opportunities Available for All Employees
- Manage Organizational Structure Effectively
- Ensure the District is Competitive for Prospective Employees

Divisional Performance Targets

The District's North Star is supported by a series of metrics across all NCTD divisions that set specific benchmarks to measure progress toward meeting the objectives articulated in the Strategic Areas of Focus. The table below describes the Divisional Performance Targets for FY2026.

Primary Division or Department Lead for Performance Target	Metric Name	Definition/Calculation Methodology	FY2026 Target
District-Wide	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	Ridership by Mode per the Service Implementation Plan: BREEZE 5,735,171 LIFT 118,861 FLEX 130,517 COASTER 919,746 SPRINTER 1,998,260 NCTD+ 77,514
District-Wide	Fare Revenue	All income received directly from passengers, paid either in cash or through pre-paid tickets, passes, etc.	Fare revenue by Mode per the Budget: BREEZE \$ 6,033,114 LIFT 594,305 FLEX 310,769 COASTER 4,240,722 SPRINTER 1,252,430 NCTD+ 60,958
District-Wide	Responsible Delivery of Capital Improvement Projects	Measurement from baseline schedule. For targets, on time delivery shall exclude delays outside of the Project Managers control, (i.e., funding availability, procurement issues, unforeseen conditions) and concludes when work is completed. As responsible as possible with the delivery of capital projects	90% of FY26 projects completed on-time to baseline schedule 100% of FTA-funded capital projects with <33% delays and/or cost increases
Customer Experience	Percentage of Cases Researched in less than 3 Days	Measures the time from when a customer concern is received and researched by the subject matter expert. Performance is dependent on operating divisions.	> 90% of customer concerns must be researched in less than 3 business days

Primary Division or Department Lead for Performance Target	Metric Name	Definition/Calculation Methodology	FY2026 Target
Customer Experience	Percentage of Cases Closed in less than 5 Days	Measures the time from when a customer concern is received, researched by the subject matter expert, a response provided, and the case is closed. Performance is dependent on operating divisions. Excludes claims, civil rights cases, and ADA determinations.	> 95% of customer concerns must be closed in less than 5 business days
Bus Operations	Customer Feedback BREEZE	Number of customer feedback when riding BREEZE	Maximum negative feedback of 17 per 100,000 boardings
Bus Operations	Customer Feedback LIFT	Number of customer feedback when riding LIFT	Maximum negative feedback of 1.5 per 1,000 boardings
Bus Operations	Customer Feedback FLEX	Number of customer feedback when riding FLEX	Maximum negative feedback of 0.5 per 1000 boardings
Rail Operations	Customer Feedback COASTER	Number of customer feedback when riding COASTER	Maximum negative feedback of 7 per 100,000 boardings
Rail Operations	Customer Feedback SPRINTER	Number of customer feedback when riding SPRINTER	Maximum negative feedback of 5 per 100,000 boardings
Bus Operations	On-Time Performance BREEZE	On-time performance (OTP) is calculated using arrival times at time points with the Swiftly system. A bus is considered on time if it arrives at a time point no more than 5 minutes 59 seconds after the scheduled time.	> 88% OTP
Bus Operations	On-Time Performance LIFT	On-time performance (OTP) is calculated using arrival times at time points with the Trapeze system. A bus is considered on time if it arrives in the 30-minute pickup window.	> 92% OTP
Bus Operations	On-Time Performance FLEX	On-time performance (OTP) is calculated using arrival times at time points with the Swiftly system. A bus is considered on time if it arrives at a time point no more than 5 minutes 59 seconds after the scheduled time or if it arrives in the 30-minute pickup window.	> 88% OTP

Primary Division or Department Lead for Performance Target	Metric Name	Definition/Calculation Methodology	FY2026 Target
Rail Operations	On-Time Performance - COASTER	On-time performance (OTP) is calculated based on the scheduled run time from Oceanside to Santa Fe Depot. A train is considered on time if it arrives at the terminal location no more than 5 minutes and 59 seconds after the scheduled arrival time.	≥ 95% OTP
Rail Operations	On-Time Performance - SPRINT	On-time performance (OTP) is calculated based on the scheduled run time from Oceanside to Escondido. A train is considered on time if it arrives at the terminal location no more than 5 minutes and 59 seconds after the scheduled arrival time.	≥ 95% OTP
Security	Part 1 Crimes	Number of Part 1 crimes as defined by the Federal Bureau of Investigation Uniform Crime Reporting requirements (murder, forcible rape, aggravated assault, robbery, motor vehicle theft, burglary, larceny/theft, arson). Reduction through Transit Enforcement Services Unit (TESU) focused deployment/response.	Reduction from FY2025
Security	Employee and Contractor Assaults	Number of physical assaults perpetrated upon NCTD direct and/or contractor employees. Reduction through improved de-escalation training and improved reporting.	Reduction from FY2025
Security	Customer Assaults	Number of physical assaults perpetrated upon customers through high visibility law enforcement, Code Compliance Inspectors, and contracted security presence on board modes and at stations/transit centers, in conjunction with Control Center Technicians virtual patrols	Reduction from FY2025
Information Technology Systems	System Reliability PTC	The probability that a system adequately follows the defined performance specifications correctly while needed for operations	99.99% (preventable delays) 99.97% (preventable and non-preventable delays)

Primary Division or Department Lead for Performance Target	Metric Name	Definition/Calculation Methodology	FY2026 Target
Finance	Timely Payment of Invoices	Invoices paid based on contractor/vendor terms. NCTD standard is Net 30 after receipt of a properly billed invoice.	Pay all invoices within terms
Finance	Monthly Financial Close	Financial close of all revenues and expenses based on the accrual basis of accounting	20 business days following the end of the calendar month
Procurement and Contract Administration	Timely Processing of Procurements	Complete procurements within the timeframe set forth in Section 4.2 of the PCA Manual	Varies based on each procurement's specific schedule targets
Information Technology Operations	TVM Systems Customer Availability	Percentage of time that NCTD ticket vending machines (TVMs) are fully functional and available to customers during transit hours (7 Days, 5:00 AM - 9:00 PM)	> 98% availability
Real Estate	Average Time to Process Right of Entry Request	Processing Time = Agreement Execution Date - Complete Submittal Received Date (Initial submittal received date will also be tracked, but not measured in this goal)	< 2 weeks processing time
Office of Chief General Counsel	Quality Assessment of Federal Contract Compliance	Baseline deficient audited federal contracts	Reduce deficiencies in federal contract solicitation and award documentation compared to the prior audit

Government Finance Officers Association Distinguished Budget Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**North County Transit District
California**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrell

Executive Director

The Government Finance Officers Association (GFOA) presented a Distinguished Budget Presentation Award to the North County Transit District, California, for its annual budget for the fiscal year beginning July 1, 2024. 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 budget 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. This award is valid for a period of one year only.

Budget Development Policy

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.

Ongoing Operations

NCTD funds ongoing operations with current revenues in a changing environment in which safety, compliance, and effectiveness are paramount.

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, focus on anticipated revenues and 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 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 need and in accordance with the long-term capital program. The District CIP has received scrutiny for cost, value, and priority to the District, 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, generally described as an asset that has a unit cost of \$5,000 or more with an expected life of more than one year. 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 2025 Legislative Agenda on December 19, 2024. The priorities for calendar year 2025 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 District operations and adopts the debt by resolution.

Fund Balance

The District 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, the District 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 the District 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 FY2026 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 reappportion 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 the District's financial transactions. The Project or Department Manager 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 the District 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 Office 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 a District-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 District 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
4. Allocation of Federal, State, and Local Funds
5. Preventive Maintenance Funding 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 District goals and objectives for the upcoming budget year. On March 20, 2025, NCTD's Board waived the requirement that the PAF review the budget before advancing to the Board and instead the full Board received an update on the development of the FY2026 Operating Budget and FY2026-FY2030 CIP at its May 15, 2025, meeting. The Chief Executive Officer and Chief Financial Officer will present the draft operating budget to the NCTD Board for consideration and adoption on June 26, 2025.

Stakeholders

For the development of the FY2026 Operating Budget and FY2026-FY2030 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 Management Office and Chief Financial Officer had oversight of the Capital Improvement Program and lead 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 Chief People Officer and Chief Executive Officer (CEO) reviewed staffing levels and requests for increased staffing or salary adjustments.
- The 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, 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 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

The District Fiscal Year begins on July 1 and ends on June 30.

The FY2026-2030 Capital Improvement Program (CIP) kick-off meeting took place on July 23, 2024, and stakeholders received a presentation outlining the CIP process, roles and responsibilities, CIP evaluation criteria, project readiness, resources, and timeline.

The FY2026 Operating Budget kick-off meeting took place on January 21, 2025, and stakeholders received a presentation outlining operating budget considerations, budget process, roles and responsibilities, accounting and budget financial principles, budget monitoring and controls, roles and responsibilities, and key dates.

Below is the detailed summary of actions taken during the development process of the Fiscal Year 2026 Operating Budget and FY2026-FY2030 Capital Improvement Program (CIP).

Month(s)	Description of Action
July 2024	The Deputy Chief Development Officer 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.

Month(s)	Description of Action
July 2024 - August 2024	Project Managers updated and added project information, funding requests, and project delivery schedules in the District'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.
September 2024	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 District goals and objectives. State of good repair, regulatory requirements, and safety and security were the highest priorities.
October 2024	Capital projects were evaluated, ranked, and scored according to established criteria and prioritized on how well the respective project meets District goals and objectives. State of good repair, regulatory requirements, and safety and security were the highest priorities.
October 2024	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.
November 2024 - December 2024	The CPSC proposed the list of projects eligible for advancement in the constrained CIP based on established criteria and available capital funding. The Chief Executive Officer approved the final constrained CIP based on the preliminary revenue estimates.
January 2025	NCTD Board approved the proposed FY2026-FY2030 Capital Improvement Program based on preliminary revenue estimates.
January 2025	The CFO launched the kick-off for the development of the FY2026 Operating Budget with a presentation that included budget considerations, budget process, roles and responsibilities, accounting and budget financial principles, budget monitoring and controls, roles and responsibilities, and key dates.
January 2025	The California State Controller Officer published the allocations for FY2026 for State Transit Assistance and State of Good Repair funds.
February 2025	SANDAG's Board approved the apportionments of Transportation Development Act (TDA), FTA, and Transnet Funds for FY2026, as well as SANDAG staff provided projections for the next four fiscal years to plan for capital projects and determine operating subsidies.
February 2025	The FY2026-FY2030 CIP was programmed in SANDAG's ProjectTrak system for inclusion in the Regional Transportation Improvement Program (RTIP).
February 2025 - March 2025	Management Analysts collaborated with Division Chiefs and Department Managers with budget responsibilities and completed the budget worksheets based on prior year fiscal results and trends and assumptions for the upcoming fiscal year. Open encumbrances were reviewed for rollovers to FY2026 due to timing of services and receipt of goods.

Month(s)	Description of Action
March 2025	The Marketing, Service Planning, and Business Development (MSPBD) Committee received a presentation on the FY2026 Service Implementation Plan (SIP) key assumptions.
April 2025	NCTD's Board set a public hearing date for June 26, 2025, for consideration of adoption of the proposed FY2026 Operating Budget and ratification of the FY2026-FY2030 Capital Improvement Plan.
April 2025	The staffing plan, which included the insourcing of bus operations and maintenance, was completed and incorporated in the budget assumptions.
April 2025	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.
May 2025	The Federal Transit Administration (FTA) published the full year apportionments for Section 5307, 5337, and 5339 formula funds.
May 2025	The Planning Department completed the draft of the proposed FY2026 Service Implementation Plan, which included ridership projections and revenue hour and revenue mile projections for all modes.
April 2025 - May 2025	The CEO, CFO, and Division Chiefs held multiple rounds of budget discussions to achieve a balanced FY2026 Operating Budget.
May 2025	The CFO presented the proposed FY2026 Operating Budget to the full Board along with the key assumptions used and primary drivers for revenues and expenses. Revisions to the constrained FY2026-FY2030 Capital Improvement Program were also presented to the Board.
June 2025	The FY2026 Operating Budget and FY2026-FY2030 Capital Improvement Plan documents were released for public review and comment.
June 2025	The Board will receive and consider public comment, close the public hearing, adopt the Operating Budget and Capital Improvement Program, and approve the Service Implementation Plan, Employee Classification and Compensation Schedules, and Cost Recovery Fee Schedule.
June 2025	The approved budget will be entered into the District financial system. NCTD staff will submit applications as needed to funding agencies.

Service Implementation Plan (SIP)

The Service Implementation Plan (SIP) outlines the District'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 the District. 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 FY2026 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 FY2026 Service Implementation Plan has been developed to support strategic investments that can be implemented over a five-year period that aim to increase ridership and address capital priority needs while being mindful of a constrained resource environment. Key strategic service priorities that are relevant to the five-year horizon of the Service Implementation Plan include:

- Strategically expand first-last mile services through NCTD+ as funding permits
- Conduct a Bus Network Redesign to restructure the BREEZE network of routes under a variety of funding scenarios
- Complete grant-funded construction of two new stations along the COASTER corridor that will serve major regional events
- Advance project activities that will support the future implementation of 15-minute frequencies on SPRINTER

In January 2025, NCTD submitted a Caltrans Planning Grant application to conduct a Bus Network Redesign. At the time of the development of the Service Implementation Plan, NCTD is awaiting the results of the grant application. The Bus Network Redesign is a comprehensive study that will assess opportunities to restructure the BREEZE bus network to increase ridership. The study will include three

key scenarios, including a reduced funding scenario, maintenance of funding scenario, and increased funding scenario. Service scenarios and cost estimates would be developed as part of the study and incorporated in future Service Implementation Plans upon final adoption of the plan and appropriate financial outlook.

System Summary

Service statistics and ridership projections are reviewed each budget cycle to reflect actual performance and to assess the accuracy of previous forecasts. The FY2025 Service Implementation Plan (SIP), developed in the spring of 2024, incorporated ridership and service data from July 2023 to February 2024. NCTD projected a 4% increase in ridership by the end of FY2025, aiming to reach 77.1% of pre-pandemic levels. Forecasts were based on service restoration and additional service increases on high-performing BREEZE routes, the introduction of new NCTD+ microtransit zones, and the continued ridership benefits of COASTER special event service and the Youth Opportunity Pass program.

As shown in Figure 1 below, monthly systemwide ridership in FY2025 has surpassed budgeted figures and is projected to continue for the remainder of the year. Figure 2 shows a graphical perspective of NCTD boardings over the last five fiscal years by mode.

Figure 1. FY2025 Systemwide Monthly Ridership

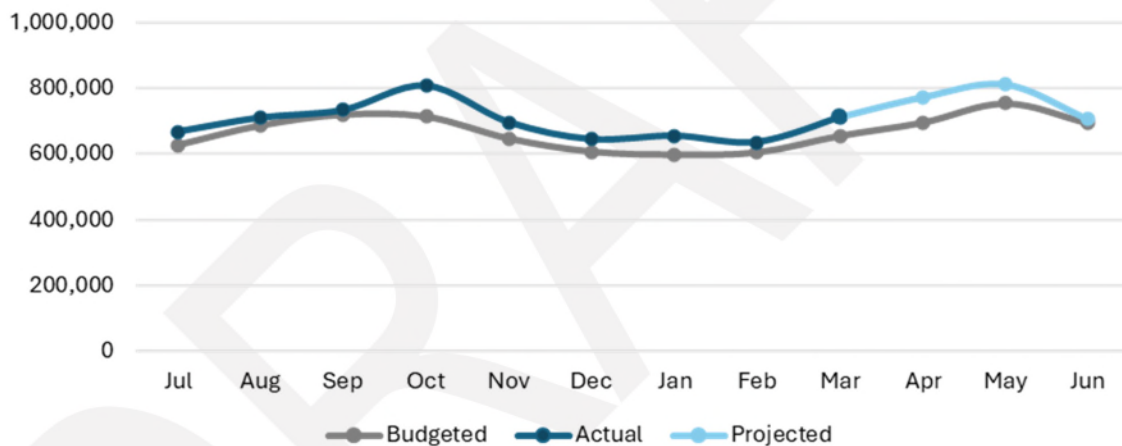
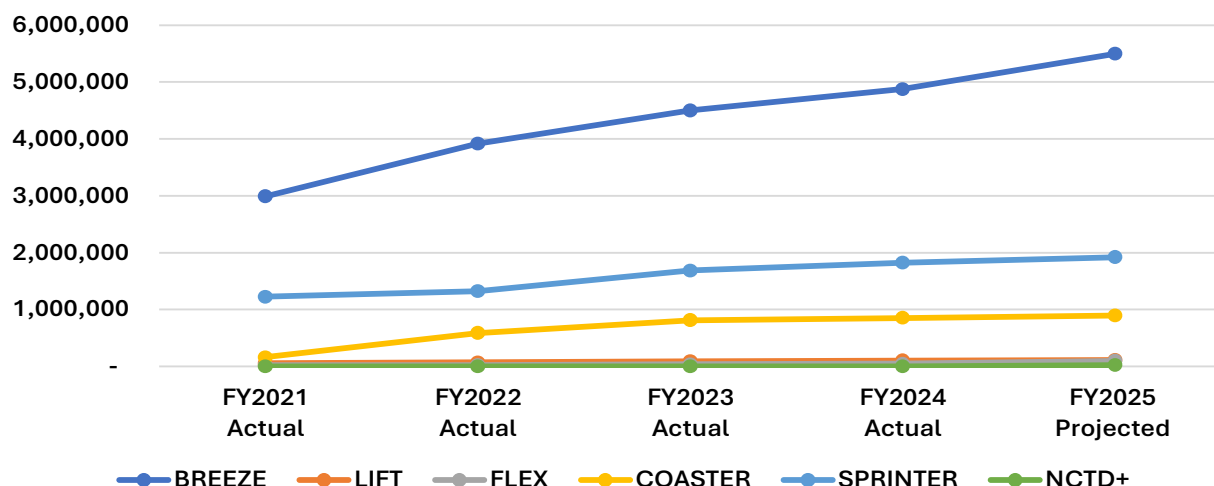


Figure 2. Ridership – Last Five Years



Service Levels and Ridership Projections

NCTD is implementing significant changes in the upcoming fiscal year that are expected to enhance service quality and customer satisfaction. Most notably, the District will be transitioning to in-house bus operations in FY2026. The change will impact BREEZE, FLEX, LIFT, and NCTD+, and the transition is expected to improve service reliability and reduce operator turnover. Systemwide ridership is projected to increase 4.9% in FY2026 to almost nine million boardings or 86.4% of pre-pandemic levels. NCTD continues to explore and advance additional customer-focused initiatives to attract new riders.

Table 1 shows the projected ridership and operating statistics by mode for FY2026. Table 2 shows the projected operating statistics by mode for FY2026 compared to the FY2025 forecast and FY2024 actuals.

Table 1. FY2026 Projected Ridership and Operating Statistics

Mode/Metric	Ridership	Revenue Miles	Total Miles	Revenue Hours	Total Hours
BREEZE	5,735,171	5,062,584	5,759,795	429,066	465,347
SPRINTER	1,998,260	518,850	521,083	23,585	23,738
COASTER	919,746	401,139	426,825	12,302	13,708
LIFT	118,861	1,186,922	1,282,687	66,037	78,884
FLEX	130,517	373,196	466,507	26,542	30,772
NCTD+	77,514	230,635	312,883	23,546	31,464
System Total	8,980,069	7,773,326	8,769,780	581,078	643,913

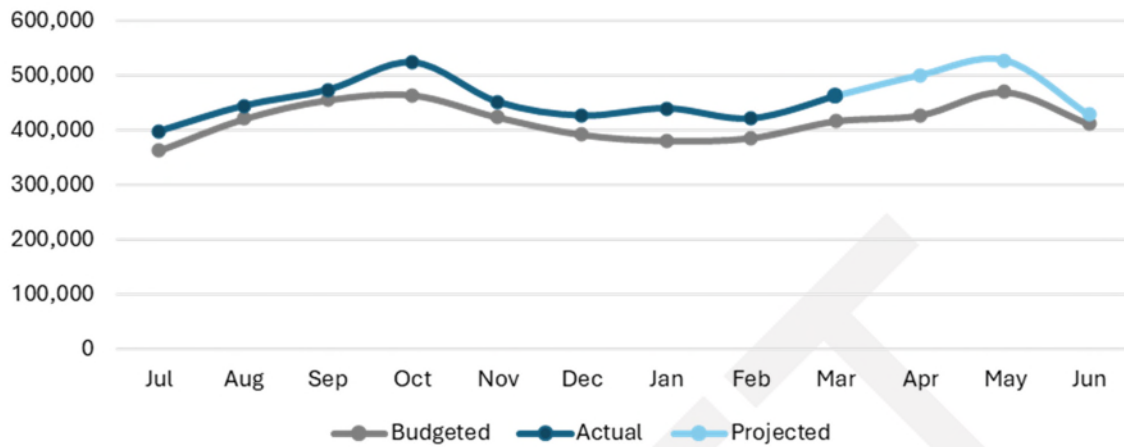
BREEZE

BREEZE service changes outlined in the FY2025 SIP included the restoration of service levels on remaining BREEZE routes that had been reduced due the COVID-19 operator shortage, the reintroduction of BREEZE 408 special event service, and frequency increases on four of NCTD's highest-performing BREEZE routes. The FY2025 SIP projected a 7.4% increase in ridership by the end of FY2025 and annual ridership 77.1% of pre-pandemic levels.

Restoration of BREEZE service levels were completed in June 2024. Further BREEZE frequency increases have been postponed and two low-performing routes were discontinued during the May 2025 service change. Despite these changes, BREEZE ridership in FY2025 has benefited from more accurate reporting due to the Federal Transit Administration's certification of its bus fleet's automated passenger counters on May 23, 2024. As shown in Figure 3, BREEZE monthly ridership in FY2025 has exceeded all budgeted projections and total year-to-date (YTD) boardings are 8.9% above expectations.

The only change to BREEZE service planned in FY2026 is the reintroduction of BREEZE 408 special event service in the fourth quarter. FY2026 ridership is anticipated to increase 4.3%, from an estimated 5.5 million boardings in FY2025 to roughly 5.7 million in FY2026.

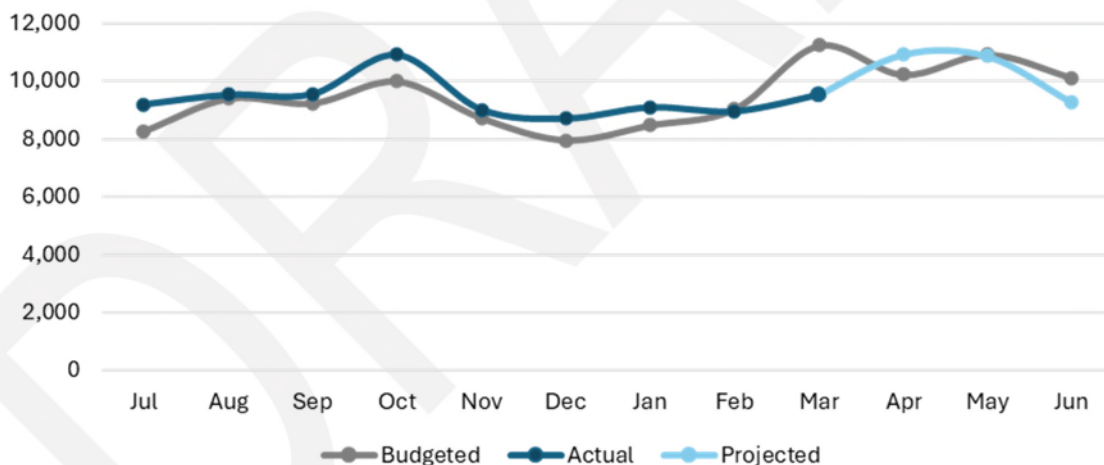
Figure 3. FY2025 BREEZE Monthly Ridership



LIFT

As shown in Figure 4, LIFT ridership has largely outperformed monthly budgeted goals in FY2025, exceeding the budgeted goal for seven of the past nine months of actual data. Overall year-to-date (YTD) ridership in FY2025 has exceeded budget by 2.7% and is projected to exceed the annual budgeted goal by 1.7%. LIFT ridership is projected to increase to close to 120,000 boardings in FY2026.

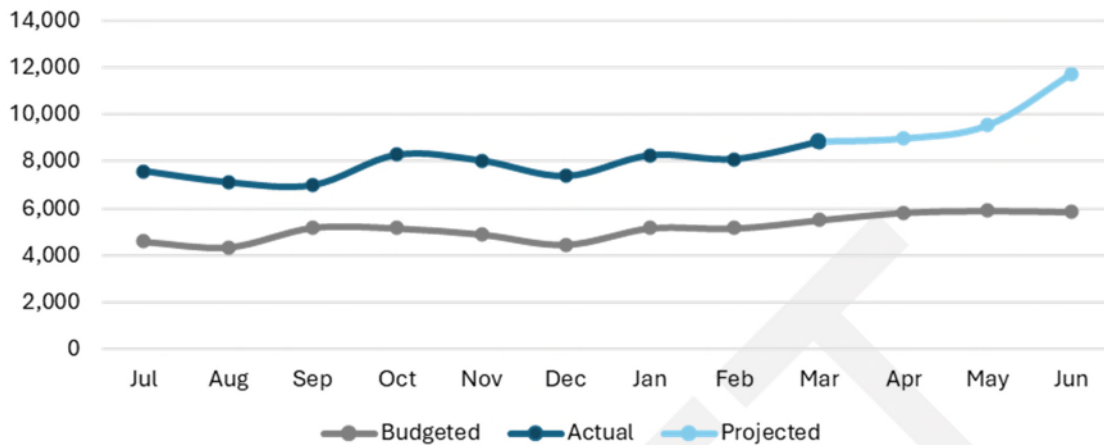
Figure 4. FY2025 LIFT Monthly Ridership



FLEX

Strong, sustained growth on the original FLEX routes and the introduction of COASTER Connection service in late FY2024 have contributed to the monthly overperformance illustrated in Figure 5. Year-to-date FLEX ridership has surpassed projections by 58.9% and total boardings have increased 105.8% year-over-year. FLEX ridership is anticipated to continue to increase in FY2026. The inclusion of COASTER and FLEX services into the U-Pass program for the University of California San Diego's students is expected to further improve ridership on COASTER Connection services.

Figure 5. FY2025 FLEX Monthly Ridership

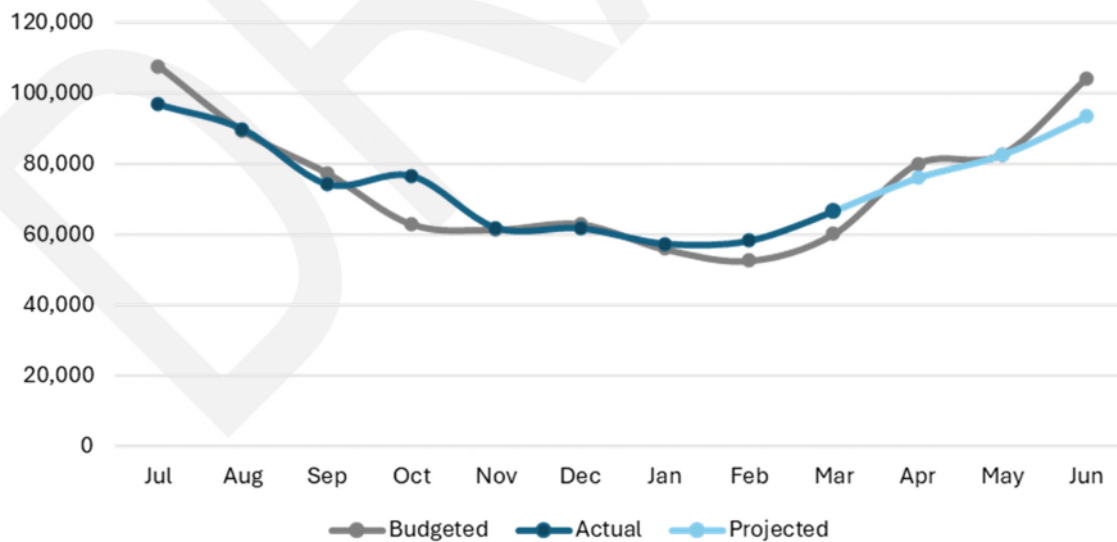


COASTER

Year-to-date ridership on COASTER has increased 5.3% compared to the previous fiscal year, higher than the 3.3% increase projected in the FY2025 SIP. However, as shown in Figure 6, COASTER monthly ridership compared to budgeted goals has been varied. July 2024 ridership, for example, was almost 10% below budgeted while the Padres' post-season appearance helped October 2024 ridership surpass the budgeted goal by 21.7%.

Over 900,000 COASTER boardings are projected in FY2026, a 2.6% increase from FY2025. No service expansions are planned in FY2026 and the operating statistics in Table 1 largely reflect variations in the number of weekdays, Saturdays, and Sundays.

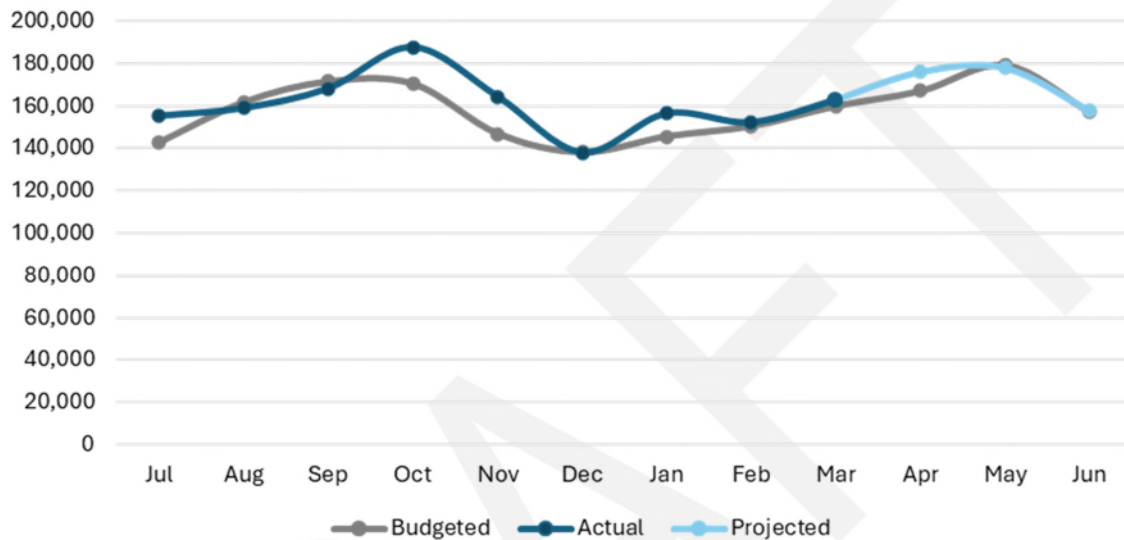
Figure 6. FY2025 COASTER Monthly Ridership



SPRINTER

As shown in Figure 7, FY2025 SPRINTER ridership has largely exceeded budgeted goals with YTD ridership surpassing expectations by 4.1% and total boardings having increased 4.6% from FY2024. SPRINTER is expected to continue its growth trend, increasing by 4% to nearly two million boardings in FY2026. There are no SPRINTER service changes proposed in FY2026 and the operating statistics shown in Table 1 reflect variations in the share of weekdays, Saturdays, and Sundays.

