

**NORTH COUNTY TRANSIT
SAN DIEGO RAILROAD**



Adopted FY2026 Operating Budget and FY2026-FY2030 Capital Improvement Program

For the Fiscal Year Ending June 30, 2026



One Community - Advancing Opportunities

Contents

Board of Directors.....	1
Organizational Chart.....	3
Message from the Chief Executive Officer	4
Overview of North County Transit - San Diego Railroad.....	6
Mission	6
Vision.....	6
History	7
Service Area.....	7
BREEZE Fixed-Route Bus.....	8
LIFT ADA Paratransit	8
FLEX Deviated Fixed-Route and Point-Deviated Fixed-Route	9
COASTER Commuter Rail.....	9
SPRINTER Hybrid Rail	10
NCTD+ Microtransit Services.....	10
Bus Operations and Vehicle Maintenance.....	11
Rail Operations and Vehicle Maintenance.....	11
Facilities Maintenance.....	11
Rail Maintenance-of-Way (MOW)	12
Maintenance of Signals (MOS)	12
Safety and Security.....	12
Contracted Transit Services.....	13
Debt Overview	13
Investment Policy	15
San Diego County Profile and Economic Indicators.....	16
County Population.....	16
Economic Environment	17
State of Public Transit.....	18
Regional Transportation Plan (RTP).....	21
Regional Transit Capital Improvement Program	22
NCTD Capital Improvement Program	22
Strategic Framework.....	24
Strategic Areas of Focus.....	24
Divisional Performance Targets	26
Government Finance Officers Association Distinguished Budget Award.....	30
Budget Development Policy	31
Ongoing Operations	31
Balanced Budget.....	31
Basis of Accounting.....	31
Finance Division Role	31
Conservative Estimates of Revenues	31
Expenses.....	31
Capital Improvement Program	31
Intergovernmental Relations	32
Debt.....	32
Fund Balance	32
Functional Level Budgeting.....	32
Cash Reserve Policy.....	33
Budget Management.....	33
Budget Monitoring and Controls	33

Budget Process	34
Stakeholders	34
Budget Calendar	35
Service Implementation Plan (SIP).....	38
SIP Key Assumptions.....	38
Strategic Priorities	38
System Summary	39
Service Levels and Ridership Projections.....	40
Financial Forecast and Significant Assumptions	45
Grant Revenue	45
Federal Transit Administration (FTA) Formula Programs	45
State Grant Revenue	47
Local Grant Revenue.....	48
Fare Revenue	49
Other Operating Revenue	49
Operating Expenses.....	49
Fiscal Year 2026 Assumptions.....	50
FY2026 Operating Budget.....	53
Operating Summary	53
Operating Revenues	53
Operating Expenses.....	57
FY2026 Budget Expenses by Department	64
Summary of Expenses by Department	64
Board of Directors	65
Office of the Chief Executive Officer	65
Office of Chief General Counsel	66
General Counsel.....	66
Safety.....	66
Office of Chief of Staff	67
Government Relations	67
Administration	67
Communications and Marketing.....	68
Customer Experience	68
Rail Operations	69
Rail Operations	69
COASTER Operators	69
SPRINTER Operators	70
COASTER Maintenance.....	70
SPRINTER Maintenance.....	71
Rail Vehicles Overhauls	71
Rail Vehicles Maintenance	72
Rail Technologies	72
Rail Training.....	73
Operations Control Center.....	73
Bus Operations	74
Bus Operations Administration	74
Bus Operators.....	74
On-Demand Services	75
Bus Vehicles Maintenance	75
Non-Revenue Operations Support	76
Right-of-Way Vehicles and Specialty Equipment.....	76

Security	77
Rail Right-of-Way	77
Rail Right-of-Way Oversight	77
Maintenance-of-Way	78
Maintenance of Signals	78
Information Technology Systems	79
Information Technology Operations	79
General Services	80
General Services	80
Procurement and Contract Administration	80
Parts and Warehouse	81
Facilities	81
Business Intelligence	82
Development Services	82
Development Services	82
Development Services Support Services	83
Engineering	83
Project Management Office	84
Real Estate	84
Finance	85
Financial Oversight	85
Accounting	85
Payroll	86
Grants	86
Fare Collection	87
People	87
Human Resources	87
Learning and Development	88
Planning	88
Service Planning	88
Transit Systems Management	89
Operations Support Services	89
Operations Support Services	89
Debt	90
Contingency	90
5-Year Plan and Capital Improvement Program	91
5-Year Financial Assumptions	91
Sources of Revenue and Allocation of Funds	92
Allocation of Federal, State and Local Grant Funds	93
FY2026-FY2030 Capital Improvement Program (CIP)	94
FY2026-FY2030 Unconstrained Capital Needs	94
FY2026-FY2030 Constrained Capital Improvement Program	95
5-Year Service Implementation Plan (SIP)	101
10-Year Long Range Planning	102
Mid-Range Forecast	102
Low-Range Forecast	103
High-Range Forecast	104
Appendices	105
Passenger Fare Rates	105
Operating Statistics	108
North San Diego County Community Profile	111

San Diego County Employment by Industry	112
North San Diego County Major Employers	113
San Diego County Demographics and Economic Statistics	114
Glossary of Terms	115

Board of Directors



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Mayor Pro Tempore, City of Carlsbad
Board Chair
Executive Committee, Chair
Performance, Administration, and Finance
Committee, Member
SANDAG Board of Directors, 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



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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

