



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

For the Fiscal Year Ending June 30, 2027

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**Board of Directors**

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



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



**Tracy Martinez**  
Mayor, City of Del Mar  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
LOSSAN Corridor Board of Directors,  
Alternate



**Jim O'Hara**  
Deputy Mayor, City of Encinitas  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
SANDAG Regional Planning Committee,  
Alternate



**Joe Garcia**  
Deputy Mayor, City of Escondido  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
SANDAG Regional Planning Committee,  
Advisory Member



**Eric Joyce**  
Deputy Mayor, City of Oceanside  
**Marketing, Service Planning, and Business**  
**Development Committee, Member**  
SANDAG Transportation Committee,  
2<sup>nd</sup> Alternate



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



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

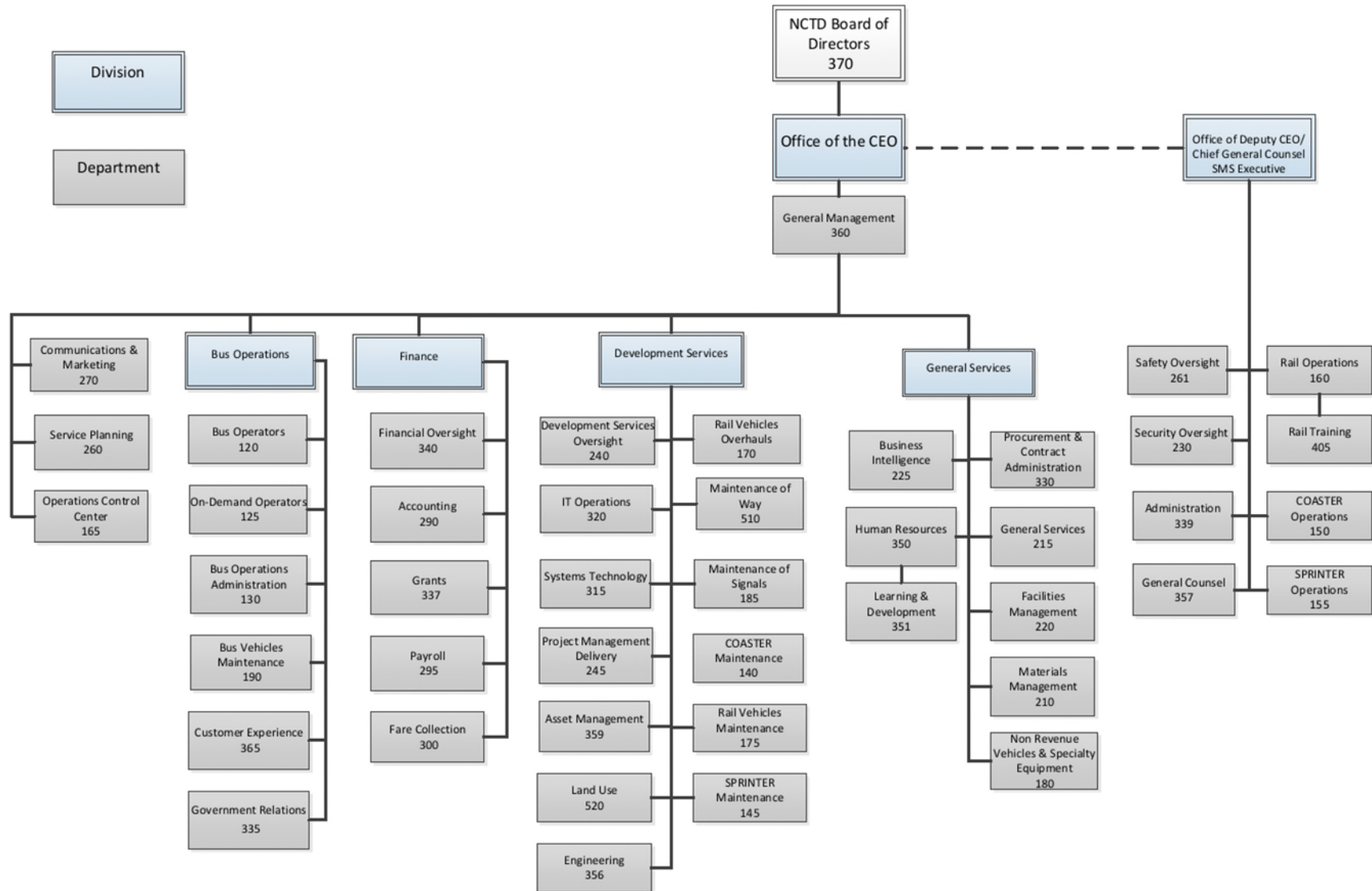


**Lori A. Winfree**  
Deputy Chief Executive Officer/  
Chief General Counsel  
North County Transit -  
San Diego Railroad