Figure 7. FY2025 SPRINTER Monthly Ridership



NCTD+

In June 2024, NCTD introduced its on-demand microtransit service, NCTD+, as a pilot in San Marcos. As shown on Figure 8, the service ramped up quickly and started reaching its ridership targets after only four months of service. NCTD+ ridership is anticipated to increase significantly in FY2026 with a full year of microtransit service in Vista and San Marcos. Additionally, NCTD intends to pursue flexible fleets funding through the San Diego Association of Governments (SANDAG) to support the launch of a third pilot zone in Fallbrook and Pala.

Figure 8. FY2025 NCTD+ Monthly Ridership

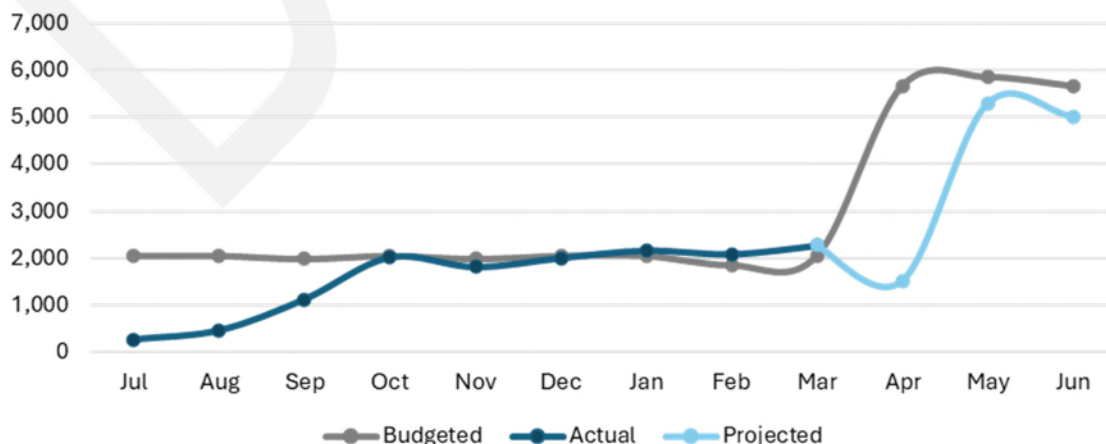


Table 2. FY2026 Budget - Service Implementation Plan

	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (%)
BREEZE						
Ridership	4,876,019	5,012,883	5,497,704	5,735,171	14%	4.3%
Revenue Miles	4,892,488	5,157,363	5,068,291	5,062,584	-1.8%	-0.1%
Total Miles	5,608,830	5,956,784	5,877,533	5,759,795	-3.3%	-2.0%
Revenue Hours	411,851	421,320	429,154	429,066	1.8%	0.0%
Total Hours	441,144	455,034	463,297	465,347	2.3%	0.4%
LIFT						
Ridership	105,244	113,699	115,683	118,861	4.5%	2.7%
Revenue Miles	903,563	1,079,769	967,296	1,186,922	9.9%	22.7%
Total Miles	995,221	1,189,805	1,045,379	1,282,687	7.8%	22.7%
Revenue Hours	53,654	63,167	56,259	66,037	4.5%	17.4%
Total Hours	61,515	71,375	64,288	78,884	10.5%	22.7%
FLEX						
Ridership	48,663	62,055	100,882	130,517	110.3%	29.4%
Revenue Miles	320,948	405,196	392,137	373,196	-7.9%	-4.8%
Total Miles	337,743	490,302	481,484	466,507	-4.9%	-3.1%
Revenue Hours	17,414	24,697	25,948	26,542	7.5%	2.3%
Total Hours	18,472	37,827	33,146	30,772	-18.7%	-7.2%
COASTER						
Ridership	852,993	898,301	896,810	919,746	2.4%	2.6%
Revenue Miles	399,691	410,753	401,289	401,139	-2.3%	0.0%
Total Miles	425,396	436,530	426,959	426,825	-2.2%	0.0%
Revenue Hours *	12,274	12,647	12,320	12,302	-2.7%	-0.1%
Total Hours	13,673	14,087	13,727	13,708	-2.7%	-0.1%
SPRINTER						
Ridership	1,822,849	1,890,347	1,922,174	1,998,260	5.7%	4.0%
Revenue Miles	512,781	519,070	503,962	518,850	0.0%	3.0%
Total Miles	516,671	521,305	506,892	521,083	0.0%	2.8%
Revenue Hours	23,296	23,595	22,911	23,585	0.0%	2.9%
Total Hours	23,497	23,749	23,081	23,738	0.0%	2.8%
NCTD+						
Ridership	146	35,283	26,002	77,514	100.0%	198.1%
Revenue Miles	562	94,656	84,968	230,635	100.0%	171.4%
Total Miles	3,523	123,589	127,584	312,883	100.0%	145.2%
Revenue Hours	113	13,680	8,319	23,546	100.0%	183.0%
Total Hours	711	15,454	12,366	31,464	100.0%	154.4%
SYSTEM						
Ridership	7,705,914	8,012,568	8,559,255	8,980,069	12.1%	4.9%
Revenue Miles	7,030,033	7,666,807	7,417,943	7,773,326	1.4%	4.8%
Total Miles	7,887,384	8,718,315	8,465,831	8,769,780	0.6%	3.6%
Revenue Hours	518,602	559,106	554,911	581,078	3.9%	4.7%
Total Hours	559,012	617,526	609,905	643,913	4.3%	5.6%

* Includes in-service hours and adjusted layover hours

Financial Forecast and Significant Assumptions

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. The District's financial health is dependent on economic and political conditions that affect these revenue sources.

Federal Transit Administration (FTA) Formula Programs

Section 5307

Section 5307 Urbanized Area Program provides funding for transit capital and operating assistance in urbanized areas and for transportation-related planning. Eligible activities under this program 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 of buses; overhaul and rebuilding of buses; crime prevention and security equipment; construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act (ADA) complementary paratransit service, while recorded as operating expenditures, 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.

The Bipartisan Infrastructure Law (BIL), as enacted in the Infrastructure Investment and Jobs Act (IIJA), increased funding for this Program by \$33.5 billion over a five-year period (Federal FY2022-FY2026) to support transit operations in 500 communities across the country. The formula for determining each metropolitan area's share of funds involves population, density, bus and rail vehicle miles, and rail route miles. The FTA publishes annually the allocations for the recipients. SANDAG is the designated recipient and then allocates the funds between NCTD and MTS. The FY2026 allocation is 30% for NCTD and 70% for MTS after SANDAG deductions for the Regional Vanpool Program. For FY2026, NCTD was allocated \$27.9 million of Section 5307 funds (increase of 2.2% from FY2025). The 5-Year Plan assumes an extension of the IIJA through FY2030 at the same level as FY2026.

Section 5337

This State of Good Repair Program provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. Additionally, State of Good Repair grants are eligible for developing and implementing Transit Asset Management plans. This program reflects a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. Eligible activities include projects that maintain, rehabilitate, and replace capital assets as well as projects that implement transit asset management plans. High-intensity motorbus tier funds can only be used for vehicle state of good repair costs and not for roadway state of good repair costs.

The IIJA increased funding for this Program by \$23.1 billion over a five-year period (Federal FY2022-FY2026) to assist in financing capital projects to maintain public transit systems. The FY2026 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 FY2026, NCTD was allocated \$20.1 million of Section 5337 funds (increase of 0.6% from FY2025). The 5-Year Plan assumes an extension of the IIJA through FY2030 at the same level as FY2026.

Section 5339

The Bus and Bus Facilities Program makes federal funding available for the purpose of financing capital bus and bus-related projects which will support the continuation and expansion of public transportation services in the United States. There also is a sub-program that provides competitive grants for bus and bus facility projects that support low- and zero-emissions vehicles. The purpose of both formula and competitive programs is to provide capital funding to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities. The FY2026 allocation for the San Diego region is 30% for NCTD and 70% for MTS. For FY2026, NCTD was allocated \$1.8 million of Section 5339 funds (increase of 2% from FY2025).

Section 5311

FTA Section 5311 provides capital, planning, and operating assistance to states 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. 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 advance 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 the District 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 FY2030 at the same level as FY2026.

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. 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. Providing certain conditions are met, counties with a population under 500,000 (according to the 1970 federal census) may also use the LTF for local streets and roads, construction, and maintenance. The TDA LTF program is the major funding source that supports the San Diego region's public transit operators. The STA fund can only be used for transportation planning and mass transportation purposes.

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 North County Transit - San Diego Railroad (NCTD) and Metropolitan Transit System (MTS).

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 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 will 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). The FY2026 budget includes \$48.3 million of SB125 and \$3.5 million of ZETCP funds, of which \$37.1 million are programmed for capital projects.

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. The following services were listed in the Ordinance:

- Rapids: SuperLoop, I-15, Mira Mesa, Mid-City, South Bay
- Mid-Coast Trolley
- COASTER peak and midday frequency increases
- SPRINTER peak and midday frequency increases
- Blue Line midday frequency increases
- San Ysidro-Sorrento Rapid

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. The 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, and fuel costs. In FY2026, NCTD will no longer contract for bus operations and maintenance and will assume direct operations of all modes of transit. The FY2026 Budget increases the number of employees full-time equivalents (FTEs) from 420.75 FTEs in FY2025 to 878 FTEs in FY2026.

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, rail zero emissions planning and pilot program support, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance. Operating expenses have been reduced in FY2026 compared to FY2025 as the District is re-baselining expenses as result of lower local funding from sales tax revenues forecasted for the next five years.

Fiscal Year 2026 Assumptions

The significant assumptions used in the development of the FY2026 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 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 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.
- 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. STA funds had been allocated in prior years to match Federal funds for capital projects and operating expenses; however, due to a shortage of operating funds in FY2026, all STA funds will be programmed for operations in FY2026 and TDA capital reserves from prior years will be programmed as a match for capital projects.
- 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.
- TransNet revenue is forecasted by the SANDAG before the start of the new fiscal year based on the growth rate in taxable sales in San Diego County. The most recent estimates were approved by SANDAG's Board at its February 14, 2025 meeting. The distribution to NCTD is based on the January 2023 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.
- 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. SB125 created approximately \$5.1 billion statewide, of new one-time source funding to help address transit providers' operating and capital needs. The funding is distributed through two programs, the Transit and Intercity Rail Capital Program (TIRCP) and the Zero Emission Transit Capital Program (ZETCP), over a two-year and four-year period, respectively. Eligible projects for SB125 and ZETCP funds are published by the California State Transportation Agency. NCTD has programmed SB125 for capital and maintenance expenses and ZETCP funds for zero-emission expenses.

- The State Rail Assistance FY2026 budget was based on prior years' levels; the actual estimate for FY2026 has not yet been provided by the California State Transportation Agency (CalSTA).
- Customer fares revenue is based on the FY2026 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). In FY2026, 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. No funding has been identified for YOP beyond FY2026.
- 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 FY2025 levels.

Table 3 summarizes the sources and uses of revenues for FY2026.

Operating Expenses

- The bus operations and maintenance contract with MV Transportation (MV) under Agreement No. 17033 ends on June 30, 2025. FY2026 budgeted expenditures associated with bus operations and maintenance are included in various line items (salaries and benefits, professional services, materials, and miscellaneous expenses).
- The budget for salaries, wages, and benefits assumes full staffing of 878 full-time equivalents (FTEs), of which 471 FTEs are associated with the insourcing of bus operations and maintenance. 13.75 FTEs were reduced compared to the FY2025 budget as result of organizational restructuring.
- 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, rail zero emissions planning and pilot program support, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance.
- The fuel budget consumption is based on the FY2026 Service Implementation Plan (SIP). The fuel budget assumes that the Brent Crude oil price will average \$90/barrel in FY2026 (Brent Crude is a major benchmark price for purchases of oil worldwide). The Brent crude oil price averaged \$82/barrel in calendar years 2023 and 2024. Compressed Natural Gas (CNG) costs are budgeted at \$0.447 per therm based on recent prices trend and projections from the U.S. Energy Information Administration. Increased fuel costs for bus services associated with hydrogen fuel are being partially offset with savings on SPRINTER service as NCTD is planning to strategically right-size singles and doubles Diesel Multiple Units (DMUs) based on peak-times ridership.
- Purchased transportation includes \$1 million for contracted taxi for paratransit services.
- The FY2026 budget for property and liability insurance premiums assumes that rates will be stable compared to FY2025 and has factored the increased liability premiums associated with the insourcing of bus operations and maintenance.

- A contingency expense of \$0.5 million has been established for unforeseen circumstances or emergencies.
- The FY2026 minimum required pension unfunded accrued liability payment of \$4.2 million and SPRINTER debt principal payment of \$1.45 million will be paid from net assets and are not included in the FY2026 Operating Budget..

Table 3. FY2026 Sources and Uses of Revenues

Revenue Source	Capital and Maintenance	Restricted Use by Grant	Operations	Total FY2026
Passenger Fares and U-Pass			\$ 12,492,298	\$ 12,492,298
Non-Transportation and Auxiliary Revenues			16,059,067	16,059,067
Federal Transit Administration (FTA) Section 5307	27,962,316			27,962,316
Federal Transit Administration (FTA) Section 5337	20,142,466			20,142,466
Federal Transit Administration (FTA) Section 5339	1,848,288			1,848,288
Federal Transit Administration (FTA) Section 5311		641,568		641,568
U.S. Department of Transportation - Rebuilding American Infrastructure with Sustainability and Equity (RAISE)	10,208,556			10,208,556
Federal Transit Administration (FTA) Low No (carryover)		307,390		307,390
Federal Highway Administration - Congestion Mitigation and Air Quality Improvement (CMAQ) Program	1,233,240			1,233,240
Transportation Development Act (TDA) 4.0			49,733,819	49,733,819
Transportation Development Act (TDA) 4.5			2,608,917	2,608,917
TDA 4.0 (SANDAG Reimbursement)			221,043	221,043
State Transit Assistance (STA)			12,042,825	12,042,825
STA State of Good Repair	2,088,577			2,088,577
Caltrans Planning Grant		820,000		820,000
State Rail Assistance (SRA)			3,900,000	3,900,000
SB 125 Transit and Intercity Rail Capital Program (TIRCP)	48,333,791			48,333,791
Zero-Emission Transit Capital Program (ZETCP)	590,000	2,877,415		3,467,415
TransNet - Transit Services (Senior and Disabled)			484,000	484,000
TransNet - Transit Services (Operations and Capital)			18,247,000	18,247,000
TransNet - New Major Corridor Transit Operations			8,178,851	8,178,851
Low Carbon Transit Operations Program (LCTOP)	3,062,333			3,062,333
California Department of Housing and Community Development - Affordable Housing and Sustainable Communities (AHSC)	12,900,000			12,900,000
Total Revenue	\$ 128,369,567	\$ 4,646,373	\$ 123,967,820	\$ 256,983,760

FY2026 Operating Budget

The Proposed FY2026 Operating Budget is submitted at \$178,805,577 (includes contingency funds of \$500,000), a reduction of \$9,353,196 (4.97%) from the FY2025 Operating Budget and an increase of \$3,989,185 (2.28%) from the FY2025 Forecast. Table 4 shows the proposed operating revenues and expenditures for FY2026.

Operating Summary

Table 4. FY2026 Operating Budget - Summary

	FY2024 Actual	FY2025 ** Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (#)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (#)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Revenues								
Passenger Fares	\$ 10,732,805	\$ 10,201,124	\$ 11,263,584	\$ 12,492,298	\$ 2,291,174	22.46%	\$ 1,228,714	10.91%
Non-Transportation Revenues	7,725,055	4,528,000	7,191,895	4,731,200	203,200	4.49%	(2,460,695)	-34.21%
Auxiliary Revenues	12,373,406	11,623,114	11,973,464	11,199,184	(423,930)	-3.65%	(774,280)	-6.47%
Federal Grants	46,058,066	53,721,004	48,188,834	37,254,595	(16,466,409)	-30.65%	(10,934,239)	-22.69%
State Grants	10,056,331	23,579,635	16,498,745	33,654,670	10,075,035	42.73%	17,155,925	103.98%
Local Grants	75,862,156	84,505,896	79,699,870	79,473,630	(5,032,266)	-5.95%	(226,240)	-0.28%
	162,807,819	188,158,773	174,816,392	178,805,577	(9,353,196)	-4.97%	\$ 3,989,185	2.28%
Operating Expenditures								
Salaries and Wages	\$ 30,548,023	\$ 39,687,280	\$ 34,601,055	\$ 70,118,247	\$ 30,430,967	76.68%	\$ 35,517,192	102.65%
Employee Benefits *	13,520,817	13,202,830	14,952,931	22,748,554	9,545,724	72.30%	7,795,623	52.13%
Professional Services	36,046,520	48,191,849	40,453,679	43,190,410	(5,001,439)	-10.38%	2,736,731	6.77%
Materials and Supplies	11,577,426	17,534,936	13,299,719	22,700,459	5,165,523	29.46%	9,400,740	70.68%
Utilities	3,263,759	3,632,614	3,323,061	3,867,188	234,574	6.46%	544,127	16.37%
Casualty and Liability	6,763,295	8,651,736	7,615,657	9,709,267	1,057,531	12.22%	2,093,610	27.49%
Taxes	1,124,064	1,507,413	1,786,869	1,270,553	(236,860)	-15.71%	(516,316)	-28.90%
Purchased Transportation	50,607,442	50,971,878	53,234,936	1,033,000	(49,938,878)	-97.97%	(52,201,936)	-98.06%
Miscellaneous Expenses	1,216,972	2,157,881	1,540,095	1,847,204	(310,677)	-14.40%	307,109	19.94%
Debt-Related Expense ***	622,260	737,200	563,487	674,300	(62,900)	-8.53%	110,813	19.67%
Leases and Rentals	1,103,279	1,383,156	1,130,668	1,146,395	(236,761)	-17.12%	15,727	1.39%
Contingency	-	500,000	58,330	500,000	-	0.00%	441,670	100.00%
	156,393,857	188,158,773	172,560,487	178,805,577	(9,353,196)	-4.97%	\$ 6,245,090	3.62%
	\$ 6,413,962	\$ -	\$ 2,255,905	\$ -	\$ -		\$ (2,255,905)	

* Excludes GASB 68 and GASB 75 non-cash adjustments and the required Unfunded Accrued Liability (UAL) pension contribution

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

*** Excludes GASB 87 and GASB 96 interest adjustments

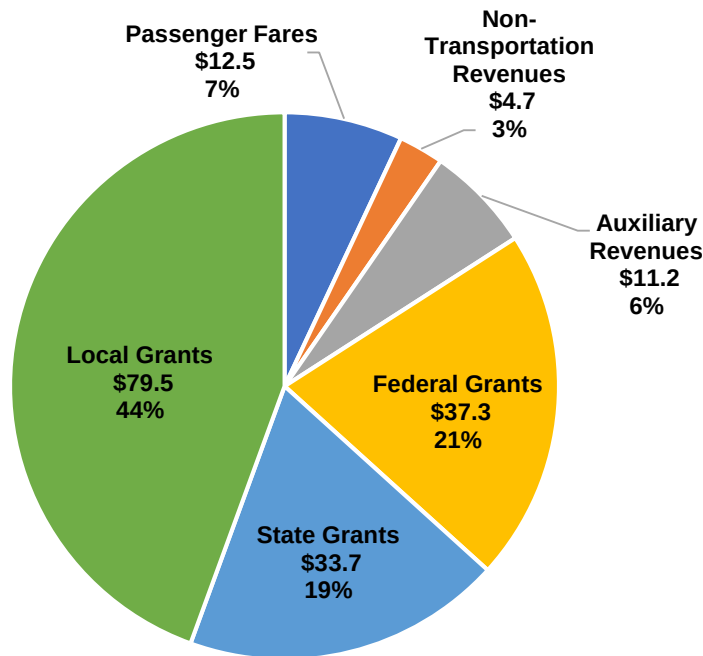
Operating Revenues

Table 5 summarizes the FY2026 budgeted operating revenues and Figure 9 shows the percentage composition and amounts of operating revenues.

Table 5. FY2026 Budget - Operating Revenues

	FY2024 Actual	FY2025 ** Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (#)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (#)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Revenues								
Passenger Fares	\$ 10,732,805	\$ 10,201,124	\$ 11,263,584	\$ 12,492,298	\$ 2,291,174	22.46%	\$ 1,228,714	10.91%
Non-Transportation Revenues	7,725,055	4,528,000	7,191,895	4,731,200	203,200	4.49%	(2,460,695)	-34.21%
Auxiliary Revenues	12,373,406	11,623,114	11,973,464	11,199,184	(423,930)	-3.65%	(774,280)	-6.47%
Federal Grants	46,058,066	53,721,004	48,188,834	37,254,595	(16,466,409)	-30.65%	(10,934,239)	-22.69%
State Grants	10,056,331	23,579,635	16,498,745	33,654,670	10,075,035	42.73%	17,155,925	103.98%
Local Grants	75,862,156	84,505,896	79,699,870	79,473,630	(5,032,266)	-5.95%	(226,240)	-0.28%
	162,807,819	188,158,773	174,816,392	178,805,577	(9,353,196)	-4.97%	\$ 3,989,185	2.28%

Figure 9. FY2026 Budget - Operating Revenues
(in millions)



Passenger Fares

The FY2026 Budget forecasts system ridership at 9 million boardings (see Table 1), an increase of 12.07% from the FY2025 Budget and an increase of 4.92% from the FY2025 Forecast. FY2026 ridership forecasts and operating statistics by mode are described in detail in the Service Implementation Plan section above.

Revenues generated from passenger fares vary across modes. The highest level of average revenue per passenger is generated by commuter rail (COASTER) and the lowest level is from hybrid rail (SPRINTER). Fare revenues for FY2026 were projected by multiplying the number of boardings and historical average fares by mode.

Since May 2022, NCTD has partnered with SANDAG, MTS, and the County of San Diego 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, SANDAG is instead providing NCTD with federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds; however, these funds are restricted to capital projects. No funding has been identified for YOP beyond FY2026.

Table 6 shows the projected passenger fare revenues by mode for FY2026.

Table 6. FY2026 Budget - Passenger Fares Revenue

Mode	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase from FY2025 Budget (#)	Increase from FY2025 Budget (%)	Increase from FY2025 Forecast (#)	Increase from FY2025 Forecast (%)
BREEZE	\$ 5,144,552	\$ 4,620,994	\$ 5,087,607	\$ 6,033,114	\$ 1,412,120	30.56%	\$ 945,507	18.58%
LIFT	808,434	529,268	675,597	594,305	65,037	12.29%	(81,292)	-12.03%
FLEX	127,188	152,426	182,051	310,769	158,343	103.88%	128,718	70.70%
COASTER	3,575,431	3,759,051	3,996,054	4,240,722	481,671	12.81%	244,668	6.12%
SPRINTER	1,077,007	1,051,177	1,281,119	1,252,430	201,253	19.15%	(28,689)	-2.24%
NCTD+	193	88,208	41,155	60,958	(27,250)	100.00%	19,803	100.00%
	\$ 10,732,805	\$ 10,201,124	\$ 11,263,583	\$ 12,492,298	\$ 2,291,174	22.46%	\$ 1,228,715	10.91%

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 funds that are used for 80% of eligible capital and preventive maintenance expenses and Section 5311 funds as subsidy for service to rural routes.

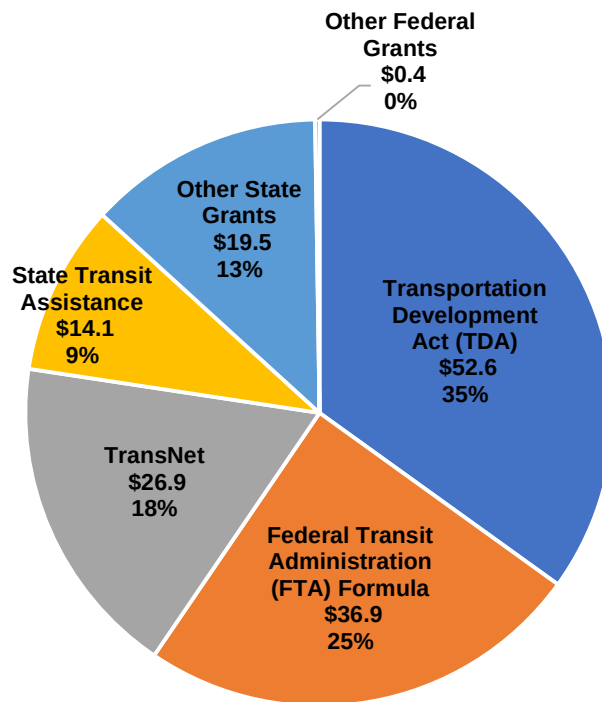
SANDAG's forecast for TransNet and TDA is generated using the most recent historical collections and then projecting future revenue as the product of nominal retail sales per capita growth and population growth. The forecast methodology underwent SANDAG's peer review process (PRP) in 2022, confirming per capita nominal sales growth rate as the primary predictor of retail sales and ultimately how TransNet and Transportation Development Act (TDA) revenues are likely to behave.

The starting point in the TransNet forecast revision is replacing forecasted values with the most recently reported actual revenue collections. As noted earlier, comparing actual to projected values for FY2024 and FY2025 (July 2024 through January 2025) suggested potentially negative, TransNet revenue growth. FY2024 actual collections did not meet expectations, and year-to-date values for FY2025 point to a slight downturn in nominal spending that had not been forecasted. Year-to-date TDA collections in FY2025 (July 2024 through January 2025) are up 1.3%, which is promising. However, this gain is largely due to a strong performance in December rather than consistent month-over-month growth. SANDAG predicts FY2025 collections to finish on par with FY2024 actual collections.

SANDAG economists adjusted the annual growth rates of the TransNet revenue forecasted by the model. The adjustments reflect a guiding principle of being conservative to minimize the risk of budget shortfalls. These adjustments result in retail sales expected to experience slow growth over the short-term and stronger growth returning over the long-term. The variable growth reflects retail sales finally normalizing after COVID; consumer response to ongoing price volatility as inflation moves at different paces and directions across the basket of taxable and nontaxable goods impacting households and businesses; and long-term expectations of prices stabilizing and ongoing, generally healthy economic conditions.

Figure 10 shows the percentage composition and amounts of operating grant revenues budgeted for FY2026.

Figure 10. FY2026 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 FY2025 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 7 summarizes the FY2026 budgeted operating expenses by category and Table 8 summarizes the FY2026 budgeted expenses by mode of service. Figure 11 shows the percentage composition and amounts of operating expenses.

Table 7. FY2026 Budget - Operating Expenses by Category

Operating Expenditures	FY2024 Actual	FY2025 ** Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (#)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (#)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 30,548,023	\$ 39,687,280	\$ 34,601,055	\$ 70,118,247	\$ 30,430,967	76.68%	\$ 35,517,192	102.65%
Employee Benefits *	13,520,817	13,202,830	14,952,931	22,748,554	9,545,724	72.30%	7,795,623	52.13%
Professional Services	36,046,520	48,191,849	40,453,679	43,190,410	(5,001,439)	-10.38%	2,736,731	6.77%
Materials and Supplies	11,577,426	17,534,936	13,299,719	22,700,459	5,165,523	29.46%	9,400,740	70.68%
Utilities	3,263,759	3,632,614	3,323,061	3,867,188	234,574	6.46%	544,127	16.37%
Casualty and Liability	6,763,295	8,651,736	7,615,657	9,709,267	1,057,531	12.22%	2,093,610	27.49%
Taxes	1,124,064	1,507,413	1,786,869	1,270,553	(236,860)	-15.71%	(516,316)	-28.90%
Purchased Transportation	50,607,442	50,971,878	53,234,936	1,033,000	(49,938,878)	-97.97%	(52,201,936)	-98.06%
Miscellaneous Expenses	1,216,972	2,157,881	1,540,095	1,847,204	(310,677)	-14.40%	307,109	19.94%
Debt-Related Expense ***	622,260	737,200	563,487	674,300	(62,900)	-8.53%	110,813	19.67%
Leases and Rentals	1,103,279	1,383,156	1,130,668	1,146,395	(236,761)	-17.12%	15,727	1.39%
Contingency	-	500,000	58,330	500,000	-	0.00%	441,670	100.00%
	\$ 156,393,857	\$ 188,158,773	\$ 172,560,487	\$ 178,805,577	\$ (9,353,196)	-4.97%	\$ 6,245,090	3.62%

* Excludes GASB 68 and GASB 75 non-cash adjustments and the required Unfunded Accrued Liability (UAL) pension contribution

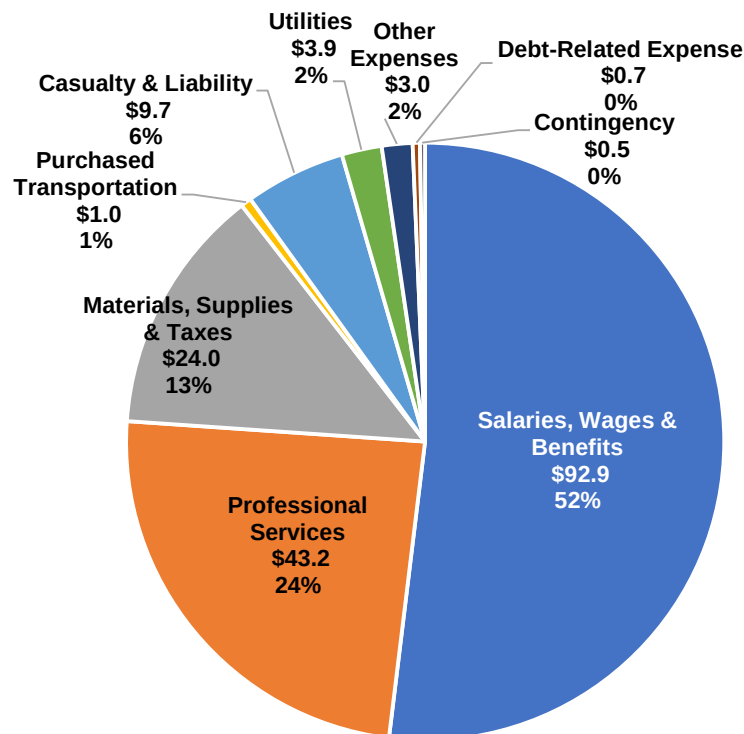
** As originally adopted and does not reflect budget transfers made during the fiscal year

*** Excludes GASB 87 and GASB 96 interest adjustments

Table 8. FY2026 Budget - Operating Expenses by Mode

Mode	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (#)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (#)	Increase/ (Decrease) from FY2025 Forecast (%)
BREEZE	\$ 59,364,947	\$ 65,784,710	\$ 64,466,345	\$ 62,864,934	\$ (2,919,776)	-4.44%	\$ (1,601,411)	-2.48%
LIFT	13,074,330	13,941,676	14,101,761	14,025,323	83,647	0.60%	(76,438)	-0.54%
FLEX	3,816,542	6,152,186	4,378,182	7,279,846	1,127,660	18.33%	2,901,664	66.28%
COASTER	37,917,806	42,958,999	41,870,684	44,464,340	1,505,341	3.50%	2,593,656	6.19%
COASTER RIGHT-OF-WAY	8,488,894	15,788,844	11,546,235	12,107,635	(3,681,209)	-23.32%	561,400	4.86%
SPRINTER	33,311,097	42,380,387	35,501,125	35,832,702	(6,547,685)	-15.45%	331,577	0.93%
SPRINTER RIGHT-OF-WAY	294,064	446,948	316,520	464,015	17,067	3.82%	147,495	46.60%
NCTD+	126,177	705,023	379,635	1,766,782	1,061,759	100.00%	1,387,147	100.00%
	\$ 156,393,857	\$ 188,158,773	\$ 172,560,487	\$ 178,805,577	\$ (9,353,196)	-4.97%	\$ 6,245,090	3.62%

Figure 11. FY2026 Budget - Operating Expenses
(in millions)



Salaries, Wages, and Benefits

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 FY2026 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 FY2026 Operating Budget also assumes capitalized labor for staff time working on capital projects of \$0.7 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.