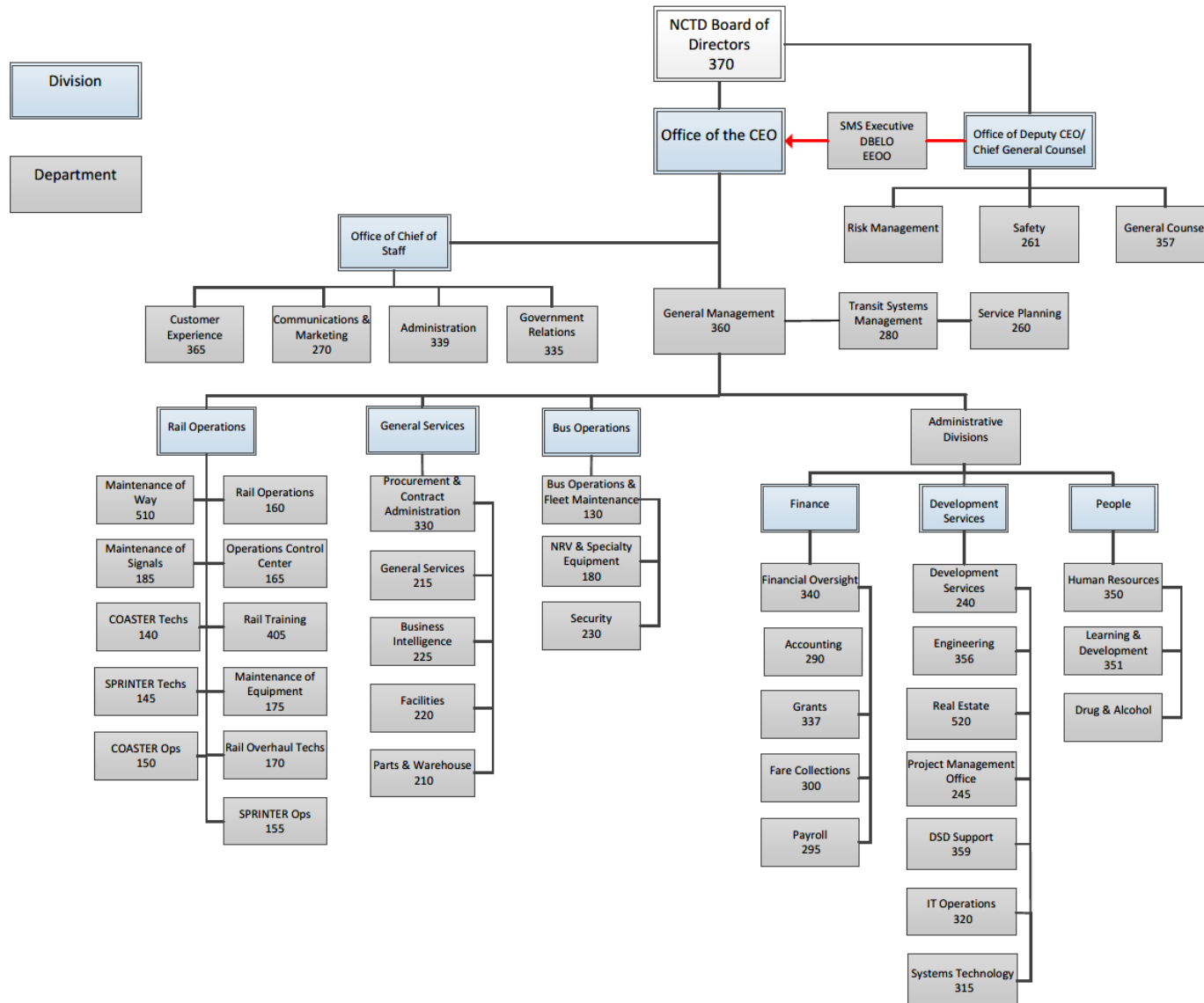


Mary Dover
Chief of Staff
North County Transit -
San Diego Railroad



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.

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.

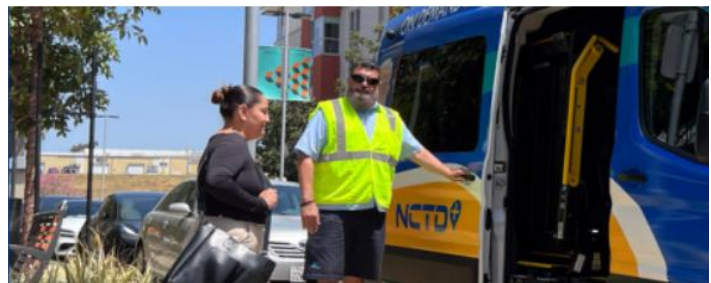


The SPRINTER offers easy connections to the COASTER commuter rail, BREEZE bus service, Amtrak, Metrolink, Greyhound and to MTS' Rapid Express bus service in Escondido. The SPRINTER carries passengers comprised primarily of workers, students, and tourists.

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?

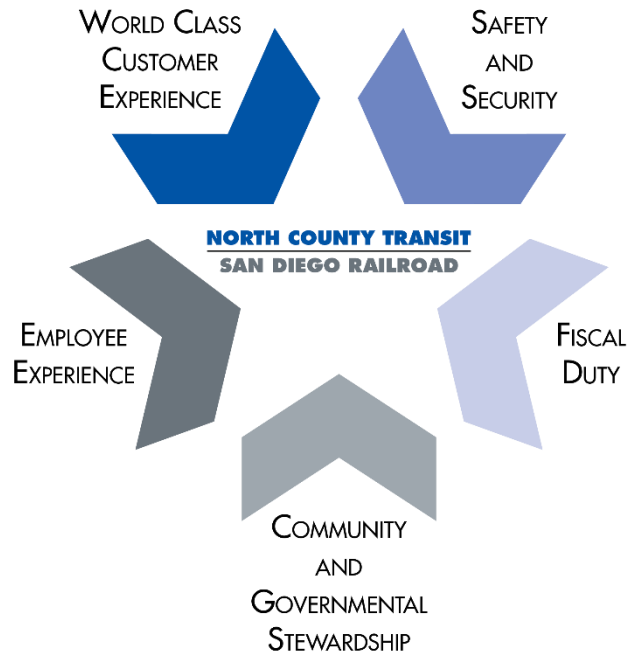
During the CIP evaluation, NCTD implements a process to identify high priority capital projects for funding through the CPSC. This process includes reviewing and ranking submitted capital projects based on the aforementioned strategic value criteria. As capital projects require a significant investment, 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 - SPRINTER	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 reappropriation funds between line items within their department or between departments in their division, except for salaries and wages, unless it is an adjustment to fund temporary staffing due to vacancies. Division Chiefs may not exceed the total appropriated amounts within their division.
- The Chief Executive Officer may transfer funds between divisions but may not exceed the total appropriated amount for NCTD.