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

**Organizational Chart**



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

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June 3, 2026

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

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

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

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

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

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

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

Sincerely,



Shawn Donaghy  
Chief Executive Officer



Eun Park-Lynch  
Chief Financial Officer

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

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

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

### **Mission**

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

### **Vision**

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

We will achieve this by:

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

**History**

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



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

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

**Service Area**

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



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

**BREEZE Fixed-Route Bus**

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



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

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

**LIFT ADA Paratransit**

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



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

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

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

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



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

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

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

### **COASTER Commuter Rail**

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



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

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

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

### **SPRINTER Hybrid Rail**

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



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

### **NCTD+ Microtransit Services**

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



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

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

### Bus Operations and Vehicle Maintenance

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

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



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

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

### Rail Operations and Vehicle Maintenance

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

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

### Facilities Maintenance

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

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

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

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

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



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

**Safety and Security**



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

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

## Debt Overview

### **SPRINTER Certificates of Participation**

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

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

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

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

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

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

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

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

**COASTER Commercial Paper Program with SANDAG**

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

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

**Investment Policy**

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

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

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

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

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### **County Population**

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

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

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

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

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

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

## Economic Environment

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

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

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

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

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

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

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

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

North County has a strong and diversified economy. Several sectors drive growth, including life sciences, technology, software, defense, advanced manufacturing, and tourism. A robust healthcare, education, and military presence further strengthen the region. Unemployment remains low and employers face ongoing difficulty recruiting and retaining key talent.

Over the coming years, NCTD will face economic uncertainty as cost increases due to inflation and unfunded federal and state mandates are outpacing projected revenue growth. In the absence of additional funding from the federal and state level, NCTD will need to consider additional cost reduction measures such as adjusting service levels.

## State of Public Transit

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### Public Transportation Funding

The federal Bipartisan Infrastructure Law (BIL), which authorized historic levels of funding for transit, expires on September 30, 2026. Initial draft legislative packages from Congress indicate that programs providing funding for transit could see reduced funding levels, particularly in discretionary programs intended to fund major rail capital projects. If Congress does not pass new surface transportation authorization legislation, it must pass an extension of the BIL or funding for transit agencies could lapse.

NCTD and the American Public Transportation Association (APTA) are working with members of Congress and staff of authorizing committees to convey the benefits of transit to the economy, providing jobs and transportation options for communities. According to APTA's 2026 economic impact report, long-term investment in public transit generates a 5-to-1 economic return and every \$1 billion invested in public transit generates \$251 million in tax revenue. Additionally, 87% of trips on transit directly benefit the local economy, with 50% representing trips to or from work and 37% representing trips to shopping and recreational areas.

At the state-level, the California Legislature reauthorized the Cap-and-Invest program in 2025, which generates revenues for the Greenhouse Gas Reduction Fund (GGRF) and distributes those revenues to programs intended to reduce greenhouse gas emissions. Several transit programs are funded through Cap-and-Invest, including the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP). Historically, NCTD has received approximately \$3 million annually from LCTOP and has received \$138.5 million from TIRCP in the past three years. In May 2026, the California Air Resources Board (CARB) voted to approve proposed amendments to the Cap-and-Invest program, despite significant pushbacks from legislators, transit agencies, housing stakeholders, and environmental organizations. The updates to the program will significantly reduce the number of Cap-and-Invest allowances to be dedicated to the GGRF. CARB's estimates suggest revenues for the GGRF would decrease by roughly \$2 billion per year, effectively ending "Tier 3" programs that support public transit, which include TIRCP, LCTOP, and the Affordable Housing and Sustainable Communities (AHSC) program.

Additionally, as the national economy faces continued high levels of inflation resulting in reduced consumer spending, growth of local sales taxes is projected to be lower than anticipated levels of inflation. Over the next five years, NCTD will receive approximately \$20 million less in local TransNet sales tax revenue than previously projected by SANDAG.