The FY2026 budget for salaries, wages, and benefits assumes full staffing of 878 full-time equivalents (FTEs), of which 471 FTEs are associated with the insourcing of bus operations and maintenance. Table 9 shows the FY2026 budgeted FTEs by Department for the last five fiscal year budgets and Table 10 shows the FY2026 budgeted FTEs by Division, updated based on recent organizational changes.

Table 9. FY2026 Budget - FTEs by Department

Department	Budget Positions				
	FY2022	FY2023	FY2024	FY2025	FY2026
Accounting	5.00	5.00	6.00	6.00	3.00
Administration	4.00	6.00	6.00	9.00	5.00
Bus Operations Administration	6.00	7.00	6.00	6.00	50.00
Bus Operators *	-	-	-	-	256.00
Bus Vehicles Maintenance *	-	-	-	-	83.00
Business Intelligence *	-	-	-	-	2.00
Chief Executive Officer	4.25	3.25	3.25	1.00	1.00
COASTER Maintenance *	-	-	-	-	19.00
COASTER Operators	22.00	32.00	36.00	36.00	36.00
Communications and Marketing	4.25	6.75	7.50	5.50	4.00
Customer Experience	16.00	14.00	16.00	16.00	16.00
Development Services	2.00	3.00	3.00	3.00	4.00
Development Services Support Services	-	-	5.00	4.00	3.00
Engineering	2.00	6.00	7.00	8.00	8.00
Facilities	10.00	30.00	23.00	46.00	54.00
Fare Collection	1.00	1.00	1.00	1.00	1.00
Financial Oversight	8.00	8.00	8.00	9.00	8.00
General Counsel	5.00	5.00	7.00	7.25	7.00
General Services *	-	-	-	-	1.00
Government Relations	-	-	1.00	1.00	2.00
Grants	5.00	5.00	5.00	3.00	3.00
Human Resources	6.00	7.25	6.00	9.00	10.00
Information Technology Operations	11.00	18.00	17.00	20.00	8.00
Information Technology Systems *	-	-	-	-	8.00
Learning and Development	3.00	4.00	7.00	8.00	4.00
Maintenance of Signals	-	19.00	19.25	20.25	21.00
Maintenance-of-Way ***	2.00	43.00	27.00	27.00	27.00
On-Demand Services *	-	-	-	-	72.00
Operations Control Center	20.00	20.00	21.00	20.00	20.00
Operations Support Services	3.00	2.00	2.25	2.25	-
Parts and Warehouse *	-	-	-	-	8.00
Payroll *	-	-	-	-	4.00
Procurement and Contract Administration	8.00	9.00	10.50	9.50	9.00
Project Management Office	-	-	-	4.00	3.00
Rail Operations	11.00	8.25	7.00	7.00	9.00
Rail Right-of-Way Oversight	-	-	1.00	3.00	2.00
Rail Technologies	3.00	3.00	4.00	2.00	1.00
Rail Training *	-	-	-	-	4.00
Rail Vehicles Maintenance	32.00	35.00	44.00	46.00	10.00
Rail Vehicles Overhauls *	-	-	-	-	7.00
Real Estate	3.00	3.00	3.00	3.00	3.00
Right-of-Way Vehicles and Specialty Equipment	-	-	3.00	2.00	1.00
Safety	5.00	5.00	8.00	10.00	5.00
Security	10.00	16.00	15.00	17.00	17.00
Service Planning	4.00	6.00	5.00	5.00	5.00
SPRINTER Maintenance *	-	-	-	-	14.00
SPRINTER Operators	42.00	42.00	42.00	42.00	39.00
Transit Systems Management	-	-	-	2.00	1.00
Total	257.50	372.50	382.75	420.75	878.00

* New department in FY2026

Table 10. FY2026 Budget - FTEs by Division

Division *	Budget Positions				
	FY2022	FY2023	FY2024	FY2025	FY2026
Bus Operations	16.00	23.00	24.00	25.00	479.00
Development Services	7.00	12.00	18.00	22.00	21.00
Finance	19.00	19.00	20.00	19.00	19.00
General Services	21.00	41.00	35.75	57.75	74.00
Office of Chief General Counsel	10.00	10.00	15.00	17.25	12.00
Office of Chief of Staff	24.25	26.75	30.50	31.50	27.00
Office of the Chief Executive Officer	4.25	3.25	3.25	1.00	1.00
People	9.00	11.25	13.00	17.00	14.00
Planning	4.00	6.00	5.00	7.00	6.00
Rail Operations	130.00	140.25	154.00	153.00	159.00
Rail Right-of-Way and Information Technology	13.00	80.00	64.25	70.25	66.00
Total	257.50	372.50	382.75	420.75	878.00

* Departments have been reclassified to conform with current assigned Divisions

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, rail zero emissions planning and pilot program support, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance.

Figure 12 provides the distribution of the costs by division and Table 11 shows the detail of major professional services of \$31.7 million (73% of total of \$43.2 million) that are budgeted for FY2026.

Figure 12. FY2026 Budget - Professional Services by Division

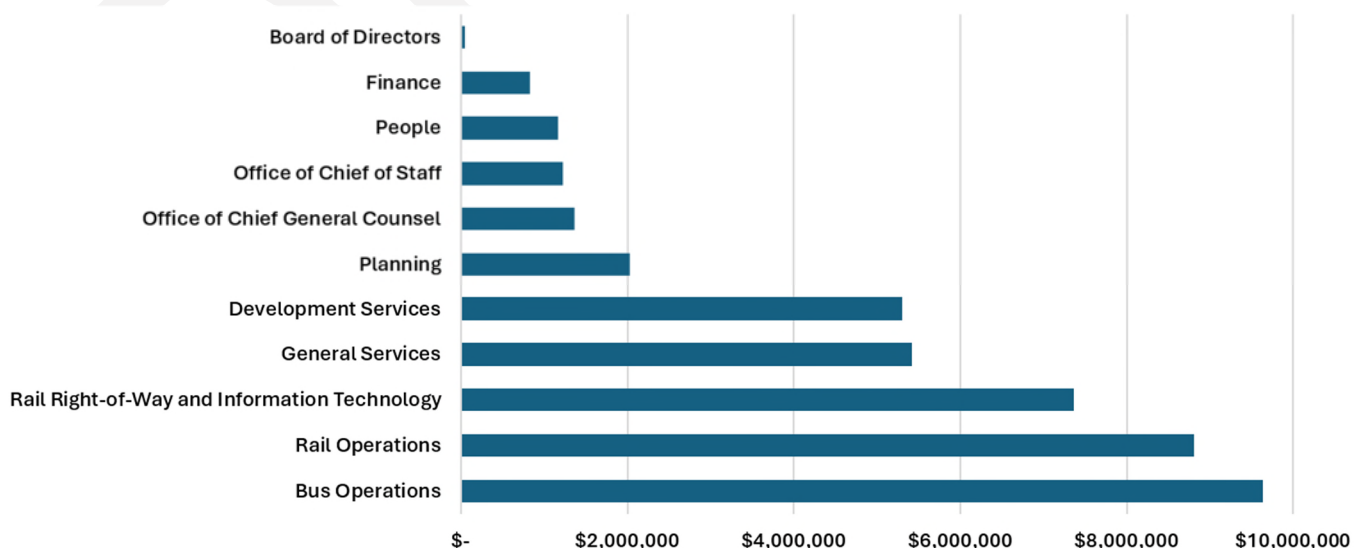


Table 11. FY2026 Budget - Major Professional Services

Major Professional Services	FY2026 Budget
San Diego Sheriffs Department	\$ 5,100,000
SPRINTER Technical Support and Materials Management	2,742,192
COASTER Technical Support and Materials Management	2,673,000
Wabtec Positive Train Control	1,984,177
Software Licenses and Support	1,585,708
On-Call Security	1,330,000
COASTER Injector Kits and Fuel Pump	1,205,000
BREEZE Operations and Maintenance Facilities Improvements	1,175,000
Debris, Vegetation Removal, and Weed Spraying	1,079,000
Landscape Services	1,064,605
Railroad Maintenance (Grinding, Ballast, Ultrasonic Testing, Track Geometry)	940,000
Legal Services	930,000
Caltrans Planning Studies	820,000
Maintenance of Non-Revenue Vehicles and Specialty Equipment	819,262
Fare Collection (INIT, Armored Services, MTS Regional Allocation)	753,000
Electrical	730,000
Bridge Inspections and Repairs	705,000
Environmental	690,000
Rail Zero Emissions Planning and Pilot Program Support	600,000
COASTER Bi-Level Vendor Managed Inventory	595,605
Rail Vehicles HVAC Maintenance	576,000
COASTER Operations and Maintenance Facilities Improvements	450,000
Right-of-Way Embankment Monitoring and Mitigation	425,000
RTMS Radio Equipment Maintenance	383,036
Rail Docs	350,000
Plumbing	319,832
Train Cleaning	314,662
Bus Lifts Maintenance	307,812
On-Board Cameras Maintenance	273,645
Facilities HVAC Maintenance	229,484
On-Call Marketing Consultant	200,000
Fire Systems Maintenance	191,060
Maintenance of Wayside Equipment	180,753
	\$ 31,722,833

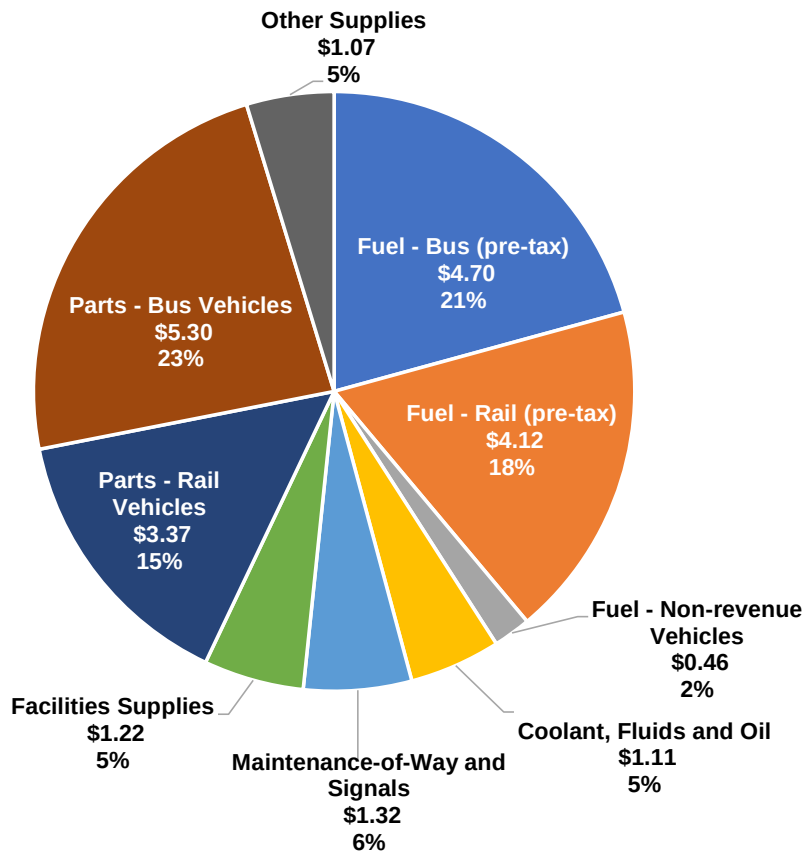
Materials and Supplies

Materials and supplies include fuel costs for revenue and non-revenue vehicles and equipment (diesel, unleaded gasoline, compressed natural gas, hydrogen, electricity), fluids and oil, tires, parts, and various miscellaneous and office supplies.

The fuel budget is based on the FY2026 Service Implementation Plan and levels of service by vehicle type (bus, commuter rail, hybrid rail, vans, cutaways) and type of fuel consumed. The diesel and gasoline fuel budget assumes that the Brent Crude oil price will average \$90/barrel in FY2026 (Brent Crude is a major benchmark price for purchases of oil worldwide). The Brent crude oil price averaged \$82/barrel in calendar years 2023 and 2024. Compressed Natural Gas (CNG) costs are budgeted at \$0.447 per therm based on recent prices trend and projections from the U.S. Energy Information Administration. Increased fuel costs for bus services associated with hydrogen fuel are being partially offset with savings on SPRINTER service as NCTD is planning to strategically right-size singles and doubles Diesel Multiple Units (DMUs) based on peak-times ridership.

Figure 13 illustrates the major categories for material and supplies expenditures.

Figure 13. FY2026 Budget - Materials and Supplies
(in millions)



Utilities

These expenditures are for electricity, gas, water, and trash collection services located at the various District 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 the District self-insured coverage. The FY2026 budget assumes that property and liability insurance premiums will increase modestly compared to FY2025. In an April 2025 article from the Swiss Re Institute, the research arm of the Swiss Re Group, one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, it expects that premium growth will decelerate to 5% in 2025, followed by 4% growth in 2026.

The FY2026 budget for property and liability insurance premiums is 7.7% higher than the amount that was budgeted for FY2025 and factors both premium increases and increased coverage associated with the insourcing of bus operations and maintenance.

Taxes

The taxes in this expenditure class are related to fuel purchases in the Material and Supplies category above.

Purchased Transportation Services

The bus operations and maintenance contract with MV Transportation (MV) under Agreement No. 17033 ends on June 30, 2025. The FY2026 budget for purchased transportation includes \$1 million for contracted taxi for paratransit services.

Miscellaneous Expenses

This category of expense includes items such as advertising, permits, dues, memberships, travel, recruiting costs, 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.

FY2026 Budget Expenses by Department

Summary of Expenses by Department

Table 12. FY2026 Budget - Operating Expenses by Department

	FY2024 Actual	FY2025 ** Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures *								
Board of Directors	\$ 45,542	\$ 88,000	\$ 46,786	\$ 66,000	\$ (22,000)	-25.00%	\$ 19,214	41.07%
Chief Executive Officer	781,855	566,920	585,246	559,459	(7,461)	-1.32%	(25,787)	-4.41%
General Counsel	9,457,073	11,311,495	10,948,262	12,813,308	1,501,813	13.28%	1,865,046	17.04%
Safety	2,139,061	2,825,255	1,503,642	1,455,264	(1,369,991)	-48.49%	(48,378)	-3.22%
Government Relations	454,865	968,535	865,201	831,344	(137,191)	-14.16%	(33,857)	-3.91%
Administration	861,643	1,121,461	677,780	694,507	(426,954)	-38.07%	16,727	2.47%
Communications and Marketing	2,328,768	2,627,631	1,570,269	1,740,317	(887,314)	-33.77%	170,048	10.83%
Customer Experience	1,713,114	1,608,942	1,393,812	1,499,029	(109,913)	-6.83%	105,217	7.55%
Rail Operations	14,119,322	8,924,414	7,378,723	2,008,372	(6,916,042)	-77.50%	(5,370,351)	-72.78%
COASTER Operators	-	5,238,056	4,344,493	4,461,302	(776,754)	-14.83%	116,809	2.69%
SPRINTER Operators	-	3,455,127	3,216,992	2,965,391	(489,736)	-14.17%	(251,601)	-7.82%
COASTER Maintenance	-	-	-	9,829,827	9,829,827	100.00%	9,829,827	100.00%
SPRINTER Maintenance	-	-	-	7,103,491	7,103,491	100.00%	7,103,491	100.00%
Rail Vehicles Overhauls	-	-	-	4,473,902	4,473,902	100.00%	4,473,902	100.00%
Rail Vehicles Maintenance	13,476,535	14,314,132	12,897,719	1,749,488	(12,564,644)	-87.78%	(11,148,231)	-86.44%
Rail Technologies	1,768,796	1,471,807	880,853	860,304	(611,503)	-41.55%	(20,549)	-2.33%
Rail Training	-	-	-	868,285	868,285	100.00%	868,285	100.00%
Operations Control Center	2,631,686	3,054,808	2,942,736	2,713,964	(340,844)	-11.16%	(228,772)	-7.77%
Bus Operations Administration	55,133,684	59,263,543	59,744,449	7,753,736	(51,509,807)	-86.92%	(51,990,713)	-87.02%
Bus Operators	-	-	-	20,612,747	20,612,747	100.00%	20,612,747	100.00%
On-Demand Services	-	-	-	7,131,977	7,131,977	100.00%	7,131,977	100.00%
Bus Vehicles Maintenance	-	-	-	15,911,160	15,911,160	100.00%	15,911,160	100.00%
Non-Revenue Operations Support	-	-	-	261,112	261,112	100.00%	261,112	100.00%
Right-of-Way Vehicles and Specialty Equipment	656,152	1,763,369	1,132,556	1,249,013	(514,356)	-29.17%	116,457	10.28%
Security	6,088,628	7,237,575	8,075,961	7,933,902	696,327	9.62%	(142,059)	-1.76%
Rail Right-of-Way Oversight	396,707	1,176,663	555,266	577,551	(599,112)	-50.92%	22,285	4.01%
Maintenance-of-Way	6,228,285	7,633,672	6,977,512	6,518,570	(1,115,102)	-14.61%	(458,942)	-6.58%
Maintenance of Signals	3,518,718	7,401,281	8,256,104	6,411,313	(989,968)	-13.38%	(1,844,791)	-22.34%
Information Technology Systems	-	-	-	1,229,850	1,229,850	100.00%	1,229,850	100.00%
Information Technology Operations	6,678,907	7,360,199	6,847,095	4,485,034	(2,875,165)	-39.06%	(2,362,061)	-34.50%
General Services	-	-	-	316,458	316,458	100.00%	316,458	100.00%
Procurement and Contract Administration	1,412,752	1,545,074	1,574,531	1,361,822	(183,252)	-11.86%	(212,709)	-13.51%
Parts and Warehouse	-	-	-	6,137,638	6,137,638	100.00%	6,137,638	100.00%
Facilities	11,046,778	14,163,002	13,133,471	13,579,854	(583,148)	-4.12%	446,383	3.40%
Business Intelligence	-	-	-	300,901	300,901	100.00%	300,901	100.00%
Development Services	2,425,016	3,978,760	3,440,110	2,540,267	(1,438,493)	-36.15%	(899,843)	-26.16%
Development Services Support Services	592,792	516,356	431,227	372,590	(143,766)	-27.84%	(58,637)	-13.60%
Engineering	2,437,219	3,121,111	1,971,335	4,259,024	1,137,913	36.46%	2,287,689	116.05%
Project Management Office	-	594,301	645,826	571,977	(22,324)	-3.76%	(73,849)	-11.43%
Real Estate	1,263,613	1,362,124	1,096,332	1,144,441	(217,683)	-15.98%	48,109	4.39%
Financial Oversight	1,193,155	1,527,134	1,237,209	1,418,171	(108,963)	-7.14%	180,962	14.63%
Accounting	650,022	802,712	703,793	347,424	(455,288)	-56.72%	(356,369)	-50.64%
Payroll	-	-	-	503,448	503,448	100.00%	503,448	100.00%
Grants	413,089	400,839	302,486	399,866	(973)	-0.24%	97,380	32.19%
Fare Collection	498,524	841,733	572,500	774,468	(67,265)	-7.99%	201,968	35.28%
Human Resources	1,499,913	2,339,993	1,907,225	2,626,282	286,289	12.23%	719,057	37.70%
Learning and Development	1,230,315	1,788,505	1,590,893	1,330,608	(457,897)	-25.60%	(260,285)	-16.36%
Service Planning	2,289,345	3,145,777	1,696,721	2,239,331	(906,446)	-28.81%	542,610	31.98%
Transit Systems Management	-	970,914	583,814	637,188	(333,726)	-34.37%	53,374	9.14%
Operations Support Services	339,723	410,353	268,070	-	(410,353)	-100.00%	(268,070)	-100.00%
Debt ***	622,260	737,200	563,487	674,300	(62,900)	-8.53%	110,813	19.67%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	\$ 156,393,857	\$ 188,158,773	\$ 172,560,487	\$ 178,805,577	\$ (9,353,196)	-4.97%	\$ 6,245,090	3.62%

* Excludes GASB 68 and GASB 75 non-cash adjustments and the required Unfunded Accrued Liability (UAL) pension contribution

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

*** Excludes GASB 87 and GASB 96 interest adjustments

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 FY2026 budget primarily includes funding to support attendance of meetings and travel.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	33,607	44,000	29,535	43,000	(1,000)	-2.27%	13,465	45.59%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	11,935	44,000	17,251	23,000	(21,000)	-47.73%	5,749	33.33%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 45,542	\$ 88,000	\$ 46,786	\$ 66,000	\$ (22,000)	-25.00%	\$ 19,214	41.07%

Office of the Chief Executive Officer

The Office of the Chief Executive Officer provides leadership and strategic direction based on recommendations from the Board of Directors and collaborates with other agencies to achieve NCTD goals and objectives.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 492,493	\$ 380,766	\$ 372,712	\$ 390,961	\$ 10,195	2.68%	\$ 18,249	4.90%
Employee Benefits	210,540	85,104	89,412	68,498	(16,606)	-19.51%	(20,914)	-23.39%
Professional Services	-	-	25,000	-	-	0.00%	(25,000)	-100.00%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	78,822	101,050	39,792	100,000	(1,050)	-1.04%	60,208	151.31%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	58,330	-	-	0.00%	(58,330)	-100.00%
	\$ 781,855	\$ 566,920	\$ 585,246	\$ 559,459	\$ (7,461)	-1.32%	\$ (25,787)	-4.41%

Office of Chief General Counsel

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. The Office of General Counsel is responsible for District-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 strategic function provides legal advice and oversight in all NCTD business transactions and promotes legal and regulatory compliance District-wide.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 1,007,080	\$ 1,252,009	\$ 1,325,019	\$ 1,457,084	\$ 205,075	16.38%	\$ 132,065	9.97%
Employee Benefits	435,836	299,100	467,033	289,329	(9,771)	-3.27%	(177,704)	-38.05%
Professional Services	1,179,465	1,024,200	1,453,432	1,306,900	282,700	27.60%	(146,532)	-10.08%
Materials and Supplies	3,971	5,000	1,496	5,000	-	0.00%	3,504	234.22%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability *	6,763,295	8,651,736	7,616,377	9,709,267	1,057,531	12.22%	2,092,890	27.48%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	67,426	79,450	84,905	45,728	(33,722)	-42.44%	(39,177)	-46.14%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 9,457,073	\$ 11,311,495	\$ 10,948,262	\$ 12,813,308	\$ 1,501,813	13.28%	\$ 1,865,046	17.04%

* Previously budgeted under Safety

Safety

The Safety department has the overall responsibility to plan, organize, direct, manage, and oversee comprehensive safety programs to foster a proactive organizational safety culture and to ensure a safe, secure and healthy environment for all employees, passengers, contractors, and the general public in accordance with applicable federal, state, local and regulatory laws, rules, or guidelines. This division also develops, implements, manages, and evaluates the Risk Management program for the District, including workers' compensation, general insurance, and property/liability claims.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 906,447	\$ 1,251,835	\$ 681,863	\$ 522,104	\$ (729,731)	-58.29%	\$ (159,759)	-23.43%
Employee Benefits	886,605	826,134	719,076	825,997	(137)	-0.02%	106,921	14.87%
Professional Services	310,168	672,284	63,777	58,912	(613,372)	-91.24%	(4,865)	-7.63%
Materials and Supplies	4,763	1,500	3,339	19,250	17,750	1183.33%	15,911	476.52%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	31,078	73,502	35,587	29,001	(44,501)	-60.54%	(6,586)	-18.51%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 2,139,061	\$ 2,825,255	\$ 1,503,642	\$ 1,455,264	\$ (1,369,991)	-48.49%	\$ (48,378)	-3.22%

Office of Chief of Staff

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.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 90,609	\$ 189,905	\$ 195,929	\$ 298,284	\$ 108,379	57.07%	\$ 102,355	94.44%
Employee Benefits	37,705	39,780	72,821	40,410	630	1.58%	(32,411)	-5144.60%
Professional Services	224,370	546,000	429,500	296,000	(250,000)	-45.79%	(133,500)	53.40%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	102,181	192,850	166,951	196,650	3,800	1.97%	29,699	781.55%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 454,865	\$ 968,535	\$ 865,201	\$ 831,344	\$ (137,191)	-14.16%	\$ (33,857)	24.68%

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	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 404,527	\$ 595,522	\$ 358,888	\$ 371,711	\$ (223,811)	-37.58%	\$ 12,823	3.57%
Employee Benefits	220,525	207,864	150,303	122,446	(85,418)	-41.09%	(27,857)	-18.53%
Professional Services	122,955	109,500	35,466	35,000	(74,500)	-68.04%	(466)	-1.31%
Materials and Supplies	81,029	150,000	100,993	110,000	(40,000)	-26.67%	9,007	8.92%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	32,607	58,575	32,130	55,350	(3,225)	-5.51%	23,220	72.27%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 861,643	\$ 1,121,461	\$ 677,780	\$ 694,507	\$ (426,954)	-38.07%	\$ 16,727	2.47%

Communications and Marketing

The Communications and Marketing department supports operations through activities focused on increasing ridership, growing revenue, and focusing strategic communications to support achievement of NCTD's mission and goals. This department develops and implements marketing, public relations, and customer communications programs that enhance the customer experience.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Salaries and Wages	\$ 858,316	\$ 770,167	\$ 433,760	\$ 363,851	\$ (406,316)	-52.76%	\$ (69,909)	-16.12%
Employee Benefits	364,604	172,704	143,995	74,866	(97,838)	-56.65%	(69,129)	-48.01%
Professional Services	564,165	927,500	375,638	658,000	(269,500)	-29.06%	282,362	75.17%
Materials and Supplies	110,260	368,000	166,029	305,000	(63,000)	-17.12%	138,971	83.70%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	431,423	389,260	450,847	338,600	(50,660)	-13.01%	(112,247)	-24.90%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 2,328,768	\$ 2,627,631	\$ 1,570,269	\$ 1,740,317	\$ (887,314)	-33.77%	\$ 170,048	10.83%

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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Salaries and Wages	\$ 708,973	\$ 935,414	\$ 750,313	\$ 910,589	\$ (24,825)	-2.65%	\$ 160,276	21.36%
Employee Benefits	352,123	288,228	342,885	283,140	(5,088)	-1.77%	(59,745)	-17.42%
Professional Services	499,767	320,000	281,405	240,000	(80,000)	-25.00%	(41,405)	-14.71%
Materials and Supplies	148,976	40,000	10,158	40,000	-	0.00%	29,842	293.78%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	3,275	25,300	9,051	25,300	-	0.00%	16,249	179.53%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,713,114	\$ 1,608,942	\$ 1,393,812	\$ 1,499,029	\$ (109,913)	-6.83%	\$ 105,217	7.55%

Rail Operations

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 FY2025, the budget for COASTER and SPRINTER operators were in standalone departments and beginning in FY2026, rail mechanical staff are also budgeted in standalone departments, as listed below.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 5,060,969	\$ 1,008,490	\$ 1,081,728	\$ 1,445,662	\$ 437,172	43.35%	\$ 363,934	33.64%
Employee Benefits	2,191,357	376,380	505,961	440,370	63,990	17.00%	(65,591)	-12.96%
Professional Services	2,332,214	133,560	276,027	50,000	(83,560)	-62.56%	(226,027)	-81.89%
Materials and Supplies	3,751,009	6,146,786	4,127,332	40,900	(6,105,886)	-99.33%	(4,086,432)	-99.01%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	909,593	1,233,951	1,366,747	-	(1,233,951)	-100.00%	(1,366,747)	-100.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	(125,820)	25,247	20,928	31,440	6,193	24.53%	10,512	50.23%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 14,119,322	\$ 8,924,414	\$ 7,378,723	\$ 2,008,372	\$ (6,916,042)	-77.50%	\$ (5,370,351)	-72.78%

COASTER Operators

This departments includes the wages and benefits for COASTER locomotive engineers and conductors, who are responsible for the providing safe, efficient and customer-friendly passenger transportation by ensuring the safe operation of locomotives, complying with train orders, wayside signals, PTC procedures, railroad operating rules, special instructions, federal, state, and local regulation.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages *	\$ -	\$ 3,733,304	\$ 2,777,491	\$ 3,281,261	\$ (452,043)	-12.11%	\$ 503,770	18.14%
Employee Benefits *	-	1,504,752	1,566,162	1,180,041	(324,711)	-21.58%	(386,121)	-24.65%
Professional Services	-	-	60	-	-	0.00%	(60)	-100.00%
Materials and Supplies	-	-	780	-	-	0.00%	(780)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ 5,238,056	\$ 4,344,493	\$ 4,461,302	\$ (776,754)	-14.83%	\$ 116,809	2.69%

SPRINTER Operators

This departments includes the wages and benefits for SPRINTER train operators and attendants, who are responsible for the providing safe, efficient and customer-friendly passenger transportation by ensuring the safe operation of trains in accordance with applicable regulations and operating rules and practices.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ 2,444,415	\$ 2,296,478	\$ 2,230,108	\$ (214,307)	-8.77%	\$ (66,370)	-2.89%
Employee Benefits	-	1,010,712	906,314	735,283	(275,429)	-27.25%	(171,031)	-18.87%
Professional Services	-	-	1,340	-	-	0.00%	(1,340)	-100.00%
Materials and Supplies	-	-	12,860	-	-	0.00%	(12,860)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ 3,455,127	\$ 3,216,992	\$ 2,965,391	\$ (489,736)	-14.17%	\$ (251,601)	-7.82%