An increase in the total appropriated amount for NCTD requires a budget amendment. Budget amendments require formal action by the Board of Directors.

Budget Monitoring and Controls

NCTD uses JD Edwards EnterpriseOne, an Enterprise Resource System (ERP), to process and record all its financial, accounting and procurement activities. The NCTD structure for operating revenue and expense accounts is driven by the Federal Transit Administration (FTA) National Transit Database (NTD) system of accounts. NTD is the primary repository for information and statistics on the transit systems of the United States. Recipients or beneficiaries of FTA grant funds are required to submit data in a standardized format to the NTD.

The adopted budget becomes the main internal control document used to monitor and manage 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 received and considered public comment, closed the public hearing, adopted the Operating Budget and Capital Improvement Program, and approved the Service Implementation Plan, Employee Classification and Compensation Schedules, and Cost Recovery Fee Schedule.
June 2025	The approved budget was entered into the District financial system. NCTD staff submits 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

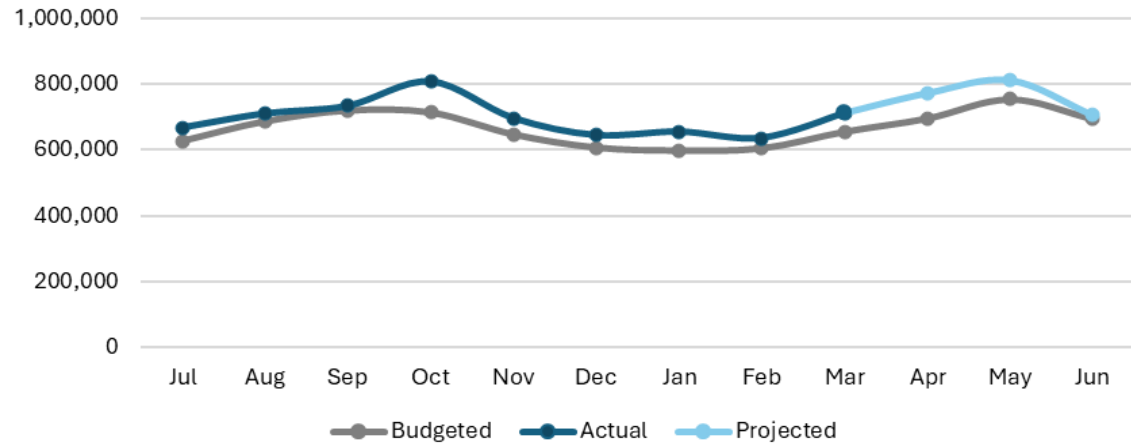
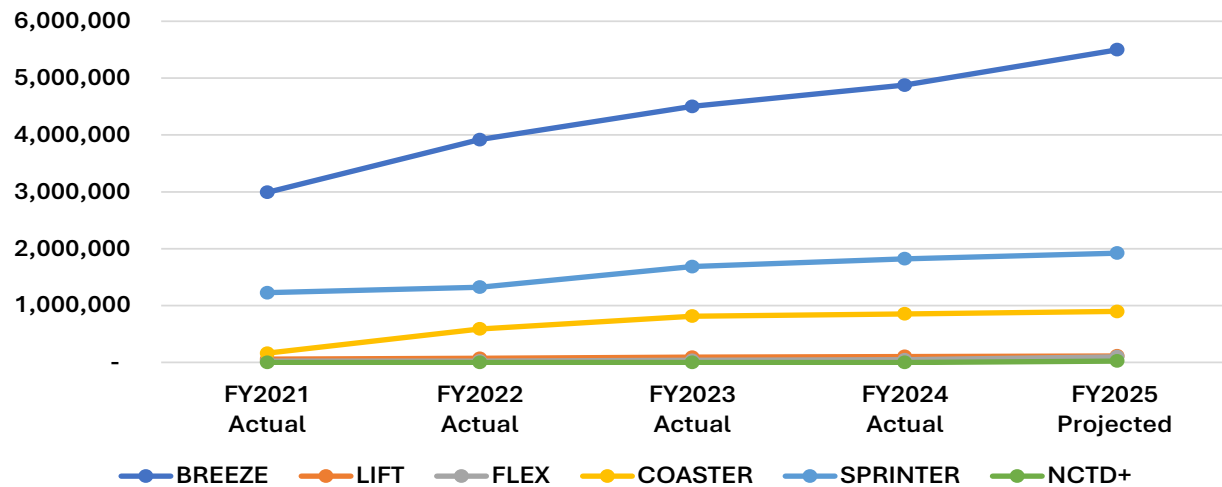