In light of uncertainty surrounding transit funding at all levels, NCTD is employing a variety of strategies to manage existing and sustainable sources of revenue. In 2023, the California Legislature authorized \$5.1 billion through SB125 for transit operations and capital projects, providing approximately \$113 million to NCTD. NCTD initially programmed this funding for preventive maintenance and major capital projects but is now requesting that the funding be reprogrammed for operating expenses. Major capital projects will instead be funded by project savings in other areas and discretionary grants.

### National Ridership Picture

According to an April 2026 report published by APTA, national public transit ridership grew 5% in 2025 compared to 2024 and 10% in 2024 compared to 2023. Transit agencies continue to attract a wide range of commute and non-commute trips and indicators in several metro regions point to public transit recovery being led by trips to and from residential and commercial areas as opposed to office/work centers. Commuters still make up a substantial portion of public transit riders with 6.1 million Americans traveling to and from work on transit.

Bus ridership recovery has been the consistent leader compared to other transit modes largely due to bus rider demographics. According to APTA's Who Rides Public Transportation, 22% of bus riders are under the age of 25, twice the percentage of younger rail riders. Bus and demand response have led the way followed by heavy/light rail and commuter rail trailing. In general, bus modes have been able to retain more riders than rail modes because they generally serve more essential workers, while rail modes serve more office commuters.

### **NCTD Mobility Trends**

Following several years of post-pandemic ridership recovery, systemwide ridership growth stabilized during FY2026. Total ridership is currently estimated to increase 0.1% over FY2025 levels. Ridership trends varied by mode, with COASTER continuing to experience strong growth while bus ridership remained relatively stable.

NCTD continues to see notable increases in the proportion of leisure riders. COASTER provides access to recreational activities along the coast, including events such as Padres baseball games, Comic Con, parades, and music festivals. In October 2025, NCTD changed the COASTER schedule to provide more consistent service throughout the day and fill the midday gap in service to better align with traveler patterns. Through April 2026, COASTER ridership increased approximately 15% compared to the same period in 2025. Since this service change, the COASTER has seen consistent monthly increases in ridership. Across all day types, special events consistently generate ridership increase of approximately 40% to 60% above typical service levels, reflecting the growing role of leisure and discretionary travel in driving COASTER ridership.

Weekend productivity also continues to outperform weekday service, with Saturday boardings per revenue hour averaging nearly 109 in FY2026 compared to approximately 78 on weekdays. This shift is not limited to rail services. BREEZE routes also experienced improved weekend productivity during FY2026, with Saturday and Sunday boardings per revenue hour increasing approximately 9% and 8%, respectively, compared to FY2025 levels.

The economy is also impacting ridership. Rising transportation costs, gas prices and parking fees have contributed to a shift in consumer travel choices. Transit provides a cost-effective alternative to driving. Regionally, several initiatives are changing the transit landscape within San Diego County, including the introduction of innovative new services and the activation of land near transit stations to generate organic ridership and create new housing opportunities.

NCTD continued the expansion of the NCTD+ microtransit service, now providing on-demand connections within a defined zone in the cities of Vista and San Marcos. Microtransit connects riders with fixed route transit services and provides a solution for first- and last-mile trips. Microtransit is also effective in areas where providing traditional transit services is infeasible. Following the launch of the Vista zone in May 2025, ridership across the NCTD+ network continued to grow and has established a stable customer base. Average weekday ridership increased from approximately 123 passengers per day in July 2025 to nearly 170 passengers per day by April 2026, while productivity improved from 3.3 to 4.0 boardings per revenue hour. NCTD is seeking grant funding to establish a third NCTD+ zone in the communities of Fallbrook and Pala, connecting residents and visitors to the new Palomar College campus, the Pala Reservation, and the downtown area in Fallbrook. If funding is secured, this third zone is anticipated to launch in FY2028.

NCTD is also advancing several Transit-Oriented Development (TOD) projects at its rail transit centers to provide convenient access to transit and activate underutilized areas. In FY2026, the City of Oceanside approved the redevelopment of the Oceanside Transit Center, which will construct over 500 new housing units, a hotel, and new retail spaces and make necessary improvements to improve the public transit experience. These efforts contribute to a more multimodal transportation system that is welcome to all types of users.