COASTER Maintenance

This department includes the COASTER maintenance technicians, who perform a variety of maintenance tasks on COASTER revenue vehicles. The contracted technical support and material management services and fuel budget for COASTER are included in this department.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ 1,463,744	\$ 1,463,744	100.00%	\$ 1,463,744	100.00%
Employee Benefits	-	-	-	393,460	393,460	100.00%	393,460	100.00%
Professional Services	-	-	-	3,592,609	3,592,609	100.00%	3,592,609	100.00%
Materials and Supplies	-	-	-	3,722,675	3,722,675	100.00%	3,722,675	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	657,339	657,339	100.00%	657,339	100.00%
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%
	\$ -	\$ -	\$ -	\$ 9,829,827	\$ 9,829,827	100.00%	\$ 9,829,827	100.00%

SPRINTER Maintenance

This department includes the SPRINTER maintenance technicians, who perform a variety of maintenance tasks on SPRINTER revenue vehicles. The contracted technical support and material management services and fuel budget for SPRINTER are included in this department.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ 1,079,614	\$ 1,079,614	100.00%	\$ 1,079,614	100.00%
Employee Benefits	-	-	-	280,745	280,745	100.00%	280,745	100.00%
Professional Services	-	-	-	3,567,552	3,567,552	100.00%	3,567,552	100.00%
Materials and Supplies	-	-	-	1,900,113	1,900,113	100.00%	1,900,113	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	275,467	275,467	100.00%	275,467	100.00%
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%
	\$ -	\$ -	\$ -	\$ 7,103,491	\$ 7,103,491	100.00%	\$ 7,103,491	100.00%

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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ 466,467	\$ 466,467	100.00%	\$ 466,467	100.00%
Employee Benefits	-	-	-	109,327	109,327	100.00%	109,327	100.00%
Professional Services	-	-	-	925,605	925,605	100.00%	925,605	100.00%
Materials and Supplies	-	-	-	2,972,503	2,972,503	100.00%	2,972,503	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ -	\$ -	\$ 4,473,902	\$ 4,473,902	100.00%	\$ 4,473,902	100.00%

Rail Vehicles Maintenance

The Rail Vehicles Maintenance department oversees the maintenance technicians and overhaul and repair mechanics and is responsible for ensuring that commuter and hybrid rail equipment are designed, maintained, and operated in a safe, reliable, and efficient manner and that transit services are operated in compliance with the 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.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 3,243,502	\$ 3,551,084	\$ 3,357,822	\$ 1,377,053	\$ (2,174,031)	-61.22%	\$ (1,980,769)	-58.99%
Employee Benefits	1,186,147	998,116	1,196,324	310,875	(687,241)	-68.85%	(885,449)	-74.01%
Professional Services	7,026,292	9,197,882	8,076,276	-	(9,197,882)	-100.00%	(8,076,276)	-100.00%
Materials and Supplies	1,959,859	485,050	247,298	8,280	(476,770)	-98.29%	(239,018)	-96.65%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	60,735	82,000	19,999	53,280	(28,720)	-35.02%	33,281	166.41%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 13,476,535	\$ 14,314,132	\$ 12,897,719	\$ 1,749,488	\$ (12,564,644)	-87.78%	\$ (11,148,231)	-86.44%

Rail Technologies

The Rail Technologies department is responsible for the delivery of technology projects and programs necessary to deliver safe, convenient, reliable, and compliant public transportation services.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 179,265	\$ 264,808	\$ 227,497	\$ 168,998	\$ (95,810)	-36.18%	\$ (58,499)	-25.71%
Employee Benefits	101,977	91,836	119,433	44,839	(46,997)	-51.17%	(74,594)	-62.46%
Professional Services	1,367,707	942,563	416,586	539,476	(403,087)	-42.76%	122,890	29.50%
Materials and Supplies	7,471	6,000	1,187	16,800	10,800	180.00%	15,613	1315.33%
Utilities	82,822	151,600	105,877	86,191	(65,409)	-43.15%	(19,686)	-18.59%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	29,554	15,000	10,273	4,000	(11,000)	-73.33%	(6,273)	-61.06%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,768,796	\$ 1,471,807	\$ 880,853	\$ 860,304	\$ (611,503)	-41.55%	\$ (20,549)	-2.33%

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. This department conducts training and testing to employees related to passenger and hybrid rail operations service delivery.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ 525,926	\$ 525,926	100.00%	\$ 525,926	100.00%
Employee Benefits	-	-	-	126,610	126,610	100.00%	126,610	100.00%
Professional Services	-	-	-	134,149	134,149	100.00%	134,149	100.00%
Materials and Supplies	-	-	-	8,000	8,000	100.00%	8,000	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	73,600	73,600	100.00%	73,600	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 868,285	\$ 868,285	100.00%	\$ 868,285	100.00%

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	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 1,789,356	\$ 2,134,676	\$ 1,881,700	\$ 1,980,240	\$ (154,436)	-7.23%	\$ 98,540	5.24%
Employee Benefits	830,300	879,132	1,039,831	705,724	(173,408)	-19.72%	(334,107)	-32.13%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	878	10,000	4,522	4,000	(6,000)	-60.00%	(522)	-11.54%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	11,152	31,000	16,683	24,000	(7,000)	-22.58%	7,317	43.86%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 2,631,686	\$ 3,054,808	\$ 2,942,736	\$ 2,713,964	\$ (340,844)	-11.16%	\$ (228,772)	-7.77%

Bus Operations

Bus Operations Administration

The Bus Operations Administration department manages bus and shared mobility transportation operations and maintenance, which includes BREEZE, LIFT, FLEX, and NCTD+ transit services, and ensures operational goals are met, while also focusing on customer satisfaction, regulatory compliance, and continuous improvement of services.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 479,561	\$ 843,731	\$ 962,517	\$ 4,808,645	\$ 3,964,914	469.93%	\$ 3,846,128	399.59%
Employee Benefits	225,285	236,220	365,135	1,810,939	1,574,719	666.63%	1,445,804	395.96%
Professional Services	1,553,846	2,188,773	1,269,439	909,309	(1,279,464)	-58.46%	(360,130)	-28.37%
Materials and Supplies	3,544,813	5,933,580	4,358,566	11,500	(5,922,080)	-99.81%	(4,347,066)	-99.74%
Utilities	19,721	48,500	25,771	29,117	(19,383)	-39.96%	3,346	12.98%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	214,471	273,462	420,122	-	(273,462)	-100.00%	(420,122)	-100.00%
Purchased Transportation	49,074,873	49,574,854	51,986,875	-	(49,574,854)	-100.00%	(51,986,875)	-100.00%
Miscellaneous Expenses	21,114	64,423	82,364	131,030	66,607	103.39%	48,666	59.09%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	100,000	273,660	53,196	(46,804)	-46.80%	(220,464)	-80.56%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 55,133,684	\$ 59,263,543	\$ 59,744,449	\$ 7,753,736	\$ (51,509,807)	-86.92%	\$ (51,990,713)	-87.02%

Bus Operators

Beginning on June 29, 2025, NCTD will insource bus operations, which includes coach operators for BREEZE service and drivers for LIFT, FLEX, and NCTD+ services. 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	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	-	\$ 15,788,643	\$ 15,788,643	100.00%	\$ 15,788,643	100.00%
Employee Benefits	-	-	-	4,740,195	4,740,195	100.00%	4,740,195	100.00%
Professional Services	-	-	-	4,429	4,429	100.00%	4,429	100.00%
Materials and Supplies	-	-	-	74,480	74,480	100.00%	74,480	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	5,000	5,000	100.00%	5,000	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 20,612,747	\$ 20,612,747	100.00%	\$ 20,612,747	100.00%

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 includes \$1 million for contracted taxi for paratransit services.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	-	\$ 4,207,952	\$ 4,207,952	100.00%	\$ 4,207,952	100.00%
Employee Benefits	-	-	-	1,499,454	1,499,454	100.00%	1,499,454	100.00%
Professional Services	-	-	-	408,171	408,171	100.00%	408,171	100.00%
Materials and Supplies	-	-	-	10,000	10,000	100.00%	10,000	100.00%
Utilities	-	-	-	2,400	2,400	100.00%	2,400	100.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	1,000,000	1,000,000	100.00%	1,000,000	100.00%
Miscellaneous Expenses	-	-	-	4,000	4,000	100.00%	4,000	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 7,131,977	\$ 7,131,977	100.00%	\$ 7,131,977	100.00%

Bus Vehicles Maintenance

Beginning on June 29, 2025, NCTD will insource bus maintenance, which includes bus servicers, auto technicians, and other 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 budget for compressed natural gas, gasoline, hydrogen, and electricity for bus services is included in this department.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ 6,495,033	\$ 6,495,033	100.00%	\$ 6,495,033	100.00%
Employee Benefits	-	-	-	2,934,176	2,934,176	100.00%	2,934,176	100.00%
Professional Services	-	-	-	994,049	994,049	100.00%	994,049	100.00%
Materials and Supplies	-	-	-	5,134,395	5,134,395	100.00%	5,134,395	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	337,747	337,747	100.00%	337,747	100.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	15,760	15,760	100.00%	15,760	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 15,911,160	\$ 15,911,160	100.00%	\$ 15,911,160	100.00%

Non-Revenue Operations Support

This department does not have employees and carries the budget for outsourced non-revenue vehicles and specialty equipment maintenance contracts.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	259,612	259,612	100.00%	259,612	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	1,500	1,500	100.00%	1,500	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 261,112	\$ 261,112	100.00%	\$ 261,112	100.00%

Right-of-Way Vehicles and Specialty Equipment

This 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.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 99,442	\$ 200,766	\$ 141,266	\$ 143,393	\$ (57,373)	-28.58%	\$ 2,127	1.51%
Employee Benefits	37,853	56,460	47,603	24,537	(31,923)	-56.54%	(23,066)	-48.45%
Professional Services	250,642	969,907	632,374	819,263	(150,644)	-15.53%	186,889	29.55%
Materials and Supplies	264,509	528,736	306,738	253,820	(274,916)	-51.99%	(52,918)	-17.25%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	3,706	7,500	4,575	8,000	500	6.67%	3,425	74.86%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 656,152	\$ 1,763,369	\$ 1,132,556	\$ 1,249,013	\$ (514,356)	-29.17%	\$ 116,457	10.28%

Security

The Security department implements and monitors security and emergency management programs for NCTD. Essential responsibilities include management and oversight of the Memorandums of Understanding with the San Diego Sheriff's Department for armed law enforcement services as well as planning, coordination, and delivery of emergency training exercises for NCTD staff, contractors, and local public safety agencies. Additionally, the department has direct staff that monitor and provide 24/7 response for various physical security technologies and emergency notification systems throughout NCTD from the Monitoring Center in Oceanside.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget	Increase/ (Decrease) from FY2025 Budget	Increase/ (Decrease) from FY2025 Forecast	Increase/ (Decrease) from FY2025 Forecast
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	(\$)	(%)	(\$)	(%)
Salaries and Wages	\$ 751,529	\$ 1,044,443	\$ 922,436	\$ 1,036,807	\$ (7,636)	-0.73%	\$ 114,371	12.40%
Employee Benefits	382,151	396,132	428,384	371,047	(25,085)	-6.33%	(57,337)	-13.38%
Professional Services	4,866,197	5,757,500	6,711,662	6,502,000	744,500	12.93%	(209,662)	-3.12%
Materials and Supplies	84,674	25,000	8,199	15,548	(9,452)	-37.81%	7,349	89.63%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	4,077	14,500	5,280	8,500	(6,000)	-41.38%	3,220	60.98%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 6,088,628	\$ 7,237,575	\$ 8,075,961	\$ 7,933,902	\$ 696,327	9.62%	\$ (142,059)	-1.76%

Rail Right-of-Way

Rail Right-of-Way Oversight

The Rail Right-of-Way Oversight department oversees the railroad right-of-way maintenance operations to support safe and efficient rail operations 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 applicable regulatory and governing agencies. This department plans, directs, and in certain instances, coordinates the administration of maintenance of way, signal, positive train control (specified elements), and communication system (specified elements) operations to ensure service quality, and compliance with regulatory requirements and safety management system principles. This department also provides oversight for information technology departments.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget	Increase/ (Decrease) from FY2025 Budget	Increase/ (Decrease) from FY2025 Forecast	Increase/ (Decrease) from FY2025 Forecast
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	(\$)	(%)	(\$)	(%)
Salaries and Wages	\$ 275,856	\$ 461,247	373,611	\$ 440,316	\$ (20,931)	-4.54%	\$ 66,705	17.85%
Employee Benefits	120,601	126,816	142,631	79,635	(47,181)	-37.20%	(62,996)	-44.17%
Professional Services	-	516,000	-	16,000	(500,000)	-96.90%	16,000	#DIV/0!
Materials and Supplies	250	42,500	27,694	31,600	(10,900)	-25.65%	3,906	14.10%
Utilities	-	20,000	8,807	10,000	(10,000)	-50.00%	1,193	13.55%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	10,100	2,523	-	(10,100)	-100.00%	(2,523)	-100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 396,707	\$ 1,176,663	\$ 555,266	\$ 577,551	\$ (599,112)	-50.92%	\$ 22,285	4.01%

Maintenance-of-Way

The Maintenance-of-Way department performs maintenance activities within NCTD's railroad right-of-way enabling safe and efficient movement of trains. This department also oversees contractors performing right-of-way maintenance and construction and implements tasks such as track surfacing, rail replacement, rail flaw detection, spot ballast program, vegetation and erosion control, tie replacements, ultrasonic and geometry testing, and rail grinding.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 2,736,536	\$ 3,176,432	\$ 2,787,307	\$ 2,547,582	\$ (628,850)	-19.80%	\$ (239,725)	-8.60%
Employee Benefits	823,554	830,640	909,985	635,652	(194,988)	-23.47%	(274,333)	-30.15%
Professional Services	2,039,751	2,341,100	1,939,411	2,300,737	(40,363)	-1.72%	361,326	18.63%
Materials and Supplies	420,633	888,000	1,216,580	735,999	(152,001)	-17.12%	(480,581)	-39.50%
Utilities	708	10,000	1,670	10,000	-	0.00%	8,330	498.80%
Casualty and Liability	-	-	(720)	-	-	0.00%	720	-100.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	39,336	72,500	43,897	33,600	(38,900)	-53.66%	(10,297)	-23.46%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	167,767	315,000	79,382	255,000	(60,000)	-19.05%	175,618	221.23%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 6,228,285	\$ 7,633,672	\$ 6,977,512	\$ 6,518,570	\$ (1,115,102)	-14.61%	\$ (458,942)	-6.58%

Maintenance of Signals

The Maintenance of Signals department maintains various railroad signals and grade crossing warning devices and infrastructure to support the delivery of 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	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 2,070,066	\$ 2,223,069	\$ 2,133,148	\$ 2,272,139	\$ 49,070	2.21%	\$ 138,991	6.52%
Employee Benefits	769,024	586,212	766,997	564,997	(21,215)	-3.62%	(202,000)	-26.34%
Professional Services	160,324	3,269,200	4,135,902	2,565,077	(704,123)	-21.54%	(1,570,825)	-37.98%
Materials and Supplies	242,666	970,500	828,313	585,000	(385,500)	-39.72%	(243,313)	-29.37%
Utilities	256,006	286,000	263,288	330,000	44,000	15.38%	66,712	25.34%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	20,632	28,800	102,206	50,000	21,200	73.61%	(52,206)	-51.08%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	37,500	26,250	44,100	6,600	17.60%	17,850	68.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 3,518,718	\$ 7,401,281	\$ 8,256,104	\$ 6,411,313	\$ (989,968)	-13.38%	\$ (1,844,791)	-22.34%

Information Technology Systems

Previously combined with Information Technology Operations, this new standalone 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.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	-	\$ 959,858	\$ 959,858	100.00%	\$ 959,858	100.00%
Employee Benefits	-	-	-	269,992	269,992	100.00%	269,992	100.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ -	\$ -	\$ 1,229,850	\$ 1,229,850	100.00%	\$ 1,229,850	100.00%

Information Technology Operations

The Information Technology Operations department manages the administrative technology for the District, such as networks, servers, hardware, software, security, and operating systems.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 1,753,154	\$ 2,199,981	1,926,827	\$ 788,654	\$ (1,411,327)	-64.15%	\$ (1,138,173)	-59.07%
Employee Benefits	819,914	647,076	845,574	227,795	(419,281)	-64.80%	(617,779)	-73.06%
Professional Services	3,299,026	3,205,041	2,702,330	2,477,702	(727,339)	-22.69%	(224,628)	-8.31%
Materials and Supplies	265,863	668,151	827,906	265,824	(402,327)	-60.21%	(562,082)	-67.89%
Utilities	401,955	461,200	423,918	540,800	79,600	17.26%	116,882	27.57%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	30,768	53,750	13,916	48,046	(5,704)	-10.61%	34,130	245.26%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	108,227	125,000	106,624	136,213	11,213	8.97%	29,589	27.75%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 6,678,907	\$ 7,360,199	\$ 6,847,095	\$ 4,485,034	\$ (2,875,165)	-39.06%	\$ (2,362,061)	-34.50%

General Services

General Services

The General Services department has oversight of procurements and contracts administration, parts and warehouse, facilities, and business intelligence.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ 281,664	\$ 281,664	100.00%	\$ 281,664	100.00%
Employee Benefits	-	-	-	34,794	34,794	100.00%	34,794	100.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ -	\$ -	\$ 316,458	\$ 316,458	100.00%	\$ 316,458	100.00%

Procurement and Contract Administration

The Procurement and Contract Administration department is responsible for the procurement of goods and services and contract administration for the District 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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Salaries and Wages	\$ 847,141	\$ 1,070,798	1,040,801	\$ 959,813	\$ (110,985)	-10.36%	\$ (80,988)	-7.78%
Employee Benefits	379,753	278,076	444,684	252,009	(26,067)	-9.37%	(192,675)	-43.33%
Professional Services	178,542	167,000	74,798	119,500	(47,500)	-28.44%	44,702	59.76%
Materials and Supplies	-	-	445	3,000	3,000	100.00%	2,555	574.16%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	7,316	29,200	13,803	27,500	(1,700)	-5.82%	13,697	99.23%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,412,752	\$ 1,545,074	\$ 1,574,531	\$ 1,361,822	\$ (183,252)	-11.86%	\$ (212,709)	-13.51%

Parts and Warehouse

Parts and Warehouse is a new department created as result of the insourcing of bus operations and maintenance. This department will order parts, receive and control inventory, issue parts, send out shipments, file warranty parts claims, and maintain vendor relations.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ -	\$ -	\$ -	\$ 725,771	\$ 725,771	100.00%	\$ 725,771	100.00%
Employee Benefits	-	-	-	296,658	296,658	100.00%	296,658	100.00%
Professional Services	-	-	-	217,149	217,149	100.00%	217,149	100.00%
Materials and Supplies	-	-	-	4,898,060	4,898,060	100.00%	4,898,060	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ -	\$ -	\$ 6,137,638	\$ 6,137,638	100.00%	\$ 6,137,638	100.00%

Facilities

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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ 1,816,698	\$ 2,732,267	\$ 2,496,499	\$ 3,191,251	\$ 458,984	16.80%	\$ 694,752	27.83%
Employee Benefits	811,127	1,081,776	1,135,546	1,156,677	74,901	6.92%	21,131	1.86%
Professional Services	4,017,948	5,124,340	4,708,819	5,083,760	(40,580)	-0.79%	374,941	7.96%
Materials and Supplies	660,136	1,140,283	1,008,583	1,218,500	78,217	6.86%	209,917	20.81%
Utilities	2,502,547	2,655,314	2,493,730	2,858,680	203,366	7.66%	364,950	14.63%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	1,184,981	1,313,024	1,225,261	-	(1,313,024)	-100.00%	(1,225,261)	-100.00%
Miscellaneous Expenses	51,381	111,998	64,366	68,986	(43,012)	-38.40%	4,620	7.18%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	1,960	4,000	667	2,000	(2,000)	-50.00%	1,333	199.85%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 11,046,778	\$ 14,163,002	\$ 13,133,471	\$ 13,579,854	\$ (583,148)	-4.12%	\$ 446,383	3.40%

Business Intelligence

The newly created Business Intelligence department will combine business analytics, data mining, data visualization, data tools and infrastructure, and best practices to help the District more data-driven decisions.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ -	\$ -	-	\$ 233,694	\$ 233,694	100.00%	\$ 233,694	100.00%
Employee Benefits	-	-	-	62,207	62,207	100.00%	62,207	100.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	5,000	5,000	100.00%	5,000	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 300,901	\$ 300,901	100.00%	\$ 300,901	100.00%

Development Services

Development Services

The Development Services department oversees NCTD real estate interests, environmental services, and project management.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ 626,247	\$ 638,249	\$ 579,516	\$ 782,391	\$ 144,142	22.58%	\$ 202,875	35.01%
Employee Benefits	263,575	139,932	230,123	167,012	27,080	19.35%	(63,111)	-27.42%
Professional Services	1,522,656	3,188,379	2,624,617	1,587,000	(1,601,379)	-50.23%	(1,037,617)	-39.53%
Materials and Supplies	-	200	-	-	(200)	-100.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	12,538	12,000	5,854	3,864	(8,136)	-67.80%	(1,990)	-33.99%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 2,425,016	\$ 3,978,760	\$ 3,440,110	\$ 2,540,267	\$ (1,438,493)	-36.15%	\$ (899,843)	-26.16%

Development Services Support Services

This department provides asset management and capital projects support.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 413,545	\$ 392,592	\$ 311,189	\$ 310,620	\$ (81,972)	-20.88%	\$ (569)	-0.18%
Employee Benefits	178,222	105,264	114,193	59,470	(45,794)	-43.50%	(54,723)	-47.92%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	199	7,500	1,250	1,000	(6,500)	-86.67%	(250)	-20.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	826	11,000	4,595	1,500	(9,500)	-86.36%	(3,095)	-67.36%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 592,792	\$ 516,356	\$ 431,227	\$ 372,590	\$ (143,766)	-27.84%	\$ (58,637)	-13.60%

Engineering

The Engineering department is responsible for developing and completing rail capital improvement projects managed by NCTD and for providing oversight over projects managed by SANDAG on the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Corridor. Costs associated with bridge repairs and inspections, right-of-way embankment monitoring and mitigation, and facilities improvements that do not meet the capitalization criteria, are included in this department.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 632,905	\$ 394,984	\$ 596,957	\$ 579,880	\$ 184,896	46.81%	\$ (17,077)	-2.86%
Employee Benefits	304,131	101,928	283,987	137,574	35,646	34.97%	(146,413)	-51.56%
Professional Services	1,486,331	2,537,453	1,060,467	3,534,100	996,647	39.28%	2,473,633	233.26%
Materials and Supplies	-	58,900	10,337	1,600	(57,300)	-97.28%	(8,737)	-84.52%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	13,852	27,846	19,587	5,870	(21,976)	-78.92%	(13,717)	-70.03%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 2,437,219	\$ 3,121,111	\$ 1,971,335	\$ 4,259,024	\$ 1,137,913	36.46%	\$ 2,287,689	116.05%

Project Management Office

This Project Management Office is responsible for project management functions and processes. The Project Management Office develops and maintains standards for projects life cycle and tracks and reports on projects progress. This department also oversees the development and prioritization of Capital Improvement Program (CIP) projects input for funding and executive leadership approval.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ 432,277	\$ 340,176	\$ 378,184	\$ (54,093)	-12.51%	\$ 38,008	11.17%
Employee Benefits	-	142,524	123,070	82,388	(60,136)	-42.19%	(40,682)	-33.06%
Professional Services	-	-	181,836	108,905	108,905	100.00%	(72,931)	-40.11%
Materials and Supplies	-	5,000	-	-	(5,000)	-100.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	14,500	744	2,500	(12,000)	-82.76%	1,756	236.02%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ 594,301	\$ 645,826	\$ 571,977	\$ (22,324)	-3.76%	\$ (73,849)	-11.43%

Real Estate

The Real Estate department manages NCTD real estate activities through leases, licenses (crossings), easements, right-of-entry permits, and other real estate agreements.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 281,486	\$ 329,850	292,597	\$ 338,981	\$ 9,131	2.77%	\$ 46,384	15.85%
Employee Benefits	106,095	64,860	99,877	69,120	4,260	6.57%	(30,757)	-30.79%
Professional Services	24,000	154,258	49,000	78,054	(76,204)	-49.40%	29,054	59.29%
Materials and Supplies	36	250	40	-	(250)	-100.00%	(40)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	26,671	11,250	10,733	2,400	(8,850)	-78.67%	(8,333)	-77.64%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	825,325	801,656	644,085	655,886	(145,770)	-18.18%	11,801	1.83%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,263,613	\$ 1,362,124	\$ 1,096,332	\$ 1,144,441	\$ (217,683)	-15.98%	\$ 48,109	4.39%

Finance

Financial Oversight

The Financial Oversight department is responsible for financial management leadership. This department has oversight of the operating budget, financial compliance, 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. In addition, this department maintains NCTD fixed assets records in accordance with promulgated compliance standards and prepares the Annual Comprehensive Financial Report and other financial compliance reports for the District.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 721,737	\$ 1,046,358	\$ 788,765	\$ 1,011,910	\$ (34,448)	-3.29%	\$ 223,145	28.29%
Employee Benefits	333,264	290,988	317,484	257,261	(33,727)	-11.59%	(60,223)	-18.97%
Professional Services	136,366	161,988	123,599	121,000	(40,988)	-25.30%	(2,599)	-2.10%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	1,788	27,800	7,361	28,000	200	0.72%	20,639	280.38%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,193,155	\$ 1,527,134	\$ 1,237,209	\$ 1,418,171	\$ (108,963)	-7.14%	\$ 180,962	14.63%

Accounting

The Accounting department is responsible for financial transactions in the areas of accounts payable and accounts receivable. Beginning in FY2026, payroll responsibilities will be in a separate department.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 386,989	\$ 503,848	\$ 458,208	\$ 242,716	\$ (261,132)	-51.83%	\$ (215,492)	-47.03%
Employee Benefits	161,163	152,364	171,425	65,708	(86,656)	-56.87%	(105,717)	-61.67%
Professional Services	100,941	120,500	63,381	25,000	(95,500)	-79.25%	(38,381)	-60.56%
Materials and Supplies	3,896	5,000	6,558	5,000	-	0.00%	(1,558)	-23.76%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	(2,967)	21,000	4,221	9,000	(12,000)	-57.14%	4,779	113.22%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 650,022	\$ 802,712	\$ 703,793	\$ 347,424	\$ (455,288)	-56.72%	\$ (356,369)	-50.64%

Payroll

The Payroll department, previously combined with the Accounting department, is responsible for the full range of payroll preparation, processing, and payment to employees, and the preparation of payroll reports and documents for the District's payroll tax returns, W2, CalPERS, Railroad Retirement, and State Controller's Office.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ -	\$ -	\$ -	\$ 385,582	\$ 385,582	100.00%	\$ 385,582	100.00%
Employee Benefits	-	-	-	103,866	103,866	100.00%	103,866	100.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	2,000	2,000	100.00%	2,000	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	12,000	12,000	100.00%	12,000	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ -	\$ -	\$ 503,448	\$ 503,448	100.00%	\$ 503,448	100.00%

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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ 270,588	\$ 275,671	\$ 196,810	\$ 292,536	\$ 16,865	6.12%	\$ 95,726	48.64%
Employee Benefits	135,637	101,928	100,944	88,130	(13,798)	-13.54%	(12,814)	-12.69%
Professional Services	4,810	14,000	2,330	10,000	(4,000)	-28.57%	7,670	329.18%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	2,054	9,240	2,402	9,200	(40)	-0.43%	6,798	283.01%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 413,089	\$ 400,839	\$ 302,486	\$ 399,866	\$ (973)	-0.24%	\$ 97,380	32.19%

Fare Collection

The Fare Collection department is responsible for the operations, accounting, and reconciliations of fare revenue. This department oversees revenue reporting, control of revenue collection, oversight for contracted armored services, servicing of transit centers and ticket vending machines, ticket inventory management, and fare products analysis.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ 42,603	\$ 60,592	\$ 50,144	\$ 59,758	\$ (834)	-1.38%	\$ 9,614	19.17%
Employee Benefits	25,753	19,860	25,742	17,010	(2,850)	-14.35%	(8,732)	-33.92%
Professional Services	419,201	733,881	486,386	669,700	(64,181)	-8.75%	183,314	37.69%
Materials and Supplies	10,967	25,000	9,828	25,000	-	0.00%	15,172	154.38%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	2,400	400	3,000	600	25.00%	2,600	650.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 498,524	\$ 841,733	\$ 572,500	\$ 774,468	\$ (67,265)	-7.99%	\$ 201,968	35.28%

People

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/employee relations, labor relations and negotiations, recruitment and selection, classification, workers' compensation, training, employee and organizational development, and the drug and alcohol program.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget				
Salaries and Wages	\$ 505,558	\$ 1,076,713	\$ 937,952	\$ 1,330,744	\$ 254,031	23.59%	\$ 392,792	41.88%
Employee Benefits *	347,826	488,280	500,163	417,538	(70,742)	-14.49%	(82,625)	-16.52%
Professional Services	457,720	435,000	292,668	540,000	105,000	24.14%	247,332	84.51%
Materials and Supplies	10,213	15,000	6,728	11,000	(4,000)	-26.67%	4,272	63.50%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	178,596	325,000	169,714	327,000	2,000	0.62%	157,286	92.68%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,499,913	\$ 2,339,993	\$ 1,907,225	\$ 2,626,282	\$ 286,289	12.23%	\$ 719,057	37.70%

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. This department also oversees the District's instructional design function, in support of direct and contractor staff training program development, implementation and delivery that meets both regulatory and District standards.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 533,605	\$ 990,937	\$ 825,905	\$ 563,186	\$ (427,751)	-43.17%	\$ (262,719)	-31.81%
Employee Benefits *	210,559	286,068	283,188	120,406	(165,662)	-57.91%	(162,782)	-57.48%
Professional Services	465,133	482,500	457,843	627,016	144,516	29.95%	169,173	36.95%
Materials and Supplies	155	3,000	2,761	3,000	-	0.00%	239	8.66%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	20,863	26,000	21,196	17,000	(9,000)	-34.62%	(4,196)	-19.80%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 1,230,315	\$ 1,788,505	\$ 1,590,893	\$ 1,330,608	\$ (457,897)	-25.60%	\$ (260,285)	-16.36%

Planning

Service Planning

The Service Planning department is responsible for reviewing, maintaining, and revising schedules to ensure reliable service to the public. This department coordinates the multimodal transit service operations planning and implementation activities of NCTD and participates in regional transportation studies and related service development activities in coordination with other agencies such as SANDAG and the LOSSAN Corridor working group.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 336,318	\$ 476,761	\$ 359,395	\$ 520,797	\$ 44,036	9.24%	\$ 161,402	44.91%
Employee Benefits	154,335	121,836	140,495	134,249	12,413	10.19%	(6,246)	-4.45%
Professional Services	1,401,626	2,327,040	1,129,442	1,541,286	(785,754)	-33.77%	411,844	36.46%
Materials and Supplies	200	5,000	1,000	2,000	(3,000)	-60.00%	1,000	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	347,588	74,000	20,498	25,000	(49,000)	-66.22%	4,502	21.96%
Miscellaneous Expenses	49,278	141,140	45,891	15,999	(125,141)	-88.66%	(29,892)	-65.14%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 2,289,345	\$ 3,145,777	\$ 1,696,721	\$ 2,239,331	\$ (906,446)	-28.81%	\$ 542,610	31.98%

Transit Systems Management

The Transit Systems Management department plans, organizes, and coordinates a variety of business initiatives, financial, environmental, and operations sustainability planning, program/project development, and other strategic planning activities. This includes activities such as data gathering, data analysis, performance management analysis, concept development and strategy alternative analysis and management.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ 285,378	\$ 156,879	\$ 106,090	\$ (179,288)	-62.82%	\$ (50,789)	-32.37%
Employee Benefits	-	87,336	73,904	36,098	(51,238)	-58.67%	(37,806)	-51.16%
Professional Services	-	580,500	343,333	484,000	(96,500)	-16.62%	140,667	40.97%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	10,000	2,302	8,000	(2,000)	-20.00%	5,698	247.52%
Miscellaneous Expenses	-	7,700	7,396	3,000	(4,700)	-61.04%	(4,396)	-59.44%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ -	\$ 970,914	\$ 583,814	\$ 637,188	\$ (333,726)	-34.37%	\$ 53,374	9.14%

Operations Support Services

Operations Support Services

The Operations Support Services Division and department has been discontinued as result of District reorganization.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ 224,922	\$ 317,941	180,950	\$ -	\$ (317,941)	-100.00%	\$ (180,950)	-100.00%
Employee Benefits	113,276	80,412	82,247	-	(80,412)	-100.00%	(82,247)	-100.00%
Professional Services	750	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	1,000	2,199	-	(1,000)	-100.00%	(2,199)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	775	11,000	2,674	-	(11,000)	-100.00%	(2,674)	-100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 339,723	\$ 410,353	\$ 268,070	\$ -	\$ (410,353)	-100.00%	\$ (268,070)	-100.00%

Debt

The Debt services department was created to separately account for debt-related expenditures. The primary source of debt for NCTD is related to the construction of the SPRINTER. This debt is expected to be retired by 2035.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	622,260	737,200	563,487	674,300	(62,900)	-8.53%	110,813	19.67%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	\$ 622,260	\$ 737,200	\$ 563,487	\$ 674,300	\$ (62,900)	-8.53%	\$ 110,813	19.67%

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.