Figure 2. Ridership – Last Five Years



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

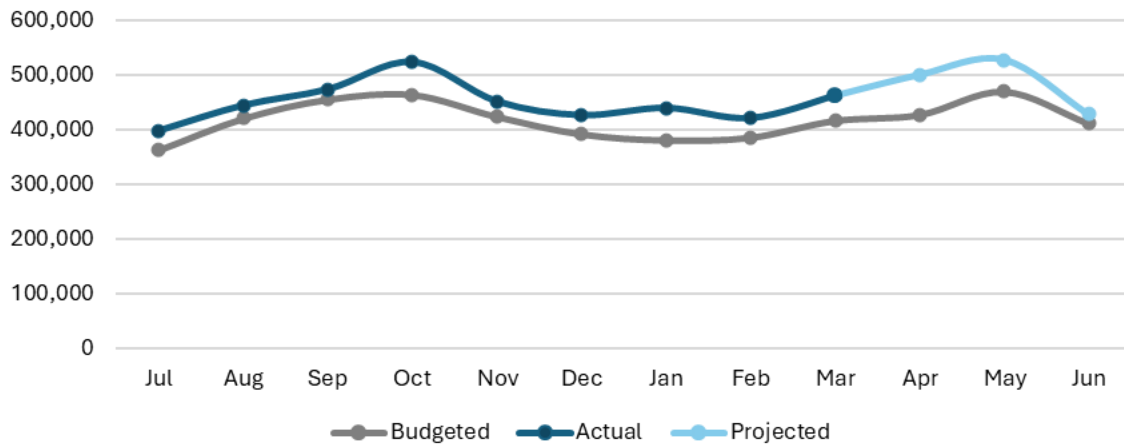
BREEZE

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.

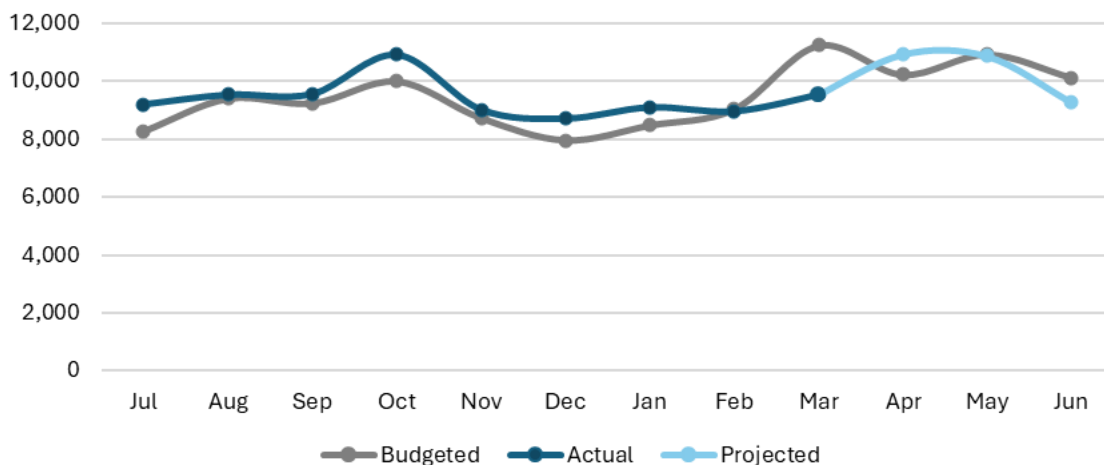
Figure 3. FY2025 BREEZE Monthly Ridership



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.

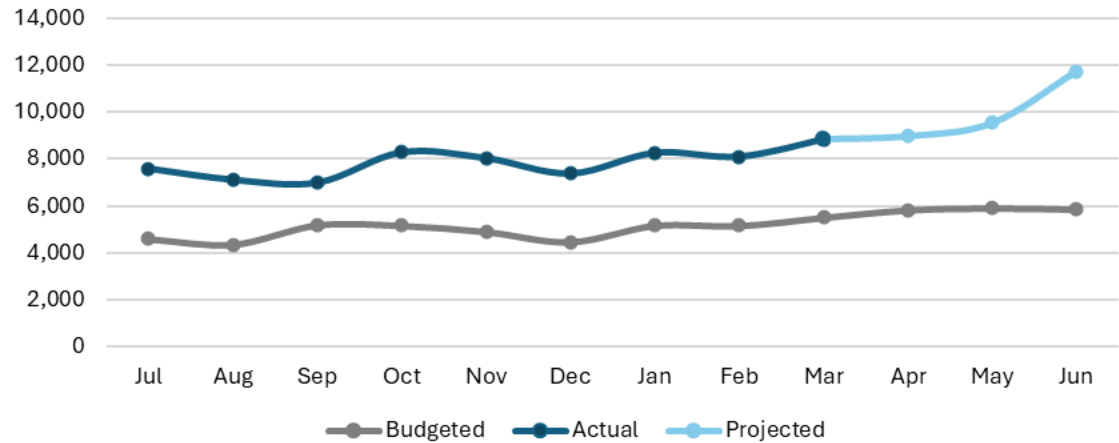
Figure 4. FY2025 LIFT Monthly Ridership



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

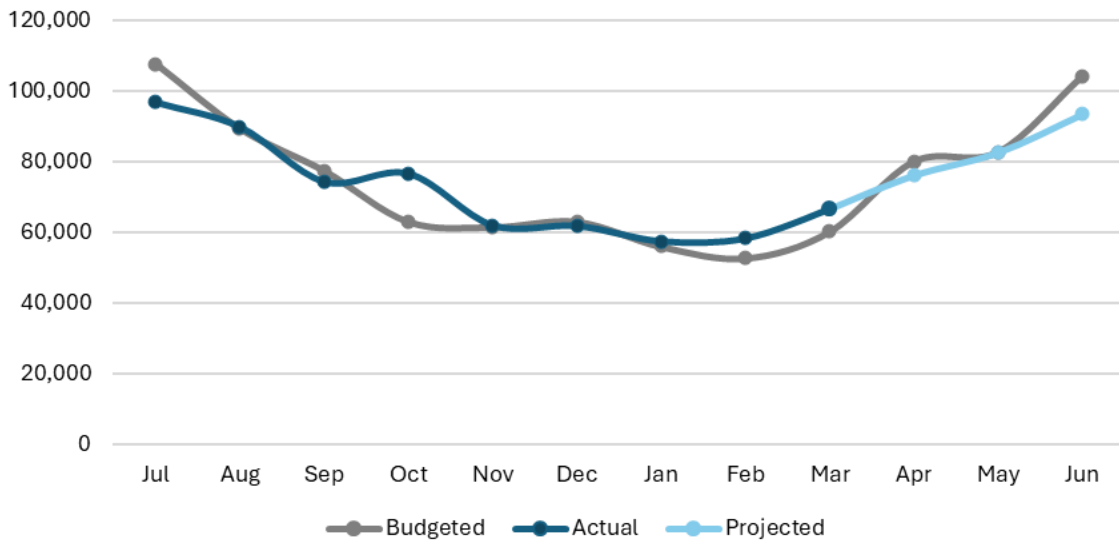


COASTER

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.