## **Regional Transportation Plan (RTP)**

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Every four years, SANDAG, the Metropolitan Planning Organization (MPO) and Regional Transportation Planning Agency (RTPA) for San Diego County, prepares and updates a Regional Plan in collaboration with 18 cities and the County of San Diego along with regional, state, and federal partners. The Regional Plan combines three planning documents that SANDAG must complete per state and federal laws: the Regional Transportation Plan (RTP), Sustainable Communities Strategy, and Regional Comprehensive Plan.

The RTP is a federal-mandated and state-mandated planning document prepared by MPOs and RTPAs. The RTP describes existing and projected transportation needs, conditions, and financing affecting all modes of transportation over a planning period of at least 20 years. The financial plan required by the RTP outlines estimated revenues and expenses for the projects, programs, and policies that the Regional Plan proposes. The financial plan is based on reasonably expected revenues based on past experience and current information. It is not a commitment or guarantee of these revenues. It also includes strategies aimed at maximizing the benefits of the region's investment in transportation infrastructure.

### **2025 Regional Plan**

The most recent 2025 Regional Plan, which was adopted by the SANDAG Board of Directors on December 12, 2025, envisions a sustainable and resilient future for the San Diego region and economy supported by a transportation network that is convenient, equitable, healthy, and safe. To ensure convenient and reliable movement, the Regional Plan invests in a multimodal transportation system that reduces travel times and improves access to essential destinations. More residents will be able to reach parks or retail stores within 15 minutes and access medical facilities within 30 minutes, enhancing quality of life and regional connectivity. The Regional Plan promotes equitable access to opportunities by expanding transit connections to major employment centers and higher education institutions. As a result, more adults can reach these destinations within 30 to 45 minutes by transit, creating more pathways to economic and educational advancement. To support healthy communities and a cleaner environment, the Plan reduces greenhouse gas (GHG) emissions by providing options for people to shift to lower-emission travel modes. Additionally, the Regional Plan promotes safer transportation options by building more infrastructure for people who walk and bike. These improvements increase transportation-related physical activity, contributing to healthier communities.

The transportation system is categorized into several types of transportation projects:

- Active Transportation refers to walking, biking, or using a personal mobility device.
- Complete Corridors accommodate multiple modes of travel including driving, transit, walking, and biking. They include managed lanes that are supported by technology and provide reliable travel times for Rapid Bus. The goal of a Complete Corridor is to provide safe, accessible, convenient, and flexible travel options along commonly traveled routes.
- Transit includes the region's two transit operators: Metropolitan Transit System (MTS) and North County Transit - San Diego Railroad (NCTD).
- Flexible Fleets are on-demand, shared transportation services that help people reach their destinations or connect to transit. Rides are typically reserved through a mobile application.
- Transportation System Management use advanced technology and tools such as freeway ramp meters, dynamic message signs and traffic signal timing to provide real-time information on traffic conditions and coordinate operations at local traffic centers. These systems connect the transportation system and help people move around the region more easily and safely.

To assess how well the transportation network will perform under the Regional plan, SANDAG uses an advanced activity-based travel demand model. This model simulates future travel behaviors, such as mode choice and trip patterns, and helps forecast outcomes for travel time, access, and emissions. The results are evaluated using a structured set of performance measures.

Implementation of the plan is structured around two types of actions:

- Near-term actions focus on high-priority improvements and are intended to be started before the next Regional Plan update.
- Continuing actions provide sustained support for longer-term investments, planning, and program delivery.

The most immediate mechanism for near-term implementation is the Regional Transportation Improvement Program (RTIP), a federally required, five-year capital improvement program. To support delivery, the Regional Plan's implementation actions are incorporated into SANDAG's annual budget as funding becomes available, aligning resources and staff capacity with projects and programs.

### **Regional Transportation Improvement Program (RTIP)**

The Regional Transportation Improvement Program (RTIP) is a five-year investment plan that identifies projects and programs the San Diego region proposes to fund. Projects funded with federal, state, or TransNet must be included in an approved RTIP. The RTIP is fiscally constrained, meaning that sufficient revenue is committed or reasonably assumed to be available from local, state, and/or federal sources for each phase of the project that is included in the RTIP. For SANDAG projects to be incorporated in the RTIP, projects must first be included in the SANDAG Program Budget approved by the SANDAG Board of Directors.