Operating Expenditures	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Proposed Budget	Increase/ (Decrease) from FY2025 Budget (\$)	Increase/ (Decrease) from FY2025 Budget (%)	Increase/ (Decrease) from FY2025 Forecast (\$)	Increase/ (Decrease) from FY2025 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Materials and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
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%
	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	0.00%	\$ 500,000	100.00%

5-Year Plan and Capital Improvement Program

5-Year Financial Assumptions

The 5-Year Forecast is a planning tool designed to review the long-term outlook of the District'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: FY2026 amounts are based on the Federal Transit Administration (FTA) published apportionment tables. FY2027-FY2030 revenues remain flat, consistent with assumptions used by SANDAG in Agenda Item 7 of the SANDAG Board of Directors meeting on February 14, 2025. The 5-Year Plan assumes an extension of the IJA through FY2030.
- The TDA and TransNet apportionments for FY2026 and estimates for FY2027-FY2030 were provided by SANDAG and presented in Agenda Item 7 of the SANDAG Board of Directors meeting on February 14, 2025.
- State Transit Assistance (STA) and STA State of Good Repair FY2026 allocation estimates were published by the California State Controller on January 31, 2025. Estimates for FY2027-FY2030 remain unchanged from FY2026 levels.
- State Rail Assistance (SRA): The FY2026 estimate is based on prior years' levels; the actual estimate for FY2026 has not yet been provided by the California State Transportation Agency (CalSTA). FY2027-FY2030 are projected to remain the same as FY2026.
- Allocations for State of California Senate Bill 125 (SB125) TIRCP and ZETCP funds were published by the California State Transportation Agency within the Final Guidelines dated September 29, 2023.
- 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 projected to decrease as interest rates fall in future fiscal years.
- Other operating revenues are projected to increase by 3% annually.
- Payroll costs are projected to increase by 3% in FY2026 and by 2% from FY2027 through FY2030.
- 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 FY2027 through FY2030.

- 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.

Sources of Revenue and Allocation of Funds

Based on revenue and expense assumptions, the District will achieve a balanced operating budget in FY2026 but will face a fiscal deficit in the upcoming years based on current funding levels. FTA formula carryover funds and TDA reserves will be used in FY2026 and FY2027 to cover capital expenditures, but 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 13 shows the projected revenues from all sources and allocations to the Capital Improvement Program (CIP) and operating expenses in the next five years. Details on the projects funded in the CIP are provided in the following sections.

Table 13. FY2026-FY2030 Sources of Revenue and Allocation of Funds

	FY2026	FY2027	FY2028	FY2029	FY2030	5-Year Total
TOTAL REVENUES						
Passenger Fares	\$ 12,492,298	\$ 12,726,285	\$ 12,866,914	\$ 13,007,612	\$ 13,486,689	\$ 64,579,798
Non-Transportation Revenues	4,731,200	3,930,336	3,721,908	3,769,571	3,823,023	19,976,038
Auxiliary Revenues	11,199,184	11,535,160	11,881,215	12,237,651	12,604,780	59,457,990
Federal Grants	62,383,824	50,634,638	50,634,638	50,634,638	50,634,638	264,922,376
State Grants	86,703,624	24,649,833	24,649,833	21,182,418	21,182,418	178,368,126
Local Grants	79,473,630	80,517,546	82,363,970	84,765,539	87,314,180	414,434,865
	256,983,760	183,993,798	186,118,478	185,597,429	189,045,728	1,001,739,193
FUNDS ALLOCATION						
Capital Improvement Program	86,096,889	13,951,116	4,181,690	2,000,000	-	106,229,695
Minimum Capital District Goal	-	1,048,884	10,818,310	15,000,000	15,000,000	41,867,194
Preventive Maintenance and Operating	178,805,577	183,227,724	187,763,996	192,417,444	197,191,205	939,405,946
	264,902,466	198,227,724	202,763,996	209,417,444	212,191,205	1,087,502,835
Deficit	(7,918,706)	(14,233,926)	(16,645,518)	(23,820,015)	(23,145,477)	(85,763,642)
Reserve for Capital Projects *	7,918,706	14,233,926	-	-	-	22,152,632
Net Deficit	\$ -	\$ -	\$ (16,645,518)	\$ (23,820,015)	\$ (23,145,477)	\$ (63,611,010)
LONG-TERM OBLIGATIONS (Funded from Net Assets)						
CalPERS Unfunded Accrued Liability Payments	\$ 4,151,413	\$ 4,455,000	\$ 4,700,000	\$ 5,260,000	\$ 5,394,000	\$ 23,960,413
SPRINTER Debt Principal Payments	1,450,000	1,500,000	1,550,000	1,600,000	1,600,000	7,700,000
Funded from Net Assets	\$ 5,601,413	\$ 5,955,000	\$ 6,250,000	\$ 6,860,000	\$ 6,994,000	\$ 31,660,413

* Includes FTA formula carryover funds and TDA capital reserves

Allocation of Federal, State and Local Grant Funds

Table 14 shows the projected grants funding allocations in the next five years (excluding Medi-Cal and reimbursements from the CPUC for maintenance of crossings and signals):

Table 14. FY2026-FY2030 Grants Revenue and Allocation of Funds

Grant	FY2026	FY2027	FY2028	FY2029	FY2030	5-Year Total
Federal Transit Administration (FTA) Section 5307	\$ 27,962,316	\$ 27,962,316	\$ 27,962,316	\$ 27,962,316	\$ 27,962,316	\$ 139,811,580
Federal Transit Administration (FTA) Section 5337	20,142,466	20,142,466	20,142,466	20,142,466	20,142,466	100,712,330
Federal Transit Administration (FTA) Section 5339	1,848,288	1,848,288	1,848,288	1,848,288	1,848,288	9,241,440
Federal Transit Administration (FTA) Section 5311	641,568	641,568	641,568	641,568	641,568	3,207,840
Federal Transit Administration (FTA) Low No	307,390					307,390
U.S. Department of Transportation - Rebuilding American Infrastructure with Sustainability and Equity (RAISE)	10,208,556	-	-	-	-	10,208,556
Federal Highway Administration - Congestion Mitigation and Air Quality Improvement (CMAQ) Program	1,233,240	-	-	-	-	1,233,240
Transportation Development Act (TDA) 4.0	49,733,819	50,240,000	51,285,000	52,706,000	54,207,000	258,171,819
Transportation Development Act (TDA) 4.5	2,608,917	2,635,000	2,690,000	2,765,000	2,844,000	13,542,917
State Transit Assistance (STA)	12,042,825	12,042,825	12,042,825	12,042,825	12,042,825	60,214,125
STA State of Good Repair	2,088,577	2,088,577	2,088,577	2,088,577	2,088,577	10,442,885
Caltrans Planning Grant	820,000	-	-	-	-	820,000
State Rail Assistance (SRA)	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	19,500,000
SB 125 Transit and Intercity Rail Capital Program (TIRCP)	48,333,791	-	-	-	-	48,333,791
Zero-Emission Transit Capital Program (ZETCP)	3,467,415	3,467,415	3,467,415	-	-	10,402,245
TransNet - Transit Services (Senior and Disabled)	484,000	491,000	503,000	520,000	538,000	2,536,000
TransNet - Transit Services (Operations and Capital)	18,247,000	18,504,000	18,981,000	19,603,000	20,279,000	95,614,000
TransNet - New Major Corridor Transit Operations	8,178,851	8,424,216	8,676,943	8,937,251	9,205,369	43,422,630
Low Carbon Transit Operations Program (LCTOP)	3,062,333	3,062,333	3,062,333	3,062,333	3,062,333	15,311,665
California Department of Housing and Community Development - Affordable Housing and Sustainable Communities (AHSC)	12,900,000	-	-	-	-	12,900,000
Total Grants Revenue	\$ 228,211,352	\$ 155,450,004	\$ 157,291,731	\$ 156,219,624	\$ 158,761,742	\$ 855,934,453
Allocations						
Capital Improvement Program	\$ 86,096,889	\$ 13,951,116	\$ 4,181,690	\$ 2,000,000	\$ -	\$ 106,229,695
Minimum Capital District Goal *	-	1,048,884	10,818,310	15,000,000	15,000,000	41,867,194
Preventive Maintenance	42,272,678	40,103,980	40,103,980	38,103,980	40,103,980	200,688,598
Available for Operating Expenses	99,841,785	100,346,024	102,187,751	101,115,644	103,657,762	507,148,966
Total Allocations	\$ 228,211,352	\$ 155,450,004	\$ 157,291,731	\$ 156,219,624	\$ 158,761,742	\$ 855,934,453

* Minimum District goal of \$15 million annually

NOTE: Grant revenues subject to change based on State allocation of funding and revised estimates from SANDAG and the State Controller's Office

FY2026-FY2030 Capital Improvement Program (CIP)

FY2026-FY2030 Unconstrained Capital Needs

Each year, North County Transit - San Diego Railroad (NCTD/District) prepares and submits an update of its baseline five-year CIP by ranking ongoing and new capital investments according to internally established criteria, which ranks state of good repair, regulatory requirements, and safety and security as the highest priorities. District 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.

For the five fiscal years FY2026-FY2030, NCTD's capital needs total \$481.7 million for primarily state of good repair projects that NCTD implements and \$1.7 billion for capacity enhancing projects implemented by SANDAG under the TransNet Program. NCTD's Board of Directors approves the CIP for projects that are funded and implemented by NCTD.

The FY2026-FY2030 unconstrained CIP identifies needs of \$120.6 million for FY2026 and \$481.7 million for the five-year period. Following is a summary of the needs of District managed projects in the next five years:

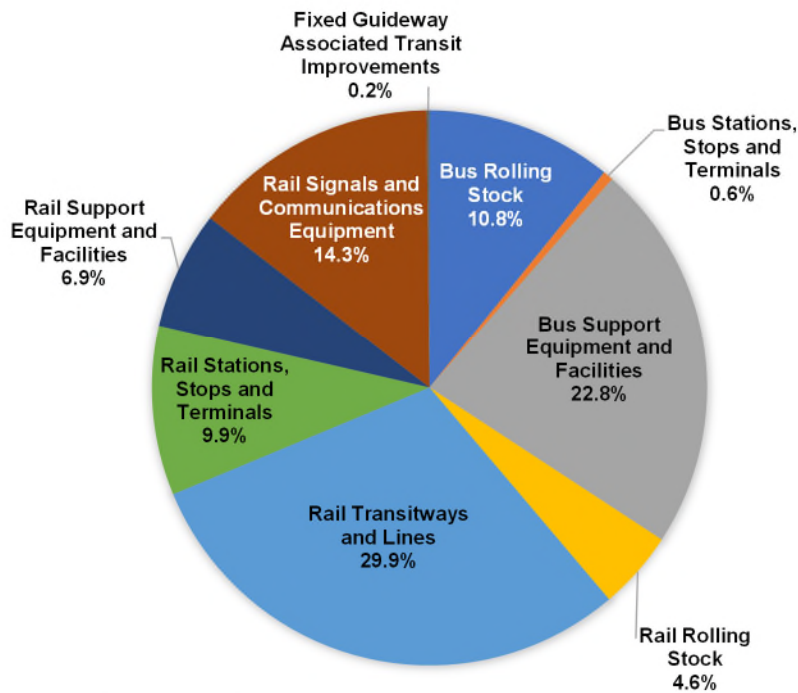
- \$92.4 million for Control Point Songs double-track design and construction
- \$77.8 million for BREEZE East and West operations and maintenance facilities master plan improvements
- \$68.6 million for Positive Train Control (PTC) and rail signals
- \$50.4 million for BREEZE fleet replacements
- \$36.4 million for the Del Mar Fairgrounds Station Platform
- \$24.8 million for bus maintenance facilities improvements
- \$18.5 million for bridge repairs and replacements
- \$17.4 million for rail right-of-way improvements
- \$16.6 million for rail maintenance equipment and facilities improvements
- \$13.2 million for SPRINTER corridor improvements
- \$12.5 million for stations and platforms improvements
- \$10.9 million for COASTER fleet overhauls
- \$6.8 million for wireless mesh nodes
- \$8.2 million for SPRINTER fleet overhauls
- \$5.7 million for various software
- \$3.1 for maintenance of way equipment
- \$3 million for COASTER image recorders
- \$2.5 million for non-revenue vehicles
- \$2.6 million for bus stop improvements
- \$2.0 million for Buena Creek grade separation design

Table 15 and Figure 14 shows the unconstrained capital needs by asset class for the next five fiscal years.

Table 15. FY2026-FY2030 Unconstrained Capital Needs

FTA Scope	FTA Scope Description	FY2026	FY2027	FY2028	FY2029	FY2030	5-Year
111	Bus Rolling Stock	\$ 4,295,573	\$ 27,687,260	\$ 19,010,000	\$ 1,200,000	\$ -	\$ 52,192,833
113	Bus Stations, Stops and Terminals	1,905,000	970,000	-	-	-	2,875,000
114	Bus Support Equipment and Facilities	8,425,400	22,336,500	3,830,000	25,685,000	49,535,000	109,811,900
121	Rail Rolling Stock	9,722,000	6,298,783	4,031,690	2,000,000	-	22,052,473
122	Rail Transitways and Lines	27,155,695	18,165,729	46,376,152	36,039,875	16,421,552	144,159,003
123	Rail Stations, Stops and Terminals	41,103,621	3,113,000	3,366,000	-	-	47,582,621
124	Rail Support Equipment and Facilities	8,729,000	11,050,000	5,748,000	4,705,000	3,000,000	33,232,000
126	Rail Signals and Communications Equipment	18,445,000	33,972,500	16,650,000	-	-	69,067,500
129	Fixed Guideway Associated Transit Improvements	800,000	-	-	-	-	800,000
Total Unconstrained CIP		\$ 120,581,289	\$ 123,593,772	\$ 99,011,842	\$ 69,629,875	\$ 68,956,552	\$ 481,773,330

Figure 14. FY2026-FY2030 Unconstrained Capital Needs by FTA ALI



FY2026-FY2030 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 FY2026 CIP is \$86.1 million, which is \$71.1 million above the District target of \$15 million for capital investment, and \$39.8 million above the \$46.3 million funded in FY2025. The FY2026 CIP funds the San Dieguito Lagoon Double-Track and Fairgrounds Station platform, SPRINTER Corridor Service Improvement environmental and design, SPRINTER signal modernization design and construction, purchase of battery electric buses, bus stops improvements, BREEZE maintenance facilities improvements, COASTER overhauls, Miramar rail replacement, maintenance of way equipment, and wayfinding improvements.

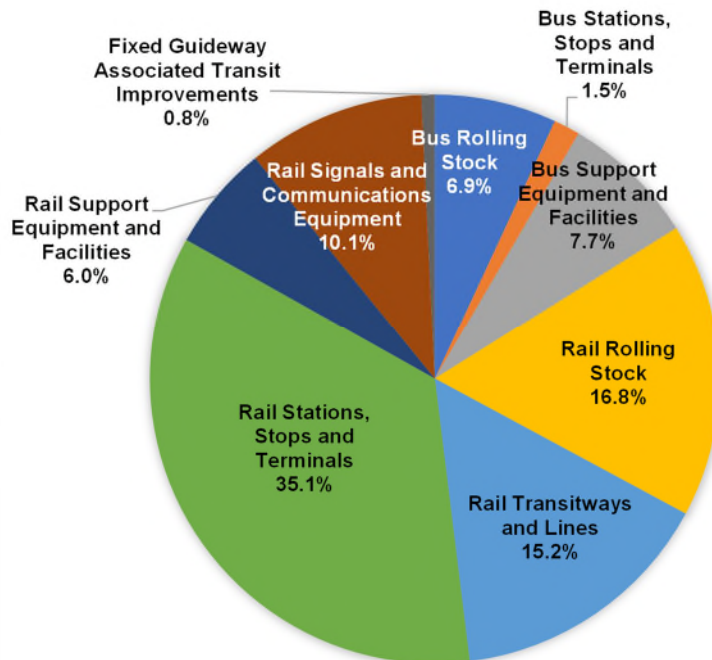
NCTD is advancing initiatives related to the development and eventual acquisition of zero-emissions (ZE) motive power for its rail operations. These efforts are designed to coincide with California Executive Order N-79-20 and pending regulations from the California Air Resources Board (CARB) which would 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 16 and Figure 10 summarizes the adopted capital projects by Federal Transit Administration (FTA) Activity Line Item (ALI) for each fiscal year in the FY2026-FY2030 CIP.

Table 16. FY2026-FY2030 Constrained CIP

FTA Scope	FTA Scope Description	FY2026	FY2027	FY2028	FY2029	FY2030	5-Year
111	Bus Rolling Stock	\$ 4,295,573	\$ 3,062,333	\$ -	\$ -	\$ -	\$ 7,357,906
113	Bus Stations, Stops and Terminals	1,585,000	-	-	-	-	1,585,000
114	Bus Support Equipment and Facilities	5,374,500	2,620,000	150,000	-	-	8,144,500
121	Rail Rolling Stock	5,845,000	5,948,783	4,031,690	2,000,000	-	17,825,473
122	Rail Transitways and Lines	16,120,695	-	-	-	-	16,120,695
123	Rail Stations, Stops and Terminals	37,296,621	-	-	-	-	37,296,621
124	Rail Support Equipment and Facilities	4,074,500	2,300,000	-	-	-	6,374,500
126	Rail Signals and Communications Equipment	10,705,000	20,000	-	-	-	10,725,000
129	Fixed Guideway Associated Transit Improvements	800,000	-	-	-	-	800,000
Total Constrained CIP		\$ 86,096,889	\$ 13,951,116	\$ 4,181,690	\$ 2,000,000	\$ -	\$ 106,229,695

Figure 15. FY2026-FY2030 Constrained CIP by FTA ALI



Projects that are not constrained are unfunded. Below is a list of major unfunded FY2026-FY2030 capital needs:

- \$92.4 million for CP Songs double-track design and construction
- \$77.8 million for BREEZE West Division masterplan improvements design and construction
- \$57.9 million for PTC and rail signals
- \$43 million for BREEZE buses replacements
- \$22.5 million for bus maintenance facilities improvements
- \$14.8 million for rail right-of-way infrastructure replacements
- \$12.7 million for rail maintenance equipment and facilities improvements
- \$18.5 million for bridge repairs
- \$10.9 million for train stations improvements
- \$6.8 million for wireless mesh nodes

Following is a summary of the major unfunded capacity enhancement projects to be implemented by SANDAG (excluding the San Diego LOSSAN Rail Realignment):

- \$610.2 million for Carlsbad Village Trench
- \$500 million for Leucadia Grade Separation and Trench
- \$246.9 million for Sorrento to Miramar Phase 2
- \$238.4 million for Leucadia Double-Track
- \$79.5 million for Eastbrook to Shell double-track

Following is a detailed listing of all adopted projects for each fiscal year in the FY2026-FY2030 CIP timeframe. All years beyond FY2026 are subject to change and require specific approval of the Board upon adoption of the annual operating budget.

Table 17. FY2026 Constrained CIP Projects

Scope and Project Name	FY2026 CIP	% of Total
111 Bus Rolling Stock	\$ 4,295,573	5.0%
Two (2) Battery Electric Buses	2,754,023	
One (1) Battery Electric Bus	1,541,550	
113 Bus Stations, Stops, and Terminals	\$ 1,585,000	1.8%
Bus Stops Improvements Phase II (Construction)	850,000	
Bus Stop Improvement Phase III (Construction)	625,000	
Sorrento Valley Bus Parking (Design)	110,000	
114 Bus Support Equipment and Facilities	5,374,500	6.2%
Non-Revenue Vehicles	965,000	
HVAC Various Replacements	885,000	
Trapeze Enterprise Asset Management	750,000	
BREEZE Overhead Cranes	590,000	
Wonder-Bread Lot Resurfacing	350,000	
BREEZE Operations West Unleaded Dispensers	275,000	
BREEZE Operations East Conference Room	250,000	
BREEZE Operations East Outdoor Canopy Improvement	180,000	
Network Upgrades	175,000	
HASTUS Scheduling Software	150,000	
BREEZE Operations West Employee Parking (Design)	150,000	
BREEZE Hydrogen Sensors (Construction)	120,000	
BREEZE Operations West Veeder-Root System	105,000	
BREEZE Operations East Offices Remodel	100,000	
BREEZE Operations West Hydrogen Fueling Station (Design)	85,000	
Server Upgrades	72,000	
BREEZE Operations East and West Gate System	70,000	
BREEZE Operations East and West Signage	52,000	
Hydro Enhance Elevator Upgrade	50,500	
121 Rail Rolling Stock	5,845,000	6.8%
Bilevel Overhaul Materials	2,905,000	
COASTER Brake Overhaul	1,200,000	
COASTER Image Recorders (Construction)	750,000	
Bilevel Overhaul Design	720,000	
COASTER Diesel Engine Cooler Overhaul	140,000	
COASTER Battery Overhaul	130,000	
122 Rail Transitways and Lines	16,120,695	18.7%
SPRINTER Corridor Service Improvement (Environmental and Design)	12,760,695	
Miramar Rail Replacement	2,610,000	
Carlsbad Grade Crossing Safety Improvements	750,000	
123 Rail Stations, Stops and Terminals	37,296,621	43.3%
San Dieguito Lagoon Double-Track and Fairgrounds Station	36,396,621	
Platform Improvements	500,000	
Drought Tolerant Landscaping	200,000	
Oceanside Transit Center Platform Stormwater Improvements	200,000	

Table 17. FY2026 Constrained CIP Projects (continued)

Scope and Project Name	FY2026 CIP	% of Total
124 Rail Support Equipment and Facilities	4,074,500	4.7%
Maintenance-of-Way Switch Tamper	2,000,000	
Non-Revenue Vehicles	810,000	
Maintenance-of-Way Building Improvements (Construction)	540,000	
SPRINTER Fuel Dispenser	205,000	
COASTER Fuel Dispensing System (Design)	150,000	
PRONTO Fare Collection Equipment (Convention Center)	100,000	
COASTER Turntables (Design)	100,000	
Maintenance-of-Way Forklift	68,000	
COASTER Waste Rigs Carts	60,500	
Waste Pumping Carts	41,000	
126 Rail Signals and Communications Equipment	10,705,000	12.4%
SPRINTER Signal Modernization - Phase 8	5,675,000	
SPRINTER Signal Modernization - Phase 9	4,900,000	
Positive Train Control Disaster Recovery	130,000	
129 Fixed Guideway Associated Transit Improvements	800,000	0.9%
Wayfinding Master Plan	800,000	
TOTAL FY2026 CIP	\$ 86,096,889	100.0%

Table 18. FY2027 Constrained CIP Projects

Description	FY2027 CIP	% of Total
111 Bus Rolling Stock	\$ 3,062,333	22.0%
Two (2) Zero Emission Buses	3,062,333	
114 Bus Support Equipment and Facilities	2,620,000	18.8%
Non-Revenue Vehicles	710,000	
Trapeze Enterprise Asset Management	685,000	
Fire Alarm System (Construction)	550,000	
PRONTO Enhancements	400,000	
HASTUS Scheduling Software	150,000	
BREEZE Operations West Unleaded Dispensers	125,000	
121 Rail Rolling Stock	5,948,783	42.6%
COASTER Image Recorders (Construction)	2,250,000	
SPRINTER Engine Overhauls	2,200,000	
SPRINTER WiTronix System	888,783	
SPRINTER Wheelset Overhauls	320,000	
SPRINTER Axle Gearbox Overhauls	290,000	
124 Rail Support Equipment and Facilities	2,300,000	16.5%
COASTER Train Wash (Construction)	2,300,000	
126 Rail Signals and Communications Equipment	20,000	0.1%
Positive Train Control Disaster Recovery	20,000	
TOTAL FY2027 CIP	\$ 13,951,116	100.0%

Table 19. FY2028 Constrained CIP Projects

Description	FY2028 CIP	% of Total
114 Bus Support Equipment and Facilities	150,000	3.6%
PRONTO Enhancements	150,000	
121 Rail Rolling Stock	4,031,690	96.4%
Bilevel Overhaul Materials	3,130,000	
SPRINTER WiTronix System	901,690	
TOTAL FY2028 CIP	\$ 4,181,690	100.0%

Table 20. FY2029 Constrained CIP Projects

Description	FY2029 CIP	% of Total
121 Rail Rolling Stock	2,000,000	100.0%
Bilevel Overhaul Materials	2,000,000	
TOTAL FY2029 CIP	\$ 2,000,000	100.0%

5-Year Service Implementation Plan (SIP)

The Service Implementation Plan includes a five-year outlook that is updated with each budget cycle. This planning horizon allows NCTD to align major capital and operating projects with future year operating projections. The SIP's objectives include:

Strengthen network foundations

- **BREEZE:** Restructure the BREEZE bus network through a comprehensive Bus Network Redesign
- **SPRINTER:** Modernize the fleet and improve service reliability, laying the groundwork for future service expansions
- **COASTER:** Complete new station construction and provide direct connections to key landmarks, such as the San Diego Convention Center, Petco Park, and the Del Mar Fair Grounds
- **COASTER:** Restructure service to reflect changing return-to-work patterns and leisure-based travel trends

Complement network with on demand service:

- **NCTD+:** Transition existing pilot zones to regular service
- **NCTD+:** Strategically pilot on-demand zones to expand coverage and facilitate first-last mile connections to high-frequency corridors
- **LIFT:** Maintain quality LIFT service to meet increased demand associated with changing demographics

Five-Year Outlook

Table 21 summarizes the Key Performance Indicators (KPIs) for the FY2026-FY2035 Service Implementation Plan. As existing service is improved and coverage is expanded, NCTD estimates that ridership will reach over 11 million boardings in FY2035.

Table 21. FY2026-FY2035 SIP System KPIs

Fiscal Year	Ridership	Revenue Miles	Total Miles	Revenue Hours	Total Hours
FY2026	8,980,069	7,773,326	8,769,780	581,078	643,913
FY2027	9,119,874	7,801,596	8,800,780	582,474	645,590
FY2028	9,211,764	7,815,939	8,816,923	583,380	646,706
FY2029	9,303,881	7,830,425	8,833,227	584,296	647,833
FY2030	9,476,010	7,912,277	8,921,220	587,281	651,270
FY2031	9,718,822	8,000,213	9,011,326	591,541	655,767
FY2032	9,993,558	8,174,199	9,197,370	597,362	662,365
FY2033	10,811,738	8,560,079	9,586,739	615,170	680,502
FY2034	10,919,855	8,575,304	9,603,874	616,131	681,688
FY2035	11,029,053	8,590,681	9,621,182	617,103	682,884

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 District initiatives. This section provides three forecasts for the next ten fiscal years through FY2035, with revenue and expense assumptions primarily driven by low, medium, and high grant revenue forecasts. FY2026 through FY2030 remain the same under the three scenarios in alignment with the 5-Year Plan (assumptions are described on pages 92-93). The high and low ranges for FY2031 through FY2035 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 the District annual capital program.

Mid-Range Forecast

This scenario represents the more likely scenario based on historical trends. FTA revenues from FY2026 to FY2030 are based on SANDAG's forecasts. 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 FY2030 are outside of the last year of the IIJA, however, the forecast assumes a continuation of the program through FY2030. The forecast then reverts FY2031 FTA revenues to FY2022 levels (adjusted for inflation at 3% annually). TDA and TransNet revenues from FY2026 to FY2030 are based on SANDAG's forecasts and anticipated to grow by 3% thereafter. The passenger fares forecast is based on the 5-Year Service Implementation Plan and projections provided by the Service Planning department. Payroll expenses are forecast to grow by 2% and 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 District will be required to reduce operating expenses and capital investments and identify new funding sources beginning in FY2028 in order to achieve a balanced 10-Year budget.