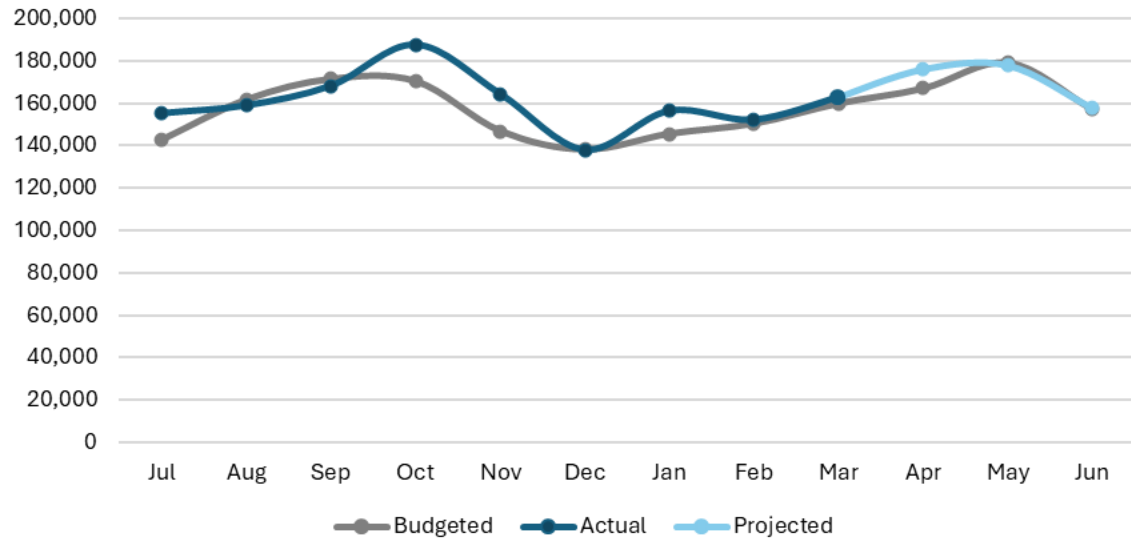
Figure 6. FY2025 COASTER Monthly Ridership



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

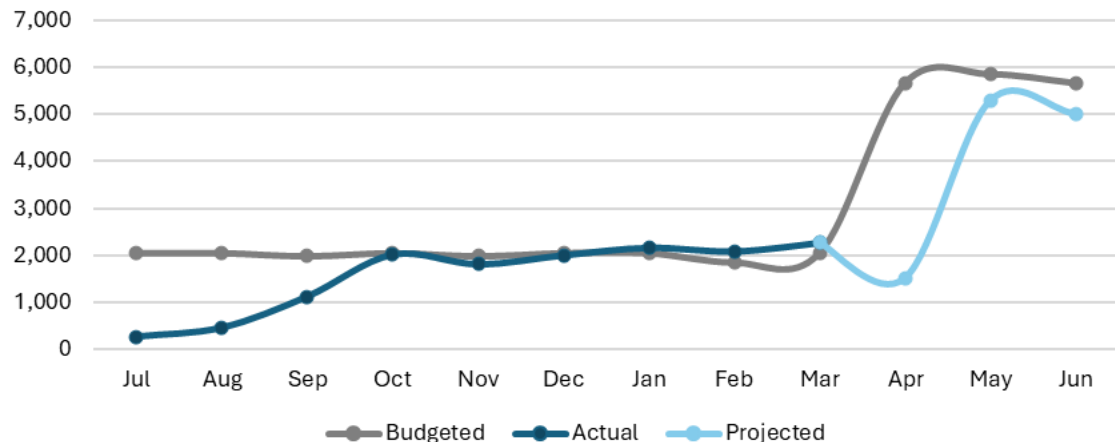


Table 2. FY2026 Budget - Service Implementation Plan

	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Adopted 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 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 Adopted 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 adopted operating revenues and expenditures for FY2026.

Operating Summary

Table 4. FY2026 Operating Budget - Summary

	FY2024 Actual	FY2025 ** Budget	FY2025 Forecast	FY2026 Adopted 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

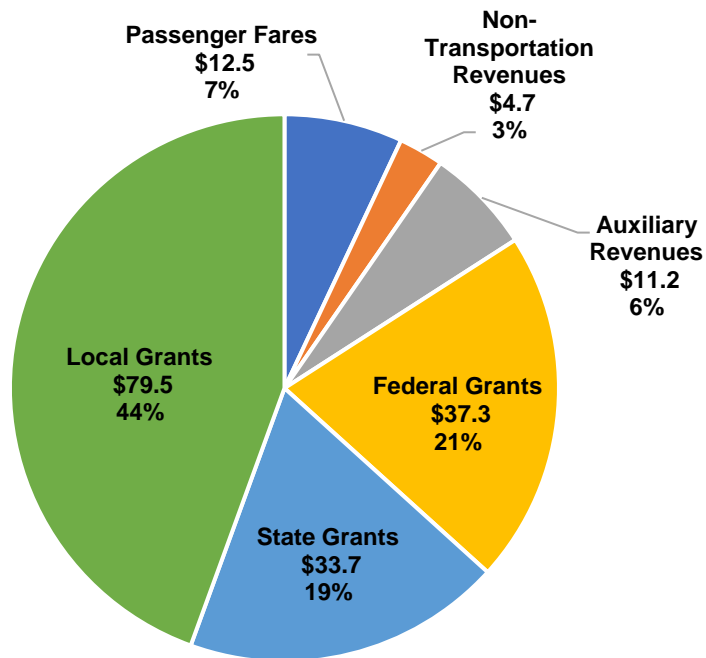
Operating Revenues

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 Adopted 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 Adopted 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.