Transportation projects and improvements are outlined by four distinct subregions, including rural areas:

1. North County
2. East County and rural areas
3. Central County
4. South County

### **North County Subregion**

The North County Subregion extends from Oceanside down the coast to Del Mar, east to Poway and Escondido, and north to the communities of Fallbrook and Pala. Major transportation routes serving the area include Interstate 15 (I-15), State Route 78 (SR-78), State Route 76 (SR-76), State Route 56 (SR-56), and Interstate 5 (I-5). The I-15 connects North County to inland communities and extends north to Riverside County's Inland Empire. The I-5 links North County's coastal communities, extending north to Orange County and south to central San Diego, while also providing access to the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Corridor, which supports the COASTER regional rail, interregional Amtrak services, and freight traffic. The SPRINTER and SR-78 provide east-west connectivity, with the SPRINTER offering transit options and SR-78 serving as a highway route. SR-56 connects Carmel Valley with Sorrento Valley, the region's largest employment center.

To provide more convenient and reliable transit options, the plan includes enhancements to the SPRINTER and COASTER, including additional double-tracking and grade separations to allow for double the frequencies on both routes during the peak and midday time periods. Several improvements are set to be addressed by 2035, while other enhancements, like a COASTER extension to Camp Pendleton, will come by 2050. A total of 16 Rapid routes are identified for North County, including Rapid 483 connecting San Marcos to Riverside County. Connections between rural communities will be

improved by establishing Rapid 277 between Sabre Springs and Ramona and upgrading existing rural routes to have more trips throughout the week.

Several Flexible Fleet services have been identified to enhance transit options and connectivity. These services include 15 Flexible Fleet services, such as microtransit in Oceanside, eastern Oceanside (covering the eastern core and El Corazon), Carlsbad Village, Encinitas, Solana Beach, and Del Mar. Additionally, services will serve employment and educational centers along Carlsbad Palomar Airport Road and Poinsettia, along with microtransit in Vista, Buena Creek, San Marcos, and Escondido. Further expansion includes microtransit in unincorporated North County (Fallbrook-Pala and Ramona). All these services are phased for completion by 2035.

### **NCTD Capital Improvement Program**

The Capital Improvement Program (CIP) is a financial plan of adopted capital projects. The CIP is designed to meet NCTD's ongoing operational and infrastructure needs in a responsive and efficient manner. NCTD Board Policy No. 29 - *Capitalization and Asset Management*, and Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contain guidelines for defining a capital asset, generally described as a unit of rolling stock, land, a facility, a unit of equipment, an element of infrastructure, and intellectual property (including software) that has an individual unit value of \$10,000 or greater, has an expected useful life of more than one year, and can be capitalized in accordance with Generally Accepted Accounting Principles. To aid in developing the CIP, NCTD Project Managers are directed to clearly identify projects that represent the ongoing operational and infrastructure needs that are in line with NCTD's business plan and proactively identify projects that can mitigate any potential service and safety issue.

Project Managers also rely on the Transit Asset Management (TAM) Plan, which identifies the assets owned, operated and/or maintained by NCTD, their condition, and how NCTD prioritizes funding to keep the transit network in a state of good repair. Key benefits of the TAM include reduced total costs of ownership by performing cost-effective activities at the right time, improved reliability of assets by predicting the condition and conducting preventative maintenance, and improved customer experience with reliable transit infrastructure.

Three Federal Transit Administration (FTA) formula programs: Section 5307 Urbanized Area Formula Program, Section 5337 State of Good Repair Program, and Section 5339(a) Bus and Bus Facilities Program, are the primary source of funding for NCTD's CIP and generally provide 80% of the cost of eligible activities. Additional state and local funding sources supplement the FTA programs.

Budget preparation takes approximately nine months. The Project Management Delivery department, in coordination with the Finance Division, is responsible for distributing instructions, materials, and the schedule for the annual CIP. Work typically begins in July/August with Project Managers submitting projects to be considered in the 5-Year CIP budget. Because projects needs always exceed available funding, NCTD has implemented the Capital Projects Steering Committee (CPSC) and a project evaluation and ranking tool to ensure that the most critical projects are funded. To meet regional deadlines, NCTD's CIP is approved by the Board in December and submitted to SANDAG to be incorporated into the Regional Transportation Improvement Program (RTIP) and, subsequently, in the State of California Transportation Improvement Plan. NCTD has the opportunity to make adjustments to the proposed CIP, which is reauthorized with the approval of the annual operating budget. All years beyond the current year are subject to change and require specific approval of the Board upon adoption of the annual operating budget.