Table 22. 10-Year Outlook - Mid-Range Grant Revenue Forecast

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
TOTAL REVENUES										
Passenger Fares	\$ 12,492,298	\$ 12,726,285	\$ 12,866,914	\$ 13,007,612	\$ 13,486,689	\$ 13,708,604	\$ 14,593,145	\$ 15,183,497	\$ 15,329,585	\$ 15,477,135
Non-Transportation Revenues	4,731,200	3,930,336	3,721,908	3,769,571	3,823,023	3,937,714	4,055,845	4,177,520	4,302,846	4,431,931
Auxiliary Revenues	11,199,184	11,535,160	11,881,215	12,237,651	12,604,780	12,982,923	13,372,411	13,773,583	14,186,790	14,612,394
Federal Grants	62,383,824	50,634,638	50,634,638	50,634,638	50,634,638	43,121,716	44,415,367	45,747,828	47,120,263	48,533,871
State Grants	86,703,624	24,649,833	24,649,833	21,182,418	21,182,418	21,817,891	22,472,428	23,146,601	23,840,999	24,556,229
Local Grants	79,473,630	80,517,546	82,363,970	84,765,539	87,314,180	89,933,605	92,631,613	95,410,561	98,272,878	101,221,064
	256,983,760	183,993,798	186,118,478	185,597,429	189,045,728	185,502,453	191,540,809	197,439,590	203,053,361	208,832,624
FUNDS ALLOCATION										
Capital Improvement Program	86,096,889	13,951,116	4,181,690	2,000,000	-	-	-	-	-	-
Minimum Capital District Goal	-	1,048,884	10,818,310	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Preventive Maintenance and Operating	178,805,577	183,227,724	187,763,996	192,417,444	197,191,205	203,106,941	209,200,149	215,476,153	221,940,438	228,598,651
	264,902,466	198,227,724	202,763,996	209,417,444	212,191,205	218,106,941	224,200,149	230,476,153	236,940,438	243,598,651
Deficit	(7,918,706)	(14,233,926)	(16,645,518)	(23,820,015)	(23,145,477)	(32,604,488)	(32,659,340)	(33,036,563)	(33,887,077)	(34,766,027)
Reserve for Capital Projects *	7,918,706	14,233,926	-	-	-	-	-	-	-	-
Net Deficit	\$ -	\$ -	\$ (16,645,518)	\$ (23,820,015)	\$ (23,145,477)	\$ (32,604,488)	\$ (32,659,340)	\$ (33,036,563)	\$ (33,887,077)	\$ (34,766,027)
LONG-TERM OBLIGATIONS (Funded from Net Assets)										
CalPERS Unfunded Accrued Liability Payments	4,151,413	4,455,000	4,700,000	5,260,000	5,394,000	5,512,000	5,219,000	5,166,000	4,726,000	4,589,000
SPRINTER Debt Principal Payments	1,450,000	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
Funded from Net Assets	\$ 5,601,413	\$ 5,955,000	\$ 6,250,000	\$ 6,860,000	\$ 6,994,000	\$ 7,162,000	\$ 6,919,000	\$ 6,916,000	\$ 6,476,000	\$ 6,389,000

* Includes FTA formula carryover funds and TDA capital reserves

Low-Range Forecast

NCTD prepared the low-range forecast utilizing internal cost containment initiatives. The forecast for FY2026-FY2030 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 FY2031. FTA, TDA, and TransNet revenues from FY2026 through FY2030 are based on SANDAG's forecasts and are anticipated to grow by 2% thereafter. Under the low-range forecast scenario, the District will be required to reduce operating expenses and capital investments and identify new funding sources beginning in FY2028 in order to achieve a balanced 10-Year budget.

Table 23. 10-Year Outlook - Low-Range Grant Revenue Forecast

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
TOTAL REVENUES										
Passenger Fares	\$ 12,492,298	\$ 12,726,285	\$ 12,866,914	\$ 13,007,612	\$ 13,486,689	\$ 13,708,604	\$ 14,593,145	\$ 15,183,497	\$ 15,329,585	\$ 15,477,135
Non-Transportation Revenues	4,731,200	3,930,336	3,721,908	3,769,571	3,823,023	3,937,714	4,055,845	4,177,520	4,302,846	4,431,931
Auxiliary Revenues	11,199,184	11,535,160	11,881,215	12,237,651	12,604,780	12,982,923	13,372,411	13,773,583	14,186,790	14,612,394
Federal Grants	62,383,824	50,634,638	50,634,638	50,634,638	50,634,638	43,121,716	43,984,150	44,863,833	45,761,110	46,676,332
State Grants	86,703,624	24,649,833	24,649,833	21,182,418	21,182,418	21,606,066	22,038,187	22,478,951	22,928,530	23,387,101
Local Grants	79,473,630	80,517,546	82,363,970	84,765,539	87,314,180	89,060,464	90,841,673	92,658,506	94,511,676	96,401,910
	256,983,760	183,993,798	186,118,478	185,597,429	189,045,728	184,417,487	188,885,411	193,135,890	197,020,537	200,986,803
FUNDS ALLOCATION										
Capital Improvement Program	86,096,889	13,951,116	4,181,690	2,000,000	-	-	-	-	-	-
Minimum Capital Board Goal *	-	1,048,884	10,818,310	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Expenses	178,805,577	183,227,724	187,763,996	192,417,444	197,191,205	201,135,029	205,157,730	209,260,885	213,446,103	217,715,025
	264,902,466	198,227,724	202,763,996	209,417,444	212,191,205	216,135,029	220,157,730	224,260,885	228,446,103	232,715,025
Deficit	(7,918,706)	(14,233,926)	(16,645,518)	(23,820,015)	(23,145,477)	(31,717,542)	(31,272,319)	(31,124,995)	(31,425,566)	(31,728,222)
Reserve for Capital Projects *	7,918,706	14,233,926	-	-	-	-	-	-	-	-
Net Deficit	\$ -	\$ -	\$ (16,645,518)	\$ (23,820,015)	\$ (23,145,477)	\$ (31,717,542)	\$ (31,272,319)	\$ (31,124,995)	\$ (31,425,566)	\$ (31,728,222)
LONG-TERM OBLIGATIONS (Funded from Net Assets)										
CalPERS Unfunded Accrued Liability Payments	4,151,413	4,455,000	4,700,000	5,260,000	5,394,000	5,512,000	5,219,000	5,166,000	4,726,000	4,589,000
SPRINTER Debt Principal Payments	1,450,000	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
	\$ 5,601,413	\$ 5,955,000	\$ 6,250,000	\$ 6,860,000	\$ 6,994,000	\$ 7,162,000	\$ 6,919,000	\$ 6,916,000	\$ 6,476,000	\$ 6,389,000

* Includes FTA formula carryover funds and TDA capital reserves

High-Range Forecast

The forecast for FY2026-FY2030 remains the same as the mid-range scenario. Beginning in FY2031, 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 high-range scenario, the District will be required to reduce operating expenses and capital investments and identify new funding sources beginning in FY2028 in order to achieve a balanced 10-Year budget.

Table 24. 10-Year Outlook - High-Range Grant Revenue Forecast

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
TOTAL REVENUES										
Passenger Fares	\$ 12,492,298	\$ 12,726,285	\$ 12,866,914	\$ 13,007,612	\$ 13,486,689	\$ 13,708,604	\$ 14,593,145	\$ 15,183,497	\$ 15,329,585	\$ 15,477,135
Non-Transportation Revenues	4,731,200	3,930,336	3,721,908	3,769,571	3,823,023	3,937,714	4,055,845	4,177,520	4,302,846	4,431,931
Auxiliary Revenues	11,199,184	11,535,160	11,881,215	12,237,651	12,604,780	12,982,923	13,372,411	13,773,583	14,186,790	14,612,394
Federal Grants	62,383,824	50,634,638	50,634,638	50,634,638	50,634,638	43,121,716	44,415,367	45,747,828	47,120,263	48,533,871
State Grants	86,703,624	24,649,833	24,649,833	21,182,418	21,182,418	22,029,715	22,910,904	23,827,340	24,780,434	25,771,651
Local Grants	79,473,630	80,517,546	82,363,970	84,765,539	87,314,180	91,679,889	96,263,883	101,077,077	106,130,931	111,437,478
	256,983,760	183,993,798	186,118,478	185,597,429	189,045,728	187,460,561	195,611,555	203,786,845	211,850,849	220,264,460
FUNDS ALLOCATION										
Capital Improvement Program	86,096,889	13,951,116	4,181,690	2,000,000	-	-	-	-	-	-
Minimum Capital Board Goal *	-	1,048,884	10,818,310	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Expenses	178,805,577	183,227,724	187,763,996	192,417,444	197,191,205	203,106,941	209,200,149	215,476,153	221,940,438	228,598,651
	264,902,466	198,227,724	202,763,996	209,417,444	212,191,205	218,106,941	224,200,149	230,476,153	236,940,438	243,598,651
Deficit	(7,918,706)	(14,233,926)	(16,645,518)	(23,820,015)	(23,145,477)	(30,646,380)	(28,588,594)	(26,689,308)	(25,089,589)	(23,334,191)
Reserve for Capital Projects *	7,918,706	14,233,926	-	-	-	-	-	-	-	-
Net Deficit	\$ -	\$ -	\$ (16,645,518)	\$ (23,820,015)	\$ (23,145,477)	\$ (30,646,380)	\$ (28,588,594)	\$ (26,689,308)	\$ (25,089,589)	\$ (23,334,191)
LONG-TERM OBLIGATIONS (Funded from Net Assets)										
CalPERS Unfunded Accrued Liability Payments	4,151,413	4,455,000	4,700,000	5,260,000	5,394,000	5,512,000	5,219,000	5,166,000	4,726,000	4,589,000
SPRINTER Debt Principal Payments	1,450,000	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
	\$ 5,601,413	\$ 5,955,000	\$ 6,250,000	\$ 6,860,000	\$ 6,994,000	\$ 7,162,000	\$ 6,919,000	\$ 6,916,000	\$ 6,476,000	\$ 6,389,000

* Includes FTA formula carryover funds and TDA capital reserves

Appendices

Passenger Fare Rates

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
BREEZE Fixed Route										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Senior/Disabled/Medicare	1.25	1.25	1.25	1.25	1.25	0.75	0.75	0.75	0.75	0.75
Youth	1.25	1.25	1.25	1.25	2.50	1.75	1.75	1.75	1.75	1.75
Day Pass										
Adult	*	*	*	*	*	5.00	5.00	5.00	5.00	4.50
Senior/Disabled/Medicare	*	*	*	*	*	2.25	2.25	2.25	2.25	2.25
Youth	*	*	*	*	*	*	*	*	*	*
Regional Day Pass										
Adult	6.00	6.00	6.00	6.00	6.00	*	*	*	*	*
Senior/Disabled/Medicare	3.00	3.00	3.00	3.00	3.00	*	*	*	*	*
Youth	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	*	*	*	*
Senior/Disabled/Medicare	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	*	*	*	*
COASTER Regional Day Pass										
Adult	15.00	15.00	15.00	15.00	15.00	*	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	*	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	12.00	12.00	12.00	12.00	12.00
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	*	*	59.00	59.00	59.00	59.00	59.00
Youth	19.00	19.00	19.00	*	*	59.00	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	18.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	23.00	23.00	36.00	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	25.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	32.00	32.00	50.00	50.00	50.00	50.00	50.00
Regional 14 Day Pass	*	*	*	*	*	43.00	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	*	*	60.00	60.00	60.00	60.00	60.00
College Monthly Pass	(b)	(b)	(b)	(b)	(b)	49.00	49.00	49.00	49.00	49.00
LIFT ADA/Paratransit										
One-way Fare	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
FLEX On Demand Bus Service										
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	5.00	5.00	5.00	5.00	5.00

*Proposed FY2026 Operating Budget and
FY2026-FY2030 Capital Improvement Program*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
COASTER Commuter Train Service										
ZONE 1										
One-way Fare										
Adult	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Senior/Disabled/Medicare	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00
Youth	2.50	2.50	2.50	2.50	2.50	4.00	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	120.00	120.00	120.00	120.00	120.00
ZONE 2										
One-way Fare										
Adult	5.75	5.75	5.75	5.75	5.75	5.00	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.50	2.50
Youth	2.75	2.75	2.75	2.75	2.75	5.00	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	150.00	150.00	150.00	150.00	150.00
ZONE 3										
One-way Fare										
Adult	6.50	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.50
Senior/Disabled/Medicare	3.25	3.25	3.25	3.25	3.25	2.75	2.75	2.75	2.75	2.75
Youth	3.25	3.25	3.25	3.25	3.25	5.50	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	165.00	165.00	165.00	165.00	165.00
Senior/Disabled/Medicare (all zones)	58.00	58.00	58.00	58.00	58.00	41.25	41.25	41.25	41.25	41.25
Youth (all zones)	58.00	58.00	58.00	58.00	58.00	82.50	82.50	82.50	82.50	82.50
COASTER Day 10-Pass Multi-Pack										
Adult	75.00	75.00	*	*	*	*	*	*	*	*
Senior/Disabled/Medicare	37.50	37.50	*	*	*	*	*	*	*	*
Youth	37.50	37.50	*	*	*	*	*	*	*	*
COASTER Day 5-Pass Multi-Pack										
Adult	45.00	45.00	*	*	*	*	*	*	*	*
Senior/Disabled/Medicare	22.50	22.50	*	*	*	*	*	*	*	*
Youth	22.50	22.50	*	*	*	*	*	*	*	*
SPRINTER Hybrid Rail Train Service										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Senior/Disabled/Medicare	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00
Youth	1.25	1.25	1.25	1.25	2.50	2.00	2.00	2.00	2.00	2.00
Day Pass										
Adult	*	*	*	*	*	5.00	5.00	5.00	5.00	4.50
Senior/Disabled/Medicare	*	*	*	*	*	2.25	2.25	2.25	2.25	2.25
Youth	*	*	*	*	*	*	*	*	*	*
Regional Day Pass										
Adult	6.00	6.00	6.00	6.00	6.00	*	*	*	*	*
Senior/Disabled/Medicare	3.00	3.00	3.00	3.00	3.00	*	*	*	*	*
Youth	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	*	*	*	*
Senior/Disabled/Medicare	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	*	*	*	*
COASTER Regional Day Pass										
Adult	15.00	15.00	15.00	15.00	15.00	*	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	*	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	*	*	*	*	*

*Proposed FY2026 Operating Budget and
FY2026-FY2030 Capital Improvement Program*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
SPRINTER Hybrid Rail Train Service (continued)										
Region Plus Day Pass	*	*	*	*	*	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
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	*	*	59.00	59.00	59.00	59.00	59.00
Youth	19.00	19.00	19.00	*	*	59.00	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	18.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	23.00	23.00	36.00	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	25.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	32.00	32.00	50.00	50.00	50.00	50.00	50.00
Regional 14 Day Pass	*	*	*	*	*	43.00	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	*	*	60.00	60.00	60.00	60.00	60.00
College Monthly Pass	(b)	(b)	(b)	(b)	(b)	49.00	49.00	49.00	49.00	49.00
NCTD+ On Demand Microtransit										
One-way Fare										
Anywhere in service zone	\$ 3.00	*	*	*	*	*	*	*	*	*
To/from SPRINTER stations	1.50	*	*	*	*	*	*	*	*	*
Additional riders	1.50	*	*	*	*	*	*	*	*	*
Fare Capping (Pay As You Go) (c)										
Regional Daily Cap										
Adult	\$ 6.00	\$ 6.00	\$ 6.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	3.00	3.00	3.00	*	*	*	*	*	*	*
Regional Monthly Cap										
Adult	72.00	72.00	72.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	23.00	23.00	23.00	*	*	*	*	*	*	*
Premium Daily Cap										
Adult	12.00	12.00	12.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	6.00	6.00	6.00	*	*	*	*	*	*	*
Premium Monthly Cap										
Adult	100.00	100.00	100.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	32.00	32.00	32.00	*	*	*	*	*	*	*

(a) Effective September 1, 2022 with the implementation of the PRONTO fare revenue system, 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, following which they ride for free.

* 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). All fare changes, including fare increases or changes in fare types, must be approved by the SANDAG Board of Directors or the Transportation Committee. Effective September 2019, the region enacted a new fare program and rate increase. Effective April 2021, additional regional fare program changes were made in advance of the PRONTO Fare System roll-out in September 2021 (fare capping) and to lower certain single-ride trips for Youth riders.

Source: NCTD Rider's Guide

Operating Statistics

	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Budget
PASSENGER BOARDINGS				
BREEZE	4,876,019	5,012,883	5,497,704	5,735,171
LIFT	105,244	113,699	115,683	118,861
FLEX	48,663	62,055	100,882	130,517
COASTER	852,993	898,301	896,810	919,746
SPRINTER	1,822,849	1,890,347	1,922,174	1,998,260
NCTD+	146	35,283	26,002	77,514
	7,705,914	8,012,568	8,559,255	8,980,069
TOTAL MILES				
BREEZE	5,608,830	5,956,784	5,877,533	5,759,795
LIFT	995,221	1,189,805	1,045,379	1,282,687
FLEX	337,743	490,302	481,484	466,507
COASTER	425,396	436,530	426,959	426,825
SPRINTER	516,671	521,305	506,892	521,083
NCTD+	3,523	123,589	127,584	312,883
	7,887,384	8,718,315	8,465,831	8,769,780
REVENUE MILES				
BREEZE	4,892,488	5,157,363	5,068,291	5,062,584
LIFT	903,563	1,079,769	967,296	1,186,922
FLEX	320,948	405,196	392,137	373,196
COASTER	399,691	410,753	401,289	401,139
SPRINTER	512,781	519,070	503,962	518,850
NCTD+	562	94,656	84,968	230,635
	7,030,033	7,666,807	7,417,943	7,773,326
PASSENGER MILES				
BREEZE	30,595,067	31,445,314	34,486,547	35,976,154
LIFT	1,409,295	1,888,427	1,921,379	1,974,162
FLEX	293,120	389,265	632,823	818,720
COASTER	23,659,154	24,913,480	24,872,129	25,508,236
SPRINTER	13,139,984	14,083,085	14,320,196	14,887,037
NCTD+	292	70,566	52,004	155,028
	69,096,912	72,790,136	76,285,078	79,319,337
REVENUE HOURS				
BREEZE	411,851	421,320	429,154	429,066
LIFT	53,654	63,167	56,259	66,037
FLEX	17,414	24,697	25,948	26,542
COASTER	12,274	12,647	12,320	12,302
SPRINTER	23,296	23,595	22,911	23,585
NCTD+	113	13,680	8,319	23,546
	518,602	559,106	554,911	581,078

	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Budget
PASSENGER FARES				
BREEZE	\$ 5,144,552	\$ 4,620,994	\$ 5,087,607	\$ 6,033,114
LIFT	808,434	529,268	675,597	594,305
FLEX	127,188	152,426	182,051	310,769
COASTER	3,575,431	3,759,051	3,996,054	4,240,722
SPRINTER	1,077,007	1,051,177	1,281,119	1,252,430
NCTD+	193	88,208	41,155	60,958
	\$ 10,732,805	\$ 10,201,124	\$ 11,263,583	\$ 12,492,298
COST BY MODE *				
BREEZE	\$ 59,364,947	\$ 65,784,710	\$ 64,466,345	\$ 62,864,934
LIFT	13,074,330	13,941,676	14,101,761	14,025,323
FLEX	3,816,542	6,152,186	4,378,182	7,279,846
COASTER	37,917,806	42,958,999	41,870,684	44,464,340
SPRINTER	33,311,097	42,380,387	35,501,125	35,832,702
NCTD+	126,177	705,023	379,635	1,766,782
	\$ 147,610,899	\$ 171,922,981	\$ 160,697,732	\$ 166,233,927
PASSENGERS PER REVENUE MILE				
BREEZE	1.00	0.97	1.08	1.13
LIFT	0.12	0.11	0.12	0.10
FLEX	0.15	0.15	0.26	0.35
COASTER	2.13	2.19	2.23	2.29
SPRINTER	3.55	3.64	3.81	3.85
NCTD+	0.26	0.37	0.31	0.34
	1.10	1.05	1.15	1.16
PASSENGERS PER REVENUE HOUR				
BREEZE	11.84	11.90	12.81	13.37
LIFT	1.96	1.80	2.06	1.80
FLEX	2.79	2.51	3.89	4.92
COASTER	69.50	71.03	72.79	74.76
SPRINTER	78.25	80.12	83.90	84.73
NCTD+	1.29	2.58	3.13	3.29
	14.86	14.33	15.42	15.45
FARE REVENUE PER PASSENGER				
BREEZE	\$ 1.06	\$ 0.92	\$ 0.93	\$ 1.05
LIFT	7.68	4.65	5.84	5.00
FLEX	2.61	2.46	1.80	2.38
COASTER	4.19	4.18	4.46	4.61
SPRINTER	0.59	0.56	0.67	0.63
NCTD+	1.32	2.50	1.58	0.79
	\$ 1.39	\$ 1.27	\$ 1.32	\$ 1.39

* Excludes GASB 68 and GASB 75 non-cash adjustments and Unfunded Accrued Liability (UAL) pension contributions.

	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Budget
COST PER PASSENGER				
BREEZE	\$ 12.17	\$ 13.12	\$ 11.73	\$ 10.96
LIFT	124.23	122.62	121.90	118.00
FLEX	78.43	99.14	43.40	55.78
COASTER	44.45	47.82	46.69	48.34
SPRINTER	18.27	22.42	18.47	17.93
NCTD+	864.23	19.98	14.60	22.79
	\$ 19.16	\$ 21.46	\$ 18.77	\$ 18.51
FAREBOX RECOVERY RATIO				
BREEZE	8.7%	7.0%	7.9%	9.6%
LIFT	6.2%	3.8%	4.8%	4.2%
FLEX	3.3%	2.5%	4.2%	4.3%
COASTER	9.4%	8.8%	9.5%	9.5%
SPRINTER	3.2%	2.5%	3.6%	3.5%
NCTD+	0.2%	12.5%	10.8%	3.5%
	7.3%	5.9%	7.0%	7.5%
COST PER PASSENGER MILE				
BREEZE	\$ 1.94	\$ 2.09	\$ 1.87	\$ 1.75
LIFT	9.28	7.38	7.34	7.10
FLEX	13.02	15.80	6.92	8.89
COASTER	1.60	1.72	1.68	1.74
SPRINTER	2.54	3.01	2.48	2.41
NCTD+	432.11	9.99	7.30	11.40
	\$ 2.14	\$ 2.36	\$ 2.11	\$ 2.10
COST PER REVENUE MILE				
BREEZE	\$ 12.13	\$ 12.76	\$ 12.72	\$ 12.42
LIFT	14.47	12.91	14.58	11.82
FLEX	11.89	15.18	11.16	19.51
COASTER	94.87	104.59	104.34	110.85
SPRINTER	64.96	81.65	70.44	69.06
NCTD+	224.67	7.45	4.47	7.66
	\$ 21.00	\$ 22.42	\$ 21.66	\$ 21.39
COST PER REVENUE HOUR				
BREEZE	\$ 144.14	\$ 156.14	\$ 150.22	\$ 146.52
LIFT	243.68	220.71	250.66	212.39
FLEX	219.17	249.11	168.73	274.28
COASTER	3,089.28	3,396.77	3,398.59	3,614.40
SPRINTER	1,429.91	1,796.16	1,549.52	1,519.30
NCTD+	1,116.61	51.54	45.63	75.04
	\$ 284.63	\$ 307.50	\$ 289.59	\$ 286.08

North San Diego County Community Profile

	2022	2029	2040	2050
Carlsbad				
Total Population	115,585	119,037	119,251	116,788
Total Households	44,991	47,899	49,713	49,926
Median Household Income *	\$142,296	\$141,223	\$137,967	\$136,172
Median Age	43.4	44.7	45.8	46.2
Del Mar				
Total Population	3,929	3,786	3,787	3,710
Total Households	1,974	1,945	1,997	1,994
Median Household Income *	\$190,670	\$189,474	\$184,884	\$182,326
Median Age	55.9	57.8	58.3	57.9
Encinitas				
Total Population	61,515	61,787	60,463	59,829
Total Households	24,597	25,460	25,733	26,078
Median Household Income *	\$155,238	\$154,555	\$151,849	\$149,922
Median Age	44.6	46.4	47.6	48.2
Escondido				
Total Population	150,679	150,642	155,289	151,079
Total Households	47,690	49,729	53,180	53,366
Median Household Income *	\$76,178	\$76,125	\$74,551	\$73,631
Median Age	35.5	37.4	39.2	40.2
Oceanside				
Total Population	173,048	177,287	187,093	183,415
Total Households	63,317	67,139	73,749	74,302
Median Household Income *	\$88,021	\$88,577	\$86,811	\$85,740
Median Age	37.4	39.1	41.1	42.4
San Marcos				
Total Population	93,585	97,305	112,280	109,912
Total Households	30,833	33,350	40,138	40,424
Median Household Income *	\$101,970	\$102,231	\$98,585	\$97,353
Median Age	35.7	37.3	39.2	40.1
Solana Beach				
Total Population	12,812	12,552	12,259	12,007
Total Households	5,586	5,619	5,654	5,660
Median Household Income *	\$142,444	\$141,746	\$138,301	\$135,978
Median Age	46.9	48.7	50.0	50.6
Vista				
Total Population	100,291	100,660	101,048	99,028
Total Households	32,414	33,774	35,138	35,472
Median Household Income *	\$87,542	\$87,505	\$85,410	\$84,444
Median Age	34.5	36.6	38.8	40.1

* 2022 constant dollars

From SANDAG Series 15 Regional Forecast dated July 24, 2024

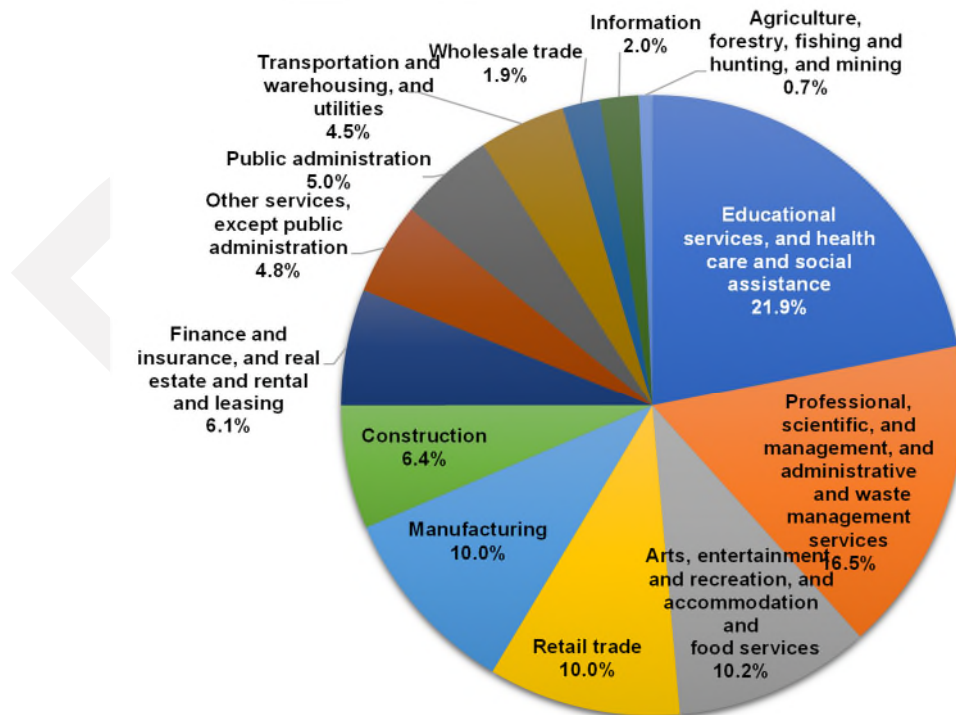
San Diego County Employment by Industry

INDUSTRY	Percentage of Total Employment				
	2019	2020	2021	2022	2023
Educational services, and health care and social assistance	21.1%	21.2%	21.4%	21.4%	21.9%
Professional, scientific, and management, and administrative and waste management services	15.5%	15.9%	15.9%	16.3%	16.5%
Arts, entertainment, and recreation, and accommodation and food services	11.8%	11.4%	10.9%	10.6%	10.2%
Retail trade	10.4%	10.1%	10.4%	10.2%	10.0%
Manufacturing	9.2%	9.5%	9.6%	9.8%	10.0%
Construction	6.0%	6.5%	6.4%	6.5%	6.4%
Finance and insurance, and real estate and rental and leasing	6.2%	6.3%	6.2%	6.1%	6.1%
Other services, except public administration	5.4%	5.4%	5.0%	5.0%	4.8%
Public administration	5.1%	4.9%	5.0%	4.9%	5.0%
Transportation and warehousing, and utilities	4.1%	4.0%	4.4%	4.5%	4.5%
Wholesale trade	2.3%	2.0%	2.1%	2.1%	1.9%
Information	2.2%	2.3%	2.0%	2.0%	2.0%
Agriculture, forestry, fishing and hunting, and mining	0.8%	0.5%	0.7%	0.7%	0.7%

2019 - 2020 Source: American Community Survey 5-Year Estimates Subject Tables for San Diego County. Website at <https://data.census.gov>

2021-2023 Source: American Community Survey 5-Year Estimates Subject Tables for San Diego County, S2405. Website at <https://data.census.gov>

Figure 16. 2023 Percentage of Employment by Industry



North San Diego County Major Employers

Employer	Rank	Number of Employees	Percent of Total Employment	Source
Marine Corps Base, Camp Pendleton	1	70,000	4.38%	a
ViaSat	2	4,010	0.25%	e
San Marcos Unified School District	3	3,519	0.22%	d
Vista Unified School District	4	2,865	0.18%	b
Palomar Medical Center	5	2,906	0.18%	c
Thermo Fischer Scientific (Life Technologies)	6	2,332	0.15%	e
Legoland California LLC	7	2,300	0.14%	e
Tri City Medical Center	8	2,100	0.13%	f
Palomar Community College	9	2,014	0.13%	d
Escondido Union School District	10	2,077	0.13%	c
Total San Diego County Labor Force		1,596,400		g

Sources:

- a www.pendleton.marines.mil/Main-Menu/Introduction
- b *City of Vista, Annual Consolidated Financial Report FY23*
- c *City of Escondido, Annual Consolidated Financial Report FY23*
- d *City of San Marcos, Annual Consolidated Financial Report FY23*
- e *City of Carlsbad, Annual Consolidated Financial Report FY23*
- f *Tri City Medical Center website*
- g *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 County Population [1]	Per Capita Personal Income (San Diego County) [2]	San Diego County Taxable Sales (000s) [3]	San Diego County Sales & Use Tax Revenues Allocation [4]	San Diego County Transportation Tax Revenues Allocation [5]	North County Unemployment Rate [6]	San Diego County Unemployment Rate [6]	State Unemployment Rate [6]	US Unemployment Rate [7]
2014	871,660	\$31,043	\$52,711,639	\$378,899,395	\$126,367,594	8.00%	9.60%	7.10%	6.20%
2015	878,823	\$31,266	\$54,185,588	\$399,501,827	\$133,231,349	7.00%	8.70%	6.20%	5.30%
2016	885,084	\$32,482	\$55,407,866	\$449,627,397	\$136,355,183	6.10%	7.80%	5.50%	4.90%
2017	894,852	\$34,350	Discontinued	\$562,678,663	\$140,009,151	4.00%	3.50%	4.80%	4.40%
2018	901,849	\$36,156	Discontinued	\$573,363,388	\$144,039,585	3.40%	3.40%	4.30%	3.90%
2019	906,645	\$63,729	Discontinued	\$613,506,282	\$153,246,887	3.20%	3.20%	4.00%	3.70%
2020	902,178	\$67,830	Discontinued	\$633,554,470	\$156,915,000	9.20%	9.20%	10.10%	8.10%
2021	959,439	\$72,637	Discontinued	\$776,197,728	\$194,078,000	6.50%	6.50%	7.30%	5.30%
2022	889,257	\$74,326	Discontinued	\$810,999,409	\$202,683,000	3.50%	3.50%	4.30%	3.50%
2023	886,655	\$79,122	Discontinued	\$804,054,543	\$201,781,552	3.70%	3.70%	4.70%	3.60%

1 SANDAG Data Surfer Digital Visualizations estimates for North County West and East

2 US Dept of Commerce, Bureau of Economic Analysis, <https://www.bea.gov/data/income-saving/personal-income-county-metro-and-other-areas>

3 California State Board of Equalization **This data is no longer being published

4 California State Board of Equalization Table 21A, Fiscal Year data; <https://www.cdfta.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCityCounty>

5 California State Board of Equalization Table 21B, Fiscal Year data; <https://www.cdfta.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCountiesCountyTransTax>

6 Employment Development Division; Annual Average Unemployment Rate and Labor Force Data Table

<https://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>

7 US Bureau of Labor Statistics calendar year averages; <https://www.bls.gov/lau>

Glossary of Terms

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 Assets: NCTD Board Policy No. 29 - *Asset Management* provides the guideline for the determination of a capital asset, which is defined as the acquisition of rolling stock, land, facility, a unit of equipment, an element of infrastructure, and intellectual property that has an individual unit value of \$5,000 or greater and has an expected useful life of more than one year.