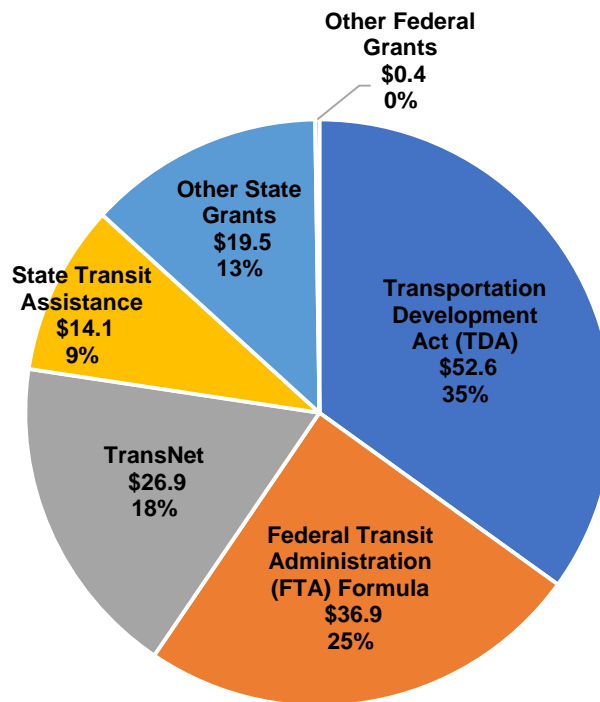
SANDAG's forecast for TransNet and TDA is generated using the most recent historical collections and then projecting future revenue as the product of nominal retail sales per capita growth and population growth. The forecast methodology underwent SANDAG's peer review process (PRP) in 2022, confirming 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 Adopted 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

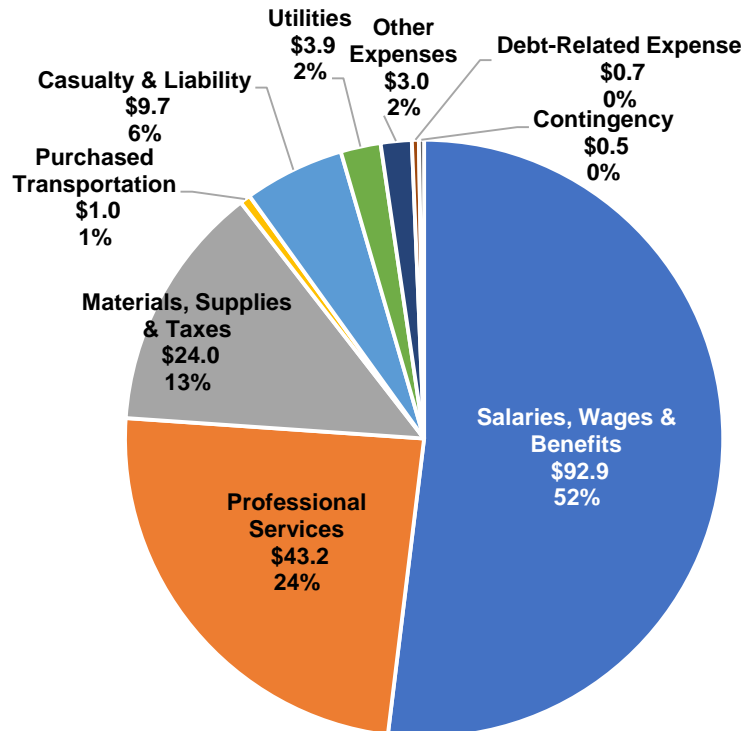
** As originally adopted and does not reflect budget transfers made during the fiscal year

*** Excludes GASB 87 and GASB 96 interest adjustments

Table 8. FY2026 Budget - Operating Expenses by Mode

Mode	FY2024 Actual	FY2025 Budget	FY2025 Forecast	FY2026 Adopted 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