Below are the criteria considered by the CPSC during project evaluation for advancement in the CIP:

<b>Criteria</b>	<b>Description</b>
Project Benefits	What are the benefits provided by the execution of the project?
TAM Plan Consistency	Is the project included in the Transit Asset Management Plan?
Useful Life	Has the asset reached or about to reach the end of its useful life?
Previously Funded by Contract	Is this a previously funded project and is NCTD obligated under contract?
Mandated by Regulation	Is the project required to meet legal obligations set forth by the state and/or federal government?
North Star Strategic Alignment	How does the project align with the North Star objectives?
Project, Funding and Procurement Alignment	Can the project advance within the proposed fiscal year based on funding availability, procurement requirements, and the anticipated project timeline?

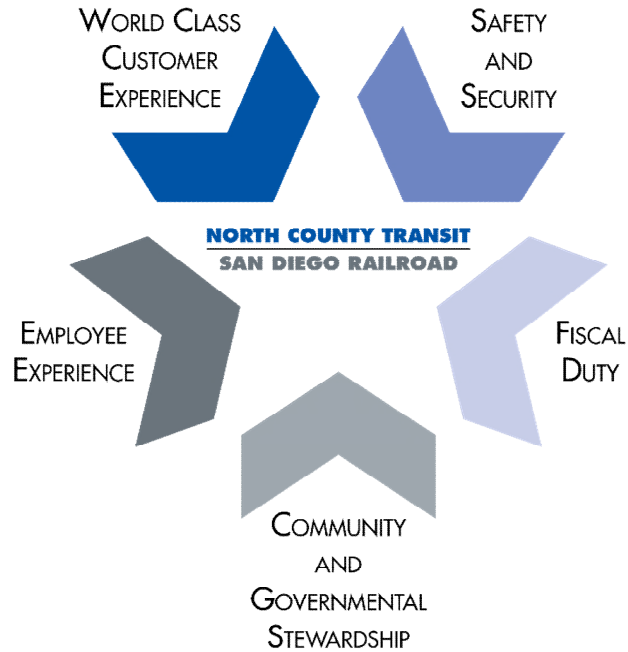
During the CIP evaluation, NCTD implements a process to identify high priority capital projects for funding through the CPSC. This process includes reviewing and ranking submitted capital projects based on the aforementioned strategic value criteria. As capital projects require significant investments, projects are evaluated individually during the CIP evaluation process leading to the NCTD Board approval. Division Chiefs rank their Division projects based on importance and priority. Once projects are prioritized through the evaluation process, the projects that will be advanced for funding will be based on financial constraints from federal, state, and local funds.

After the Board approves the CIP in December, Project Managers are required to develop the scope of work (SOW) for their respective projects by April before the start of the new fiscal year. Capital projects that do not have a preliminary SOW submitted by April undergo further evaluation by the CPSC, which depending on the project readiness, may be deferred to the next fiscal year’s CIP or be removed entirely from the CIP. This ensures that only capital projects that are ready for execution in the coming fiscal year are funded and can achieve their project milestones in a timely manner.

NCTD’s Capital Improvement Program is highly contingent on receiving discretionary grant awards. Each year, NCTD develops a Discretionary Grants Program Strategy to support its goal of increased discretionary grant awards. The award of discretionary grants is critical in achieving a state of good repair as current dedicated funding sources are insufficient to meet NCTD’s annual needs for capital investment.

## Strategic Framework

NCTD’s Strategic Framework is built upon NCTD’s “North Star”, which provides the framework on how NCTD prioritizes business initiatives and projects. NCTD’s North Star guides NCTD’s focus and commitment to the communities it serves, its customers, the environment, and its employees.



## Strategic Areas of Focus

Each year, NCTD staff, its Board of Directors, customers, and key stakeholders identify Areas of Focus for NCTD. NCTD aligns its key business activities and initiatives with these identified objectives to ensure that budget, personnel, and business activities support the strategic direction and goals of NCTD. Below are the strategic areas of