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 for-profit small 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 make 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 Assets: Also known as capital assets. 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 in 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 accomplishment 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 do 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 persons 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 14D

North County Transit District FY2026 REPRESENTED CLASSIFICATION AND COMPENSATION SALARY SCHEDULE July 1, 2025 - June 30, 2026

Class No.	POSITION CLASSIFICATIONS	HOURLY SALARY RANGE			ANNUAL SALARY RANGES		
		Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
RA01	CLASS SALARY RANGE.....	\$16.44	\$19.73	\$23.02	\$34,203.42	\$41,044.10	\$47,884.78
RA02	CLASS SALARY RANGE.....	\$18.28	\$21.94	\$25.59	\$38,024.00	\$45,628.79	\$53,233.58
RB01	CLASS SALARY RANGE..... Control Center Technician SPRINTER Train Attendant Facility Maintenance Technician I Facility Custodian	\$18.57	\$23.12	\$27.68	\$38,616.76	\$48,094.42	\$57,572.08
RB02	CLASS SALARY RANGE..... Code Compliance Inspector Facility Maintenance Technician I Lead	\$22.01	\$27.52	\$33.02	\$45,790.60	\$57,232.47	\$68,674.33
RB03	CLASS SALARY RANGE..... SPRINTER Train Operator Facility Maintenance Technician II	\$24.66	\$31.23	\$37.80	\$51,283.06	\$64,953.40	\$78,623.72
RB04	CLASS SALARY RANGE..... Assistant Dispatcher SPRINTER MOE Technician COASTER MOE Technician COASTER Conductor Facility Maintenance Technicaian III Facility Maintenance Technician III Lead Track Maintainer Material Handler/Driver Heavy Equipment Operator I Track Maintainer Foreman Assistant Signal Maintainer	\$30.77	\$39.58	\$46.15	\$63,993.49	\$82,319.91	\$95,990.23
RB05	CLASS SALARY RANGE..... Train Dispatcher COASTER Locomotive Engineer Track Inspector Track Welder Heavy Equipment Operator II Equipment Operator Foreman Signal Maintainer Rail Systems & Communications Technician Signal Inspector	\$37.31	\$48.49	\$59.68	\$77,596.69	\$100,861.00	\$124,125.30

NORTH COUNTY TRANSIT

SAN DIEGO RAILROAD

BOARD APPROVED COST RECOVERY FEE SCHEDULE

Fiscal Year 2026

Permit Cost Recovery Schedule (One Time)

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

Right-of-Way Support Services

Contractor Safety Training (Roadway Worker Protection):	
Class per participant	\$173.50
Flagging Protection (prevailing wage projects)	
Hourly rate	\$175.51
Overtime rate	\$203.29
Double time rate	\$231.07
Flagging Protection (none prevailing wage projects)	
Hourly rate	\$141.82
Overtime rate	\$222.91
Signal Mark-Out/Signal Support/Track Inspection	Actual Cost *
Maintenance/Repair Work	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
Longitudinal Installations	
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.

NORTH COUNTY TRANSIT

SAN DIEGO RAILROAD



Service Implementation Plan

FY 2026

Presented June 2025

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A photograph of a middle-aged Black man with a grey beard and mustache, smiling warmly. He is wearing a blue polo shirt with two green stripes on the sleeve. He is seated in what appears to be the driver's seat of a vehicle, with his right hand raised in a waving gesture. A black wristwatch is visible on his left wrist. The background is a blurred view through a window, showing greenery and a building. The entire image has a blue color overlay.

INTRODUCTION

Background

The Service Implementation Plan (SIP) outlines North County Transit District – San Diego Railroad’s (NCTD, District) 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 cost 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 FY2026 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 FY2026 Service Implementation Plan has been developed to support strategic investments that can be implemented over a five-year period that aim to increase ridership and address capital priority needs while being mindful of a constrained resource environment. Key strategic service priorities that are relevant to the five-year horizon of the Service Implementation Plan include:



- Strategically expand first-last mile services through NCTD+ as funding permits
- Conduct a Bus Network Redesign to restructure the BREEZE network of routes under a variety of funding scenarios
- Complete grant-funded construction of two new stations along the COASTER corridor that will serve major regional events
- Advance project activities that will support the future implementation of 15-minute frequencies on SPRINTER

In January 2025, NCTD submitted a Caltrans Planning Grant application to conduct a Bus Network Redesign. At the time of the development of the Service Implementation Plan, NCTD is awaiting the results of the grant application. The Bus Network Redesign is a comprehensive study that will assess opportunities to restructure the BREEZE bus network to increase ridership. The study will include three key scenarios, including a reduced funding scenario, maintenance of funding scenario, and increased funding scenario. Service scenarios and cost estimates would be developed as part of the study and incorporated in future Service Implementation Plans upon final adoption of the plan and appropriate financial outlook.

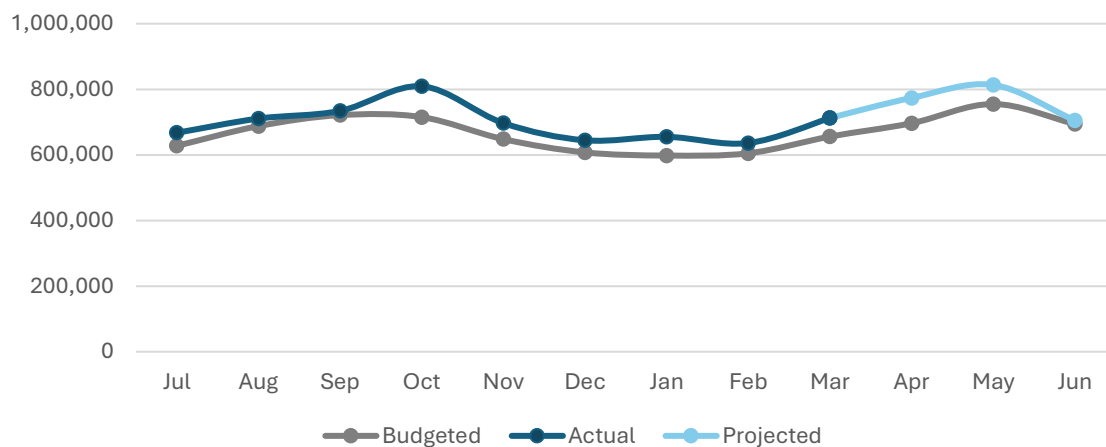
FY2026 SERVICE STATISTICS & RIDERSHIP



System Summary

Service statistics and ridership projections are reviewed each budget cycle to reflect actual performance and to assess the accuracy of previous forecasts. The FY2025 Service Implementation Plan (SIP), developed in spring 2024, incorporated ridership and service data from July 2023 to February 2024. NCTD projected a 4% increase in ridership by the end of FY2025, aiming to reach 77.1% of pre-pandemic levels. Forecasts were based on service restoration and additional service increases on high-performing BREEZE routes, the introduction of new NCTD+ microtransit zones, and the continued ridership benefits of COASTER special event service and the Youth Opportunity Pass program. As shown in Figure 1, monthly systemwide ridership in FY2025 has surpassed budgeted figures and is projected to continue to for the remainder of the year.

Figure 1. Systemwide Monthly Ridership, FY2025



NCTD is implementing significant changes in the upcoming fiscal year that are expected to enhance service quality and customer satisfaction. Most notably, the agency will be transitioning to in-house bus operations in FY2026. The change will impact BREEZE, FLEX, LIFT, and NCTD+, and the transition is expected to improve service reliability and reduce operator turnover. FY2026 service levels and ridership forecasts by mode are summarized in Table 1. Systemwide ridership is projected to increase 4.9% in FY2026 to almost nine million boardings or 86.4% of pre-pandemic levels. NCTD continues to explore and advance additional customer-focused initiatives to attract new riders.

Table 1. Projected Ridership & Operating Statistics, FY2026

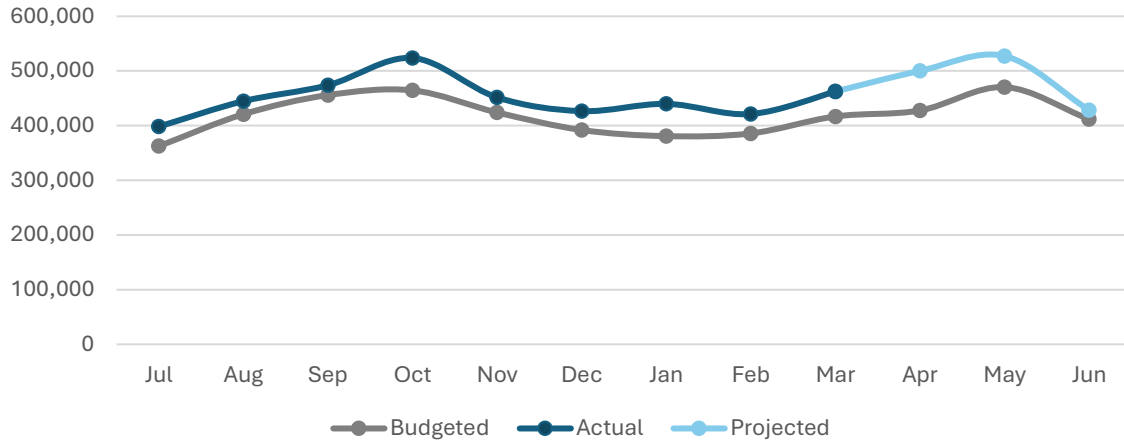
Mode/Metric	Ridership	Revenue Miles	Total Miles	Revenue Hours	Total Hours
BREEZE	5,735,171	5,062,584	5,759,795	429,066	465,347
SPRINTER	1,998,260	518,850	521,083	23,585	23,738
COASTER	919,746	401,139	426,825	12,302	13,708
LIFT	118,861	1,186,922	1,282,687	66,037	78,884
FLEX	130,517	373,196	466,507	26,542	30,772
NCTD+	77,514	230,635	312,883	23,546	31,464
System Total	8,980,069	7,773,326	8,769,780	581,078	643,913

BREEZE

BREEZE service changes outlined in the FY2025 SIP included the restoration of service levels on remaining BREEZE routes that had been reduced due the COVID-19 operator shortage, the reintroduction of BREEZE 408 special event service, and FY2025 Q3 frequency increases on four of NCTD’s highest-performing BREEZE routes. The FY2025 SIP projected a 7.4% increase in ridership by the end of FY2025 and annual ridership 77.1% of pre-pandemic levels.

Restoration of BREEZE service levels were completed in June 2024. Further BREEZE frequency increases have been postponed and two low-performing routes are set to be discontinued during the May 2025 service change. Despite these changes, BREEZE ridership in FY2025 has benefited from more accurate reporting due to the Federal Transit Administration’s certification of its bus fleet’s automated passenger counters on May 23, 2024. As shown in Figure 2, BREEZE monthly ridership in FY2025 has exceeded all budgeted projections and total year-to-date (YTD) boardings are 8.9% above expectations.

Figure 2. BREEZE Monthly Ridership, FY2025



The only change to BREEZE service planned in FY2026 is the reintroduction of BREEZE 408 special event service in the fourth quarter. As shown in Figure 3 and detailed in Table 2, ridership is anticipated to increase 4.3%—from an estimated 5.5 million boardings in FY2025 to roughly 5.7 million in FY2026.

Figure 3. BREEZE Actual & Projected Ridership, FY24-FY26

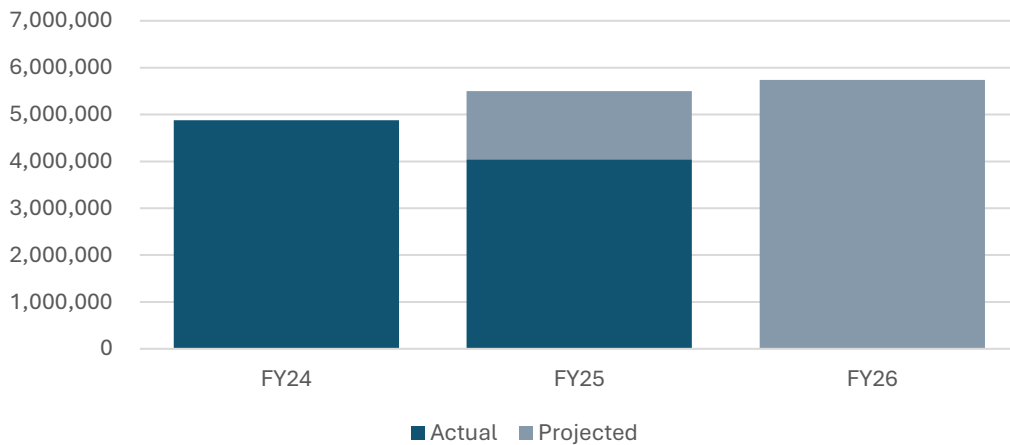


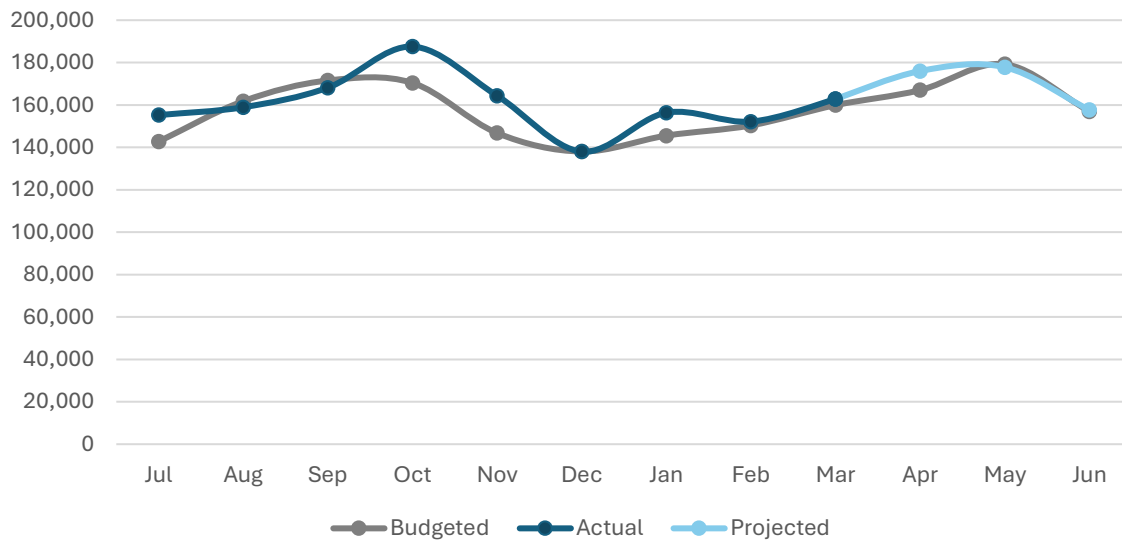
Table 2. BREEZE Ridership & Operating Statistics, FY24-FY26

BREEZE	FY24 Actuals	FY25 Actuals & Projected	FY26 Proposed	Change from FY24 to FY26	Change from FY25 to FY26
Total Ridership	4,876,019	5,497,704	5,735,171	17.6%	4.3%
Total Revenue Miles	4,892,488	5,068,291	5,062,584	3.5%	-0.1%
Total Miles	5,608,830	5,877,533	5,759,795	2.7%	-2.0%
Total Revenue Hours	411,851	429,154	429,066	4.2%	0.0%
Total Hours	441,144	463,297	465,347	5.5%	0.4%

SPRINTER

The FY2025 SIP projected SPRINTER ridership would increase 2.8% in FY2025 to just under 1.9 million. As illustrated in Figure 4, monthly ridership has largely exceeded budgeted goals with YTD ridership surpassing expectations by 4.1% and total boardings having increased 4.6% over the same period last year.

Figure 4. SPRINTER Monthly Ridership, FY2025



As illustrated in Figure 5, SPRINTER is expected to continue its growth trend, increasing by 4% to nearly two million boardings in FY2026. In addition, there are no SPRINTER service changes proposed in FY2026 and any changes in operating statistics shown in Table 3 reflect minor variations in the share of weekdays, Saturdays, and Sundays between each fiscal year.

Figure 5. SPRINTER Actual & Projected Ridership, FY24-FY26

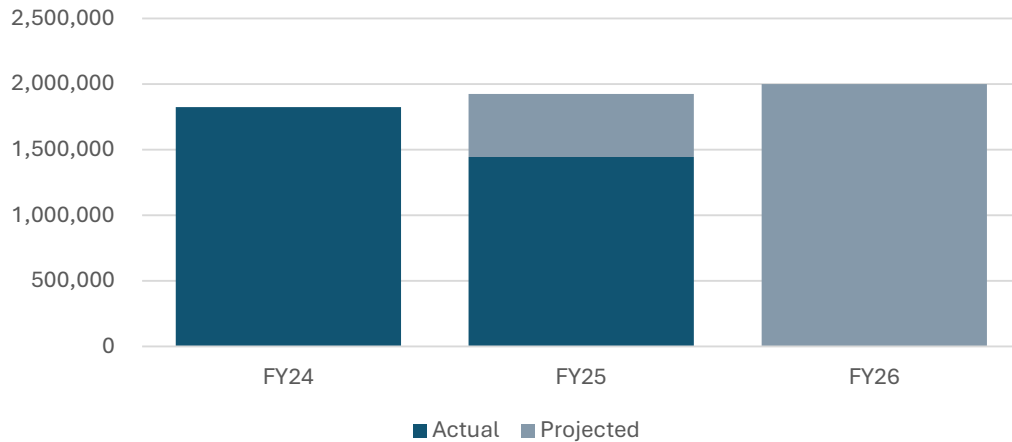


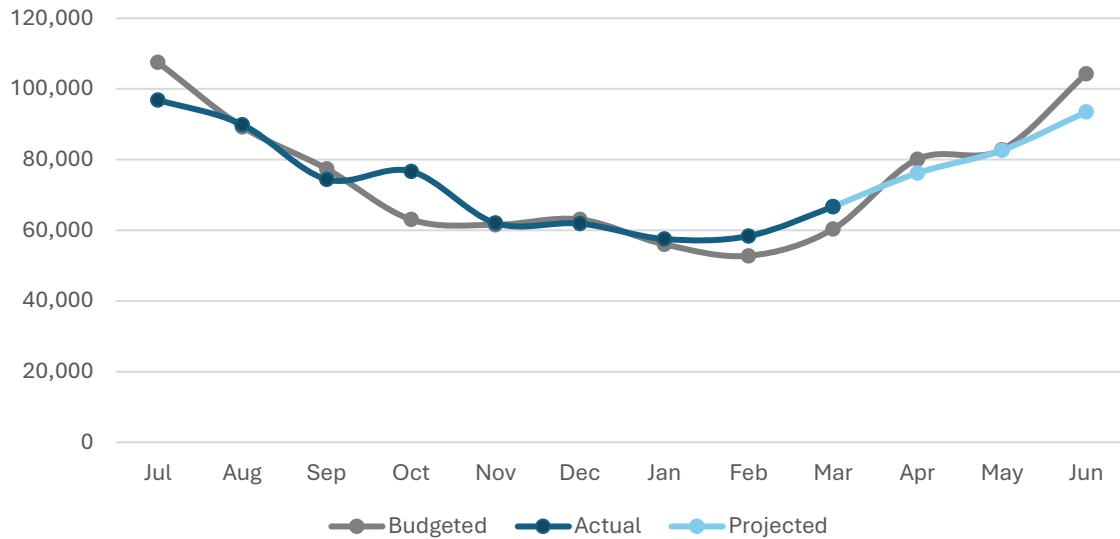
Table 3. SPRINTER Ridership & Operating Statistics, FY24-FY26

SPRINTER	FY24 Actuals	FY25 Actuals & Projected	FY26 Proposed	Change from FY24 to FY26	Change from FY25 to FY26
Total Ridership	1,822,849	1,922,174	1,998,260	9.6%	4.0%
Total Revenue Miles	512,781	503,962	518,850	1.2%	3.0%
Total Miles	516,671	506,892	521,083	0.9%	2.8%
Total Revenue Hours	23,296	22,911	23,585	1.2%	2.9%
Total Hours	23,497	23,081	23,738	1.0%	2.8%

COASTER

Year-to-date ridership on COASTER has increased 5.3% compared to the previous fiscal year—higher than the 3.3% increase projected in the FY2025 SIP. However, as shown in Figure 6, COASTER monthly ridership compared to budgeted goals has been varied. July 2024 ridership, for example, was almost 10% below budgeted while the Padres’ post-season appearance helped October 2024 ridership surpass the budgeted goal by 21.7%.

Figure 6. COASTER Monthly Ridership, FY2025



As illustrated in Figure 7, over 900,000 COASTER boardings are projected in FY2026—a 2.6% increase over current year. Like SPRINTER, no service expansions are planned in FY2026 and the slight changes in operating statistics detailed in Table 4 largely reflect variations in the number of weekdays, Saturdays, and Sundays.

Figure 7. COASTER Actual & Projected Ridership, FY24-FY26

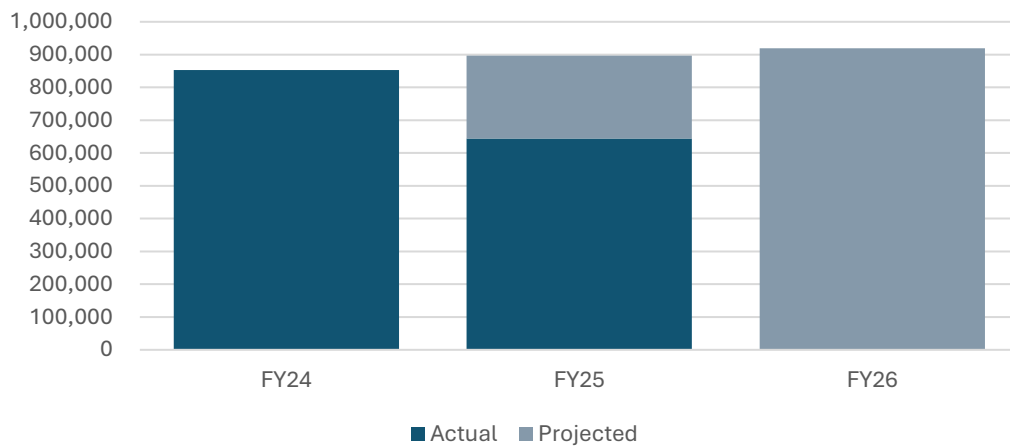


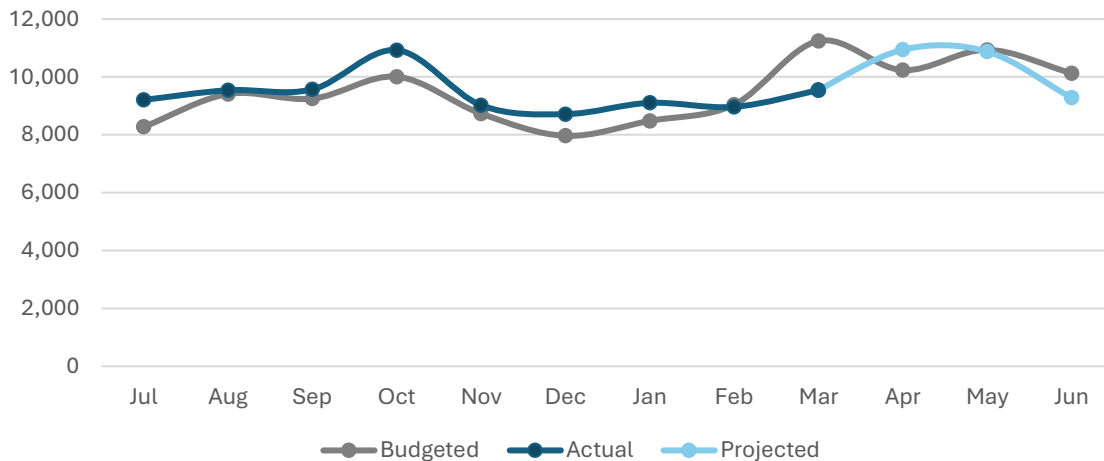
Table 4. COASTER Ridership & Operating Statistics, FY24-FY26

COASTER	FY24 Actuals	FY25 Actuals & Projected	FY26 Proposed	Change from FY24 to FY26	Change from FY25 to FY26
Total Ridership	852,993	896,810	919,746	7.8%	2.6%
Total Revenue Miles	399,691	401,289	401,139	0.4%	0.0%
Total Miles	425,396	426,959	426,825	0.3%	0.0%
Total Revenue Hours	12,274	12,320	12,302	0.2%	-0.1%
Total Hours	13,673	13,727	13,708	0.3%	-0.1%

LIFT

As shown in Figure 8, LIFT ridership has largely outperformed monthly budgeted goals in FY 2025—exceeding the budgeted goal for seven of the past nine months of actual data. Overall YTD ridership in FY2025 has exceeded budget by 2.7% and is projected to exceed the annual budgeted goal by 1.7%

Figure 8. LIFT Monthly Ridership, FY2025



As illustrated in Figure 9, LIFT ridership is projected to increase to close to 120,000 boardings in FY2026. Table 5 shows that this 2.7% increase in ridership is expected result in a 22.7% increase in revenue miles and a 17.4% increase in revenue hours.

Figure 9. LIFT Actual & Projected Ridership, FY24-FY26

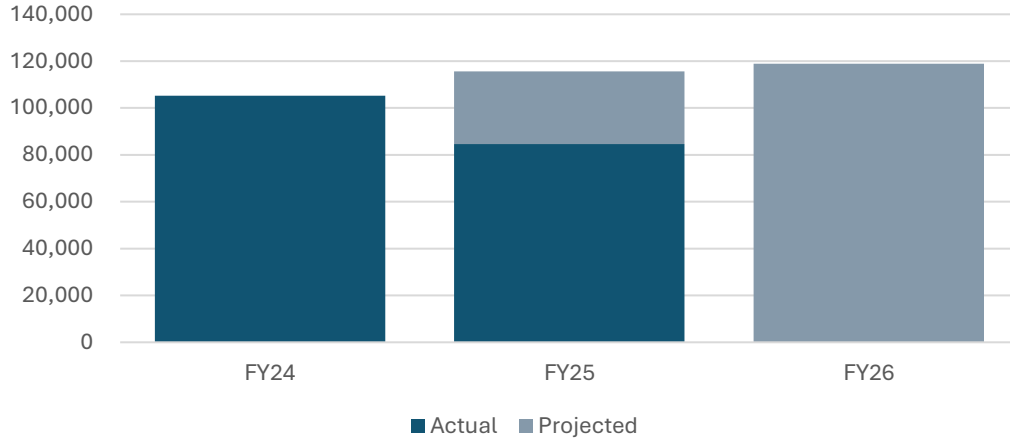


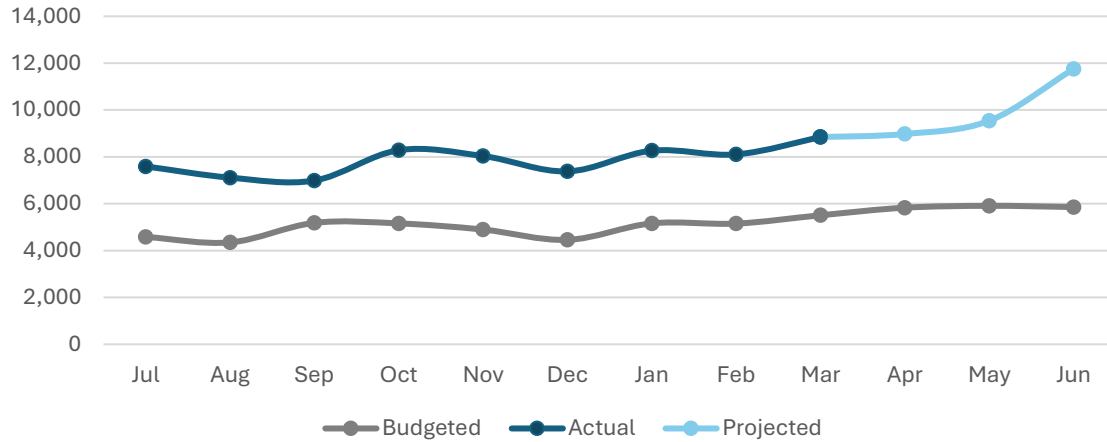
Table 5. LIFT Ridership & Operating Statistics, FY24-FY26

LIFT	FY24 Actuals	FY25 Actuals & Projected	FY26 Proposed	Change from FY24 to FY26	Change from FY25 to FY26
Total Ridership	105,244	115,683	118,861	12.9%	2.7%
Total Revenue Miles	903,563	967,296	1,186,922	31.4%	22.7%
Total Miles	995,221	1,045,379	1,282,687	28.9%	22.7%
Total Revenue Hours	53,654	56,259	66,037	23.1%	17.4%
Total Hours	61,515	64,288	78,884	28.2%	22.7%

FLEX

Strong, sustained growth on the original FLEX routes and the introduction of COASTER Connection service in late FY2024 have contributed to the monthly overperformance illustrated in Figure 10. Year-to-date FLEX ridership has surpassed projections by 58.9% and total boardings have increased 105.8% year-over-year.

Figure 10. FLEX Monthly Ridership, FY2025



As illustrated in Figure 11, FLEX ridership is anticipated to continue to increase in FY2026. The inclusion of COASTER and FLEX services into the U-Pass program for UC San Diego’s students is expected to further improve ridership on COASTER Connection services. Table 6 shows annual ridership is projected to increase by 29.4% in FY2026.

Figure 11. FLEX Actual & Projected Ridership, FY24-FY26

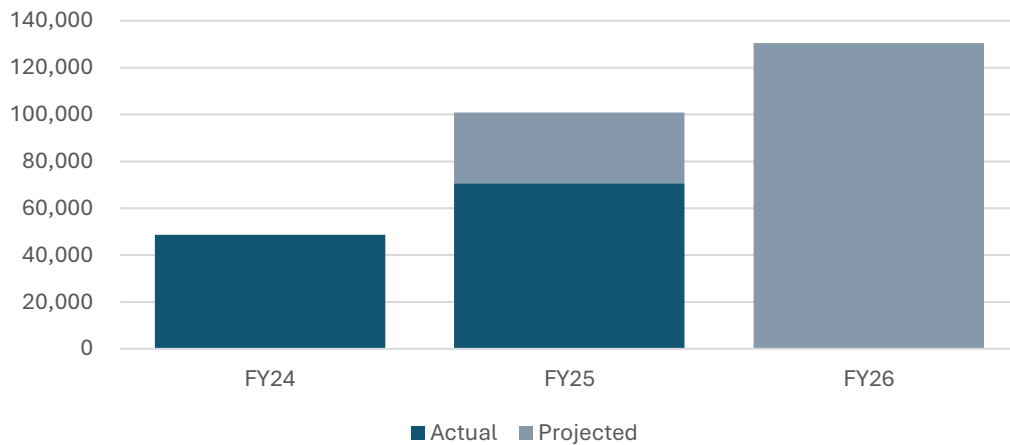


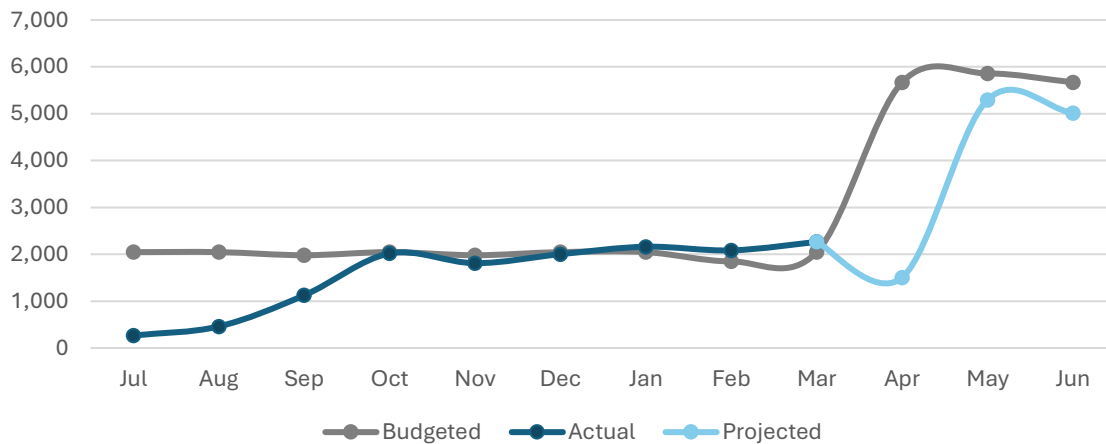
Table 6. FLEX Ridership & Operating Statistics, FY24-FY26

FLEX	FY24 Actuals	FY25 Actuals & Projected	FY26 Proposed	Change from FY24 to FY26	Change from FY25 to FY26
Total Ridership	48,663	100,882	130,517	168.2%	29.4%
Total Revenue Miles	320,948	392,137	373,196	16.3%	-4.8%
Total Miles	337,743	481,484	466,507	38.1%	-3.1%
Total Revenue Hours	17,414	25,948	26,542	52.4%	2.3%
Total Hours	18,472	33,146	30,772	66.6%	-7.2%

NCTD+

In late FY2024, NCTD introduced its on-demand microtransit service, NCTD+, as a pilot in San Marcos. As illustrated in Figure 12, the service ramped up quickly and started reaching its ridership targets after only four months of service. The District anticipates continued ridership growth with the launch of the Vista NCTD+ pilot zone and the continuation of regular service in San Marcos.

Figure 12. NCTD+ Monthly Ridership, FY2025



As shown in Figure 13, NCTD+ ridership is anticipated to increase significantly in FY2026 with a full year of microtransit service in Vista and San Marcos. Additionally, NCTD intends to pursue Flexible Fleets funding through the San Diego Association of Governments to support the launch of a third pilot zone in Fallbrook and Pala. As a result, Table 7 shows annual ridership is projected to increase by 198.1% in FY2026.

Figure 13. NCTD+ Actual & Projected Ridership, FY24-FY26

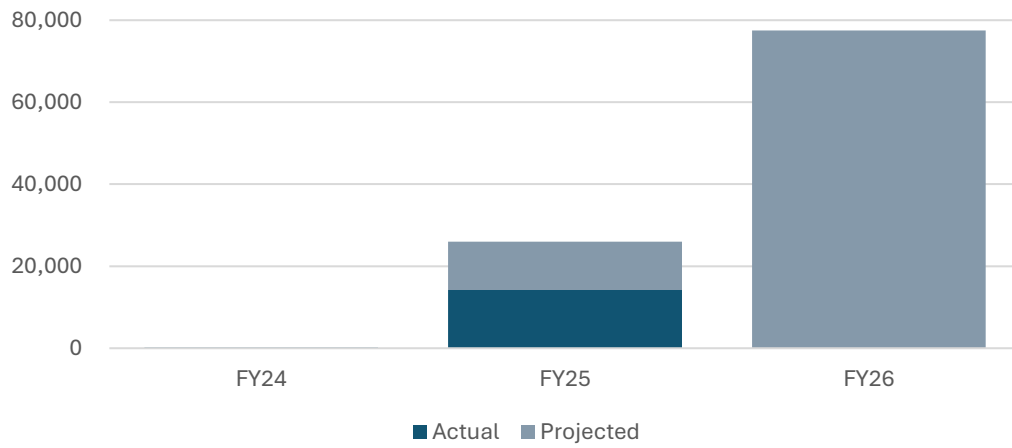


Table 7. NCTD+ Ridership & Operating Statistics, FY24-FY26

NCTD+	FY24 Actuals	FY25 Actuals & Projected	FY26 Proposed	Change from FY24 to FY26	Change from FY25 to FY26
Total Ridership	146	26,002	77,514	52,991.8%	198.1%
Total Revenue Miles	562	84,968	230,635	40,969.7%	171.4%
Total Miles	3,523	127,584	312,883	8,780.5%	145.2%
Total Revenue Hours	113	8,319	23,546	20,726.1%	183.0%
Total Hours	711	12,366	31,464	4,322.7%	154.4%

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 FY2026 Service Implementation Plan was developed within the context of an uncertain funding outlook. The SIP's objectives are outlined in Figure 14.

Figure 14. SIP Objectives

Strengthen network foundations

- **BREEZE:** Restructure the BREEZE bus network through a comprehensive Bus Network Redesign
- **SPRINTER:** Modernize the fleet and improve service reliability, laying the groundwork for future service expansions
- **COASTER:** Complete new station construction and provide direct connections to key landmarks, such as the San Diego Convention Center, Petco Park, and the Del Mar Fair Grounds
- **COASTER:** Restructure service to reflect changing return-to-work patterns and leisure-based travel trends.

Complement network with on-demand service

- **NCTD+:** Transition existing pilot zones to regular service
- **NCTD+:** Strategically pilot on-demand zones to expand coverage and facilitate first-last mile connections to high-frequency corridors
- **LIFT:** Maintain quality LIFT service to meet increased demand associated with changing demographics

Figure 15 charts current and project ridership and service levels from FY2024 through FY2030. As existing services are improved and coverage is expanded, NCTD estimates ridership will increase 10.7% to over 9.4 million boardings in FY2030. Table 8 to Table 13 detail projected modal ridership and operating statistics from FY2026 to FY2030.

Figure 15. Systemwide Actual & Projected Ridership and Service Levels, FY24-FY34

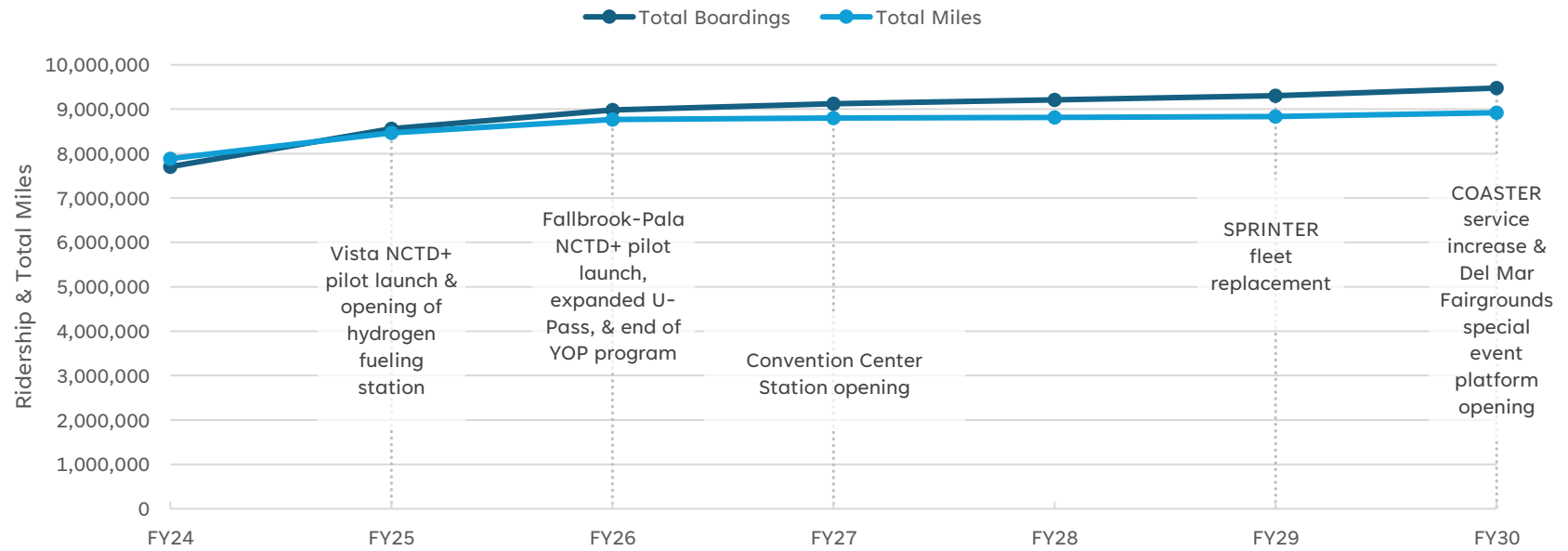


Table 8. BREEZE Ridership & Service Forecast, FY26-FY30

BREEZE	FY2026	FY2027	FY 2028	FY2029	FY2030
Total Ridership	5,735,171	5,826,574	5,884,840	5,943,688	6,003,125
Total Revenue Miles	5,062,584	5,062,584	5,062,584	5,062,584	5,062,584
Total Miles	5,759,795	5,759,795	5,759,795	5,759,795	5,759,795
Total Revenue Hours	429,066	429,066	429,066	429,066	429,066
Total Hours	465,347	465,347	465,347	465,347	465,347

Table 9. SPRINTER Ridership & Service Forecast, FY26-FY30

SPRINTER	FY2026	FY2027	FY 2028	FY2029	FY2030
Total Ridership	1,998,260	2,018,243	2,038,425	2,058,809	2,079,397
Total Revenue Miles	518,850	518,850	518,850	518,850	518,850
Total Miles	521,083	521,083	521,083	521,083	521,083
Total Revenue Hours	23,585	23,585	23,585	23,585	23,585
Total Hours	23,738	23,738	23,738	23,738	23,738

Table 10. COASTER Ridership & Service Forecast, FY26-FY30

COASTER	FY2026	FY2027	FY 2028	FY2029	FY2030
Total Ridership	919,746	941,964	951,384	960,898	1,049,596
Total Revenue Miles	401,139	412,384	412,384	412,384	479,596
Total Miles	426,825	438,790	438,790	438,790	510,306
Total Revenue Hours	12,302	12,647	12,647	12,647	14,708
Total Hours	13,708	14,092	14,092	14,092	16,389

Table 11. LIFT Ridership & Service Forecast, FY26-FY30

LIFT	FY2026	FY2027	FY 2028	FY2029	FY2030
Total Ridership	118,861	120,335	121,538	122,753	123,981
Total Revenue Miles	1,186,922	1,201,641	1,213,654	1,225,787	1,238,049
Total Miles	1,282,687	1,298,594	1,311,576	1,324,687	1,337,939
Total Revenue Hours	66,037	66,853	67,521	68,196	68,878
Total Hours	78,884	79,862	80,661	81,467	82,282

Table 12. FLEX Ridership & Service Forecast, FY26-FY30

FLEX	FY2026	FY2027	FY 2028	FY2029	FY2030
Total Ridership	130,517	134,469	136,505	137,870	139,249
Total Revenue Miles	373,196	373,196	373,196	373,196	373,196
Total Miles	466,507	466,507	466,507	466,507	466,507
Total Revenue Hours	26,542	26,542	26,542	26,542	26,542
Total Hours	30,772	30,772	30,772	30,772	30,772

Table 13. NCTD+ Ridership & Service Forecast, FY26-FY30

NCTD+	FY2026	FY2027	FY 2028	FY2029	FY2030
Total Ridership	77,514	78,289	79,072	79,863	80,662
Total Revenue Miles	230,635	232,941	235,271	237,624	240,002
Total Miles	312,883	316,011	319,172	322,365	325,590
Total Revenue Hours	23,546	23,781	24,019	24,260	24,502
Total Hours	31,464	31,779	32,096	32,417	32,742

RELATED TO
AGENDA ITEM 15

Set Public Hearing for Proposed Elimination of BREEZE Route 323

NCTD Board of Directors Meeting
June 26, 2025

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD⁺

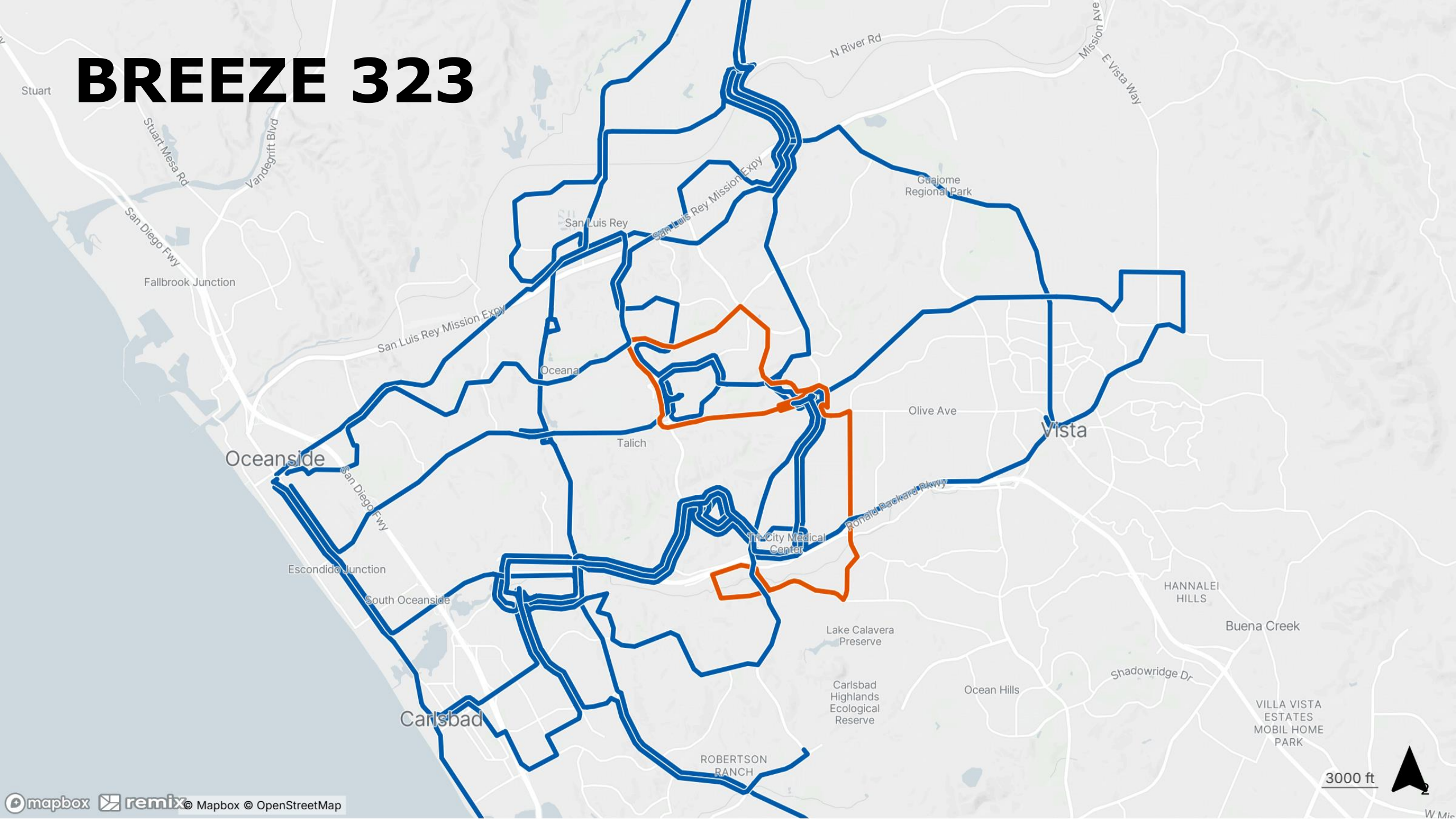


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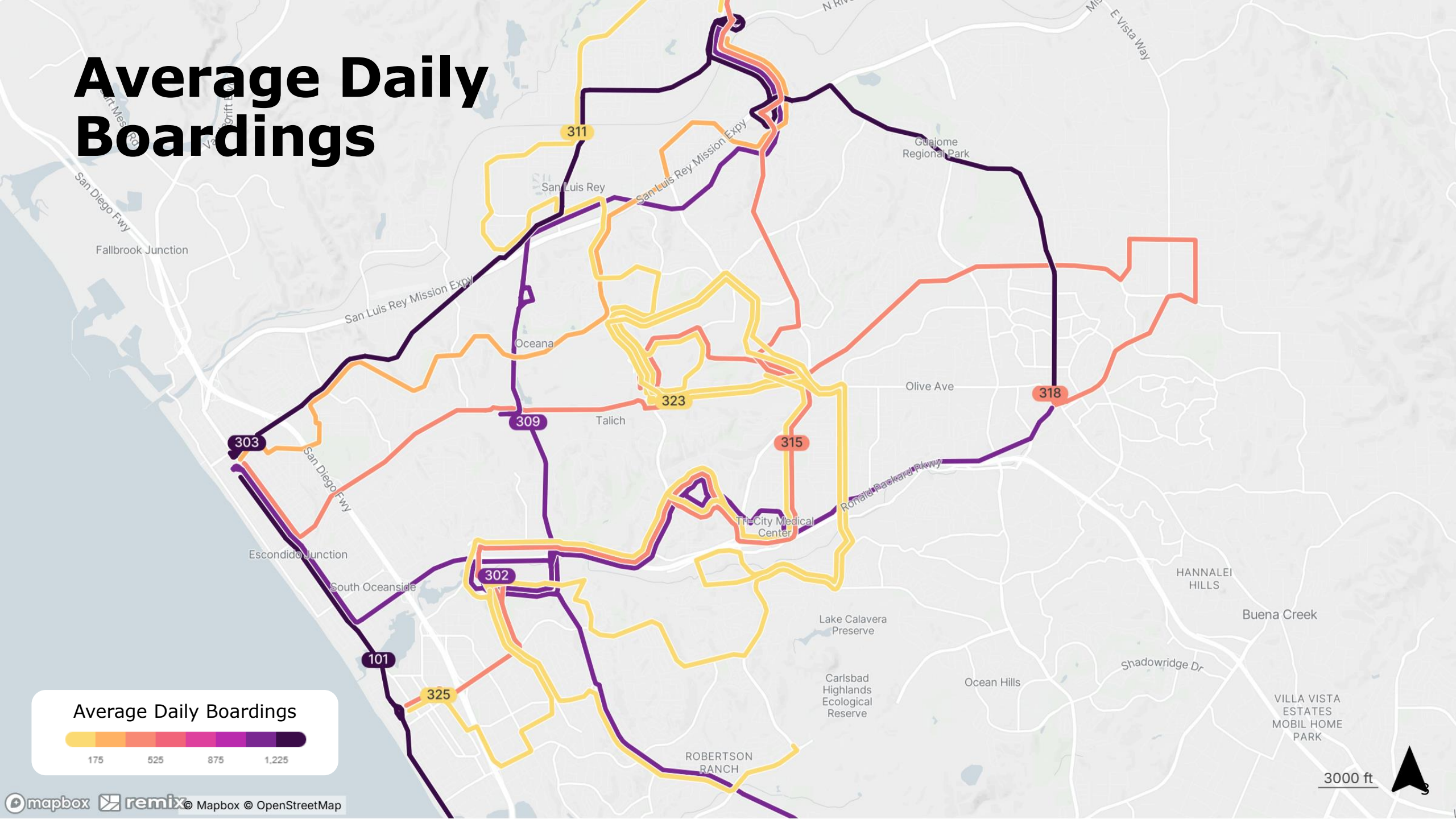
Background

- Funding Context
 - Funding-constrained environment requires NCTD to be intentional with operational resources to ensure effective service delivery
 - NCTD's Service Design Guidelines provides guidance for monitoring route performance and making service adjustments over time

BREEZE 323



Average Daily Boardings



Ridership Comparison

Route	Category	FY24 Total Boardings
303	Core	756,239
101	Corridor	565,633
309	Corridor	336,180
302	Core	320,703
318	Local	129,693
315	Corridor	114,675
313	Local	69,818
311	Commuter	39,812
325	Local	36,601
323	Local	17,201

- BREEZE 323 total FY24 ridership compared to adjacent routes in the surrounding area
- BREEZE 323 accounts for 0.3% of total BREEZE ridership

Public Outreach

- Website, stop messaging, and onboard materials
- Legal notice published in English and Spanish newspapers
- Route ride-alongs:
 - Wednesday, June 4 between 8:20 a.m. – 10:30 a.m.
 - Tuesday, June 10 between 1:20 p.m. – 3:30 p.m.
 - Thursday, June 12 between 11:20 a.m. – 1:30 p.m.

Staff Recommendation

- Set Public Hearing for Proposed Elimination of BREEZE Route 323

Questions?

STAFF REPORT

**SET PUBLIC HEARING AND AUTHORIZE STAFF TO RECEIVE
PUBLIC COMMENT FOR THE PROPOSED ELIMINATION OF
BREEZE ROUTE 323**

Time Sensitive: ☒ Consent: ☐

**STAFF
RECOMMENDATION:**

Staff recommends that the North County Transit District's (NCTD) Board of Directors (Board):

1. Set a public hearing for July 17, 2025, for the Board to consider the proposed elimination of BREEZE Route 323;
2. Authorize staff to provide detailed information to the public and receive and consider public comment regarding the proposed elimination of BREEZE Route 323 in advance of the public hearing.

**BACKGROUND
INFORMATION:**

The North County Transit District (NCTD) regularly monitors the service performance of its modes in accordance with its Service Design Guidelines and budgeted goals. Performance is reported monthly and annually via the Transit Operations Performance Report and Service Implementation Plan. As part of this process, NCTD monitors route-level performance throughout the network. Routes that fail to meet performance standards for two or more consecutive years are considered for modification or elimination to ensure effective resource allocation. To ensure NCTD is best maximizing its use of limited resources, NCTD is proposing to eliminate BREEZE Route 323.

Service Background

BREEZE Route 323 provides weekday hourly bus service in eastern Oceanside. The route is not anchored by a major transit center, but does connect to the College Blvd SPRINTER Station. Due to the route's failure to meet performance standards set forth in NCTD's Service Design Guidelines as outlined below, NCTD staff are proposing to eliminate BREEZE Route 323 effective Sunday, October 5, 2025.

BREEZE Route 315 and 325 provide parallel service within a half-mile of BREEZE Route 323 with connections to Carlsbad Village Station to the south and San Luis Rey Transit Center to the north. BREEZE Routes 311 and 318 also provide overlapping service with portions of BREEZE 323.

Service Performance

NCTD's Service Design Guidelines provide guidance on performance measurements and monitoring over time to ensure transparency in resource allocation decisions. Measures used to monitor route performance include passengers per revenue hour and cost per passenger. These measures are compared to the respective modal average, with tiers to determine performance as shown in Table 1. NCTD's Service Design Guidelines recommend that routes deemed deficient for two or more consecutive years should be considered for elimination.

Table 1: Route Performance Measurements

Measure	Pass	Watch	Fail
Passengers per revenue hour	> 50% of average	< 50% of average	< 40% of average
Cost per passenger	<140% of average	>140% of average	>150% of average

Table 2 includes the performance metrics for BREEZE 323 compared to the BREEZE modal average.

Table 2: BREEZE Performance Metrics, FY2024

Route	Total FY24 Ridership	Weekday Passengers per Revenue Hour	Net Cost per Passenger
BREEZE 323	17,201	4.4	\$29.92
BREEZE (All)	4,864,770	12.4	\$14.00

BREEZE Route 323's passengers per revenue hour and net cost per passenger are both deemed deficient according to NCTD's Service Design Guidelines.

Major Service Change Designation

The proposed change constitutes a major service change under Board Policy No. 30 - *Threshold for Major Service Change* because it represents the elimination of routes within NCTD's service offering. The Federal Transit Administration (FTA) Circular 4702.1B requires transit agencies to evaluate major service changes to identify whether the changes have a disparate impact on minority communities or a disproportionate burden on low-income communities. NCTD will conduct an equity analysis and hold a public hearing as required by NCTD Board Policy No. 5 - *Public Notice and Participation*.

NCTD will seek public feedback regarding the proposed service by holding in-person outreach events to share information with the public and gather input. All public comments will be presented to the Board of Directors at the public hearing.

Based on the foregoing, staff recommends that the Board of Directors:

1. Set a public hearing for July 17, 2025, for the Board to consider eliminating BREEZE Route 323;
2. Authorize staff to provide detailed information to the public and receive and consider public comment regarding the proposed elimination of BREEZE Route 323 in advance of the public hearing.

ATTACHMENT: 15A – BREEZE Route 323 Public Hearing Presentation

FISCAL IMPACT: This staff report has no fiscal impact.

COMMITTEE REVIEW: None

STAFF CONTACT: **Katie Persons, Director of Service Planning**
E-mail: kpersons@nctd.org Phone: 760-966-6683

RELATED TO
AGENDA ITEM 15

Set Public Hearing for Proposed Elimination of BREEZE Route 323

NCTD Board of Directors Meeting
June 26, 2025

COASTER SPRINTER BREEZE FLEX *LIFT* NCTD⁺

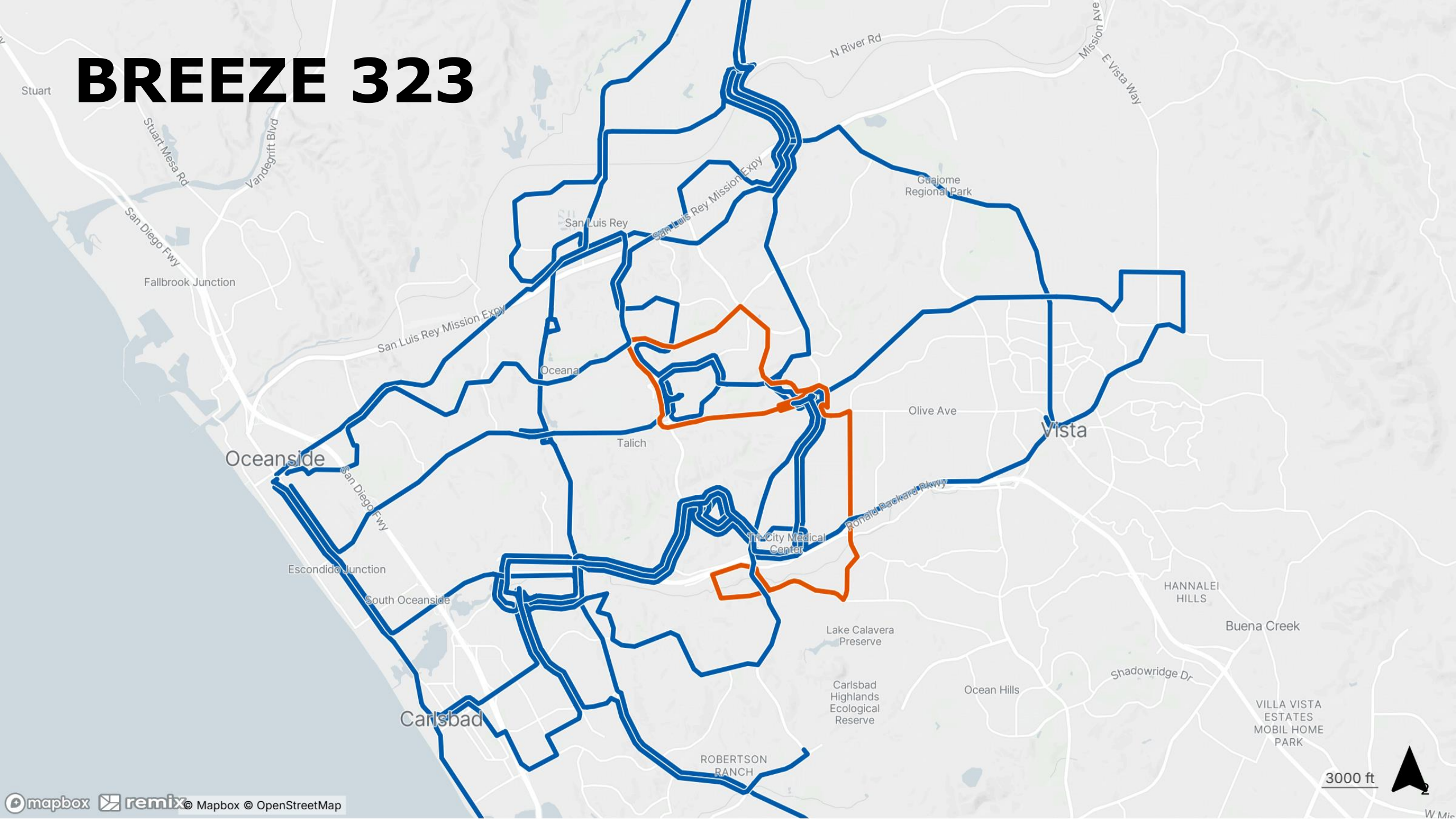


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Background

- Funding Context
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BREEZE 323



Average Daily Boardings

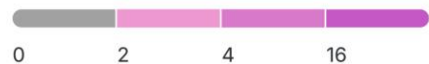
323 Average Daily Boardings
FY25 YTD

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2000 ft

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FY25 YTD



2000 ft



Ridership Comparison

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Questions?