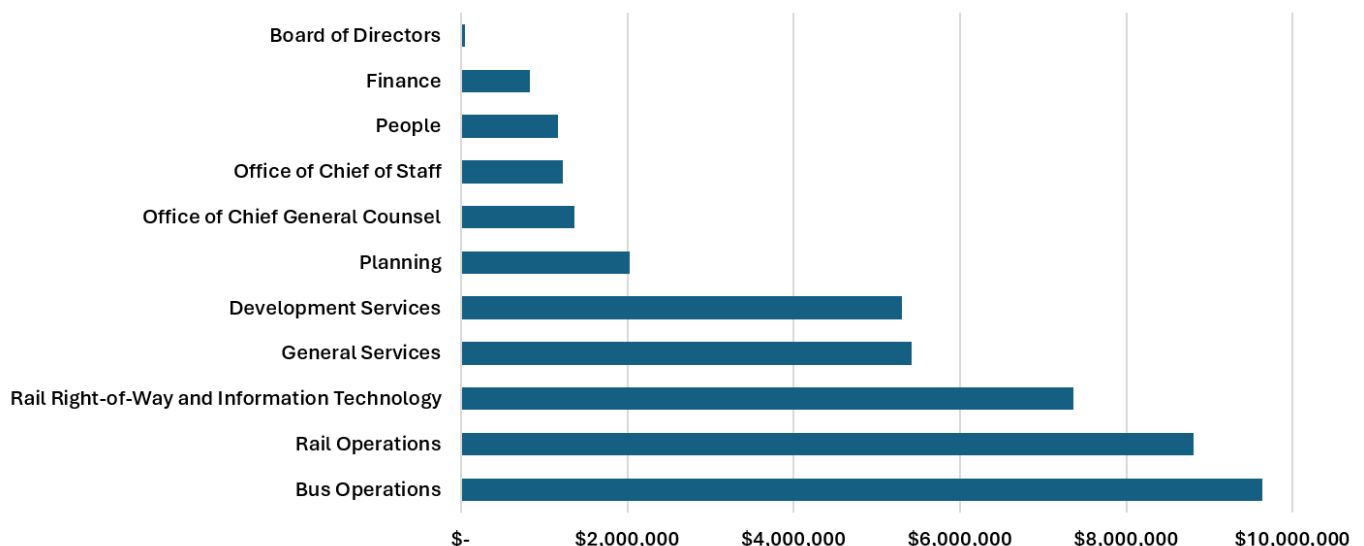


Table 11. FY2026 Budget - Major Professional Services

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

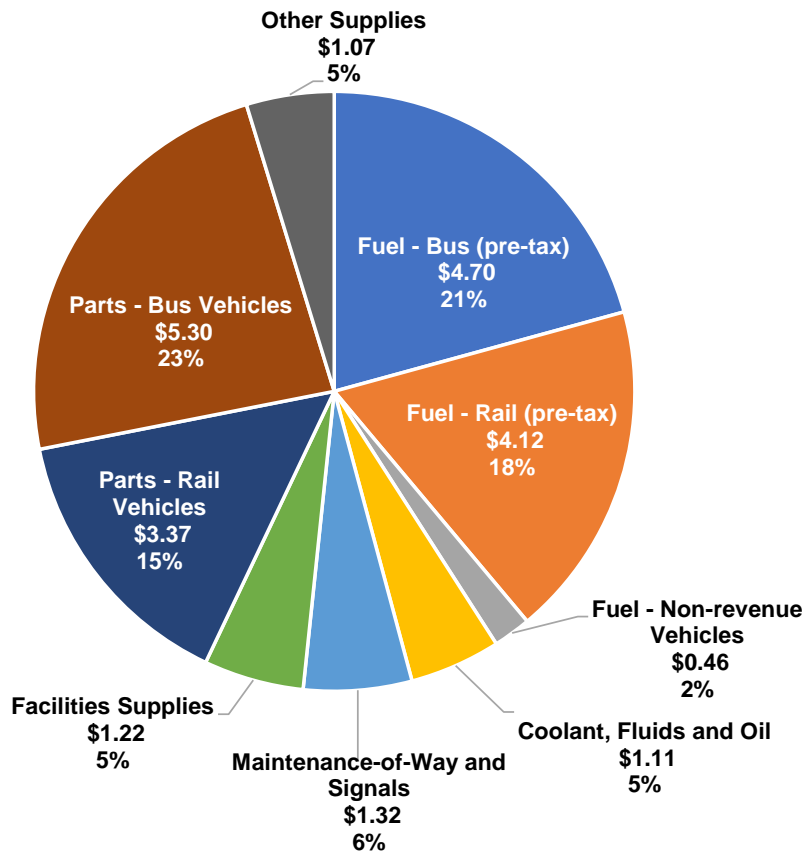
Materials and Supplies

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 Adopted 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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	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 Adopted 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 Adopted 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 Adopted 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 Adopted 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	Adopted 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	Adopted 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 Adopted 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 Adopted 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 Adopted 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 Adopted 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	Adopted 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	Adopted 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.

	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	Adopted Budget	(\$)	(%)	(\$)	(%)
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.

	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	Adopted Budget	(\$)	(%)	(\$)	(%)
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 Adopted 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 Adopted 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 Adopted 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 Adopted 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 Adopted 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 Adopted 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 Adopted 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 Adopted 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	Adopted 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	Adopted 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 Adopted 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 Adopted 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 Adopted 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 Adopted 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	Adopted 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	Adopted 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)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
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)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
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)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Operating Expenditures								
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)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
Operating Expenditures								
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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	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.

	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	Adopted Budget				
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.

	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	Adopted Budget				
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.

	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	Adopted Budget				
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.

	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	Adopted Budget				
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)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
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)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	from FY2025 Forecast (%)
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	Adopted 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	Adopted 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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	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.

	FY2024	FY2025	FY2025	FY2026	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Adopted Budget	from FY2025 Budget (\$)	from FY2025 Budget (%)	from FY2025 Forecast (\$)	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 Adopted 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 Adopted 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 Adopted 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 Adopted 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:

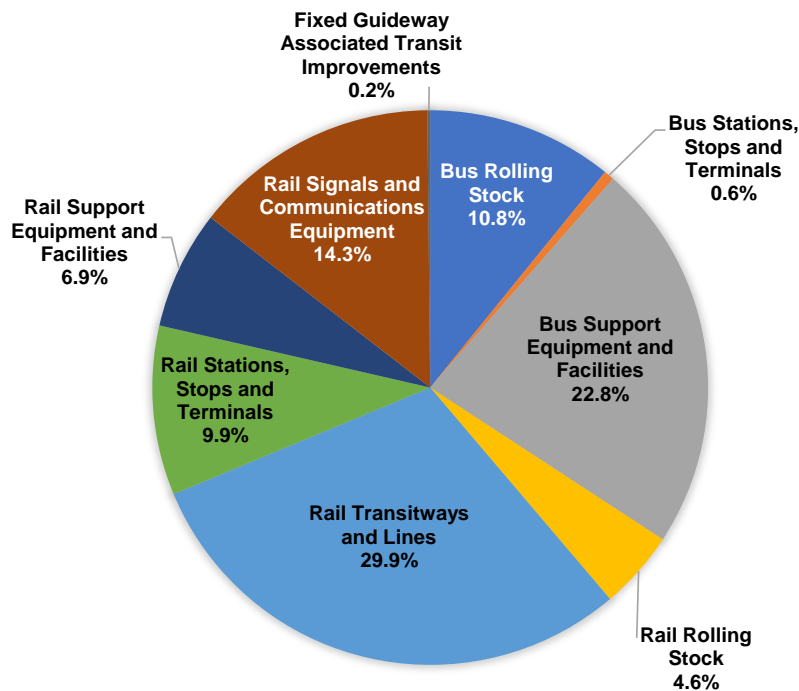
- \$92.4 million for Control Point Songs double-track design and construction
- \$77.8 million for BREEZE East and West operations and maintenance facilities master plan improvements
- \$68.6 million for Positive Train Control (PTC) and rail signals
- \$50.4 million for BREEZE fleet replacements
- \$36.4 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.

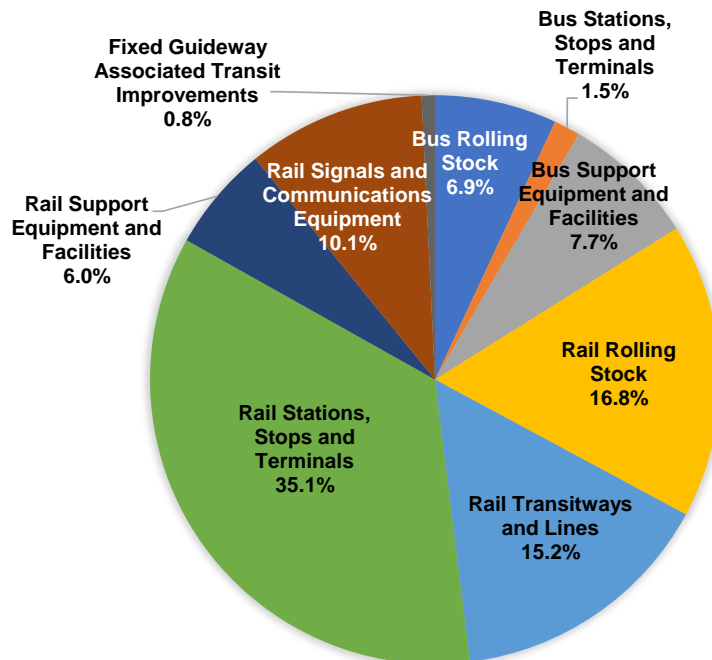
NCTD is advancing initiatives related to the development and eventual acquisition of zero-emissions (ZE) motive power for its rail operations. These efforts are designed to coincide with California Executive Order N-79-20 and pending regulations from the California Air Resources Board (CARB) which would 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

	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	*	*	*	*	*

	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

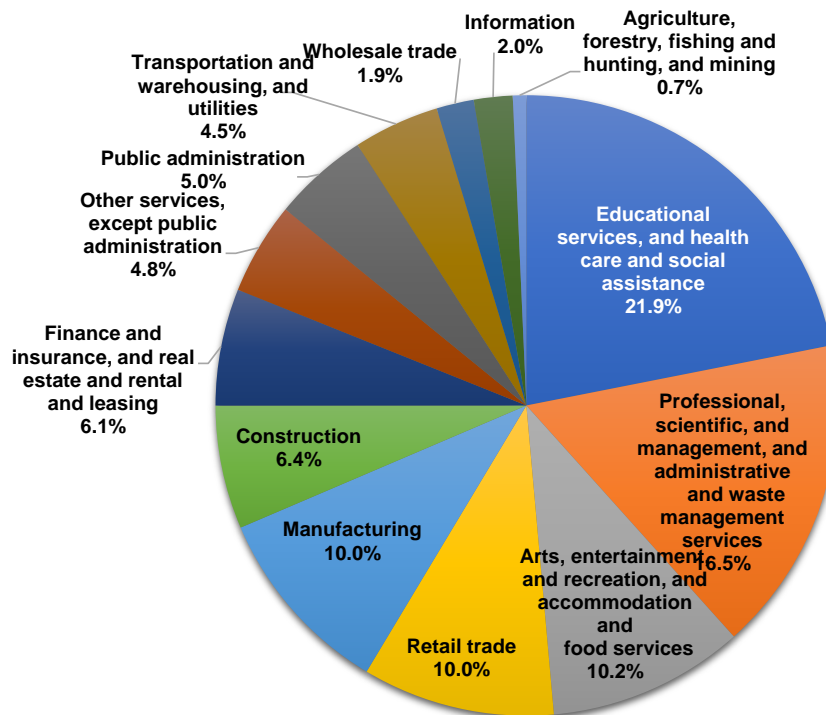
San Diego County Employment by Industry

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%	<i>a</i>
ViaSat	2	4,010	0.25%	<i>e</i>
San Marcos Unified School District	3	3,519	0.22%	<i>d</i>
Vista Unified School District	4	2,865	0.18%	<i>b</i>
Palomar Medical Center	5	2,906	0.18%	<i>c</i>
Thermo Fischer Scientific (Life Technologies)	6	2,332	0.15%	<i>e</i>
Legoland California LLC	7	2,300	0.14%	<i>e</i>
Tri City Medical Center	8	2,100	0.13%	<i>f</i>
Palomar Community College	9	2,014	0.13%	<i>d</i>
Escondido Union School District	10	2,077	0.13%	<i>c</i>
Total San Diego County Labor Force		1,596,400		<i>g</i>

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.cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCityCounty>

5 California State Board of Equalization Table 21B, Fiscal Year data; <https://www.cdtfa.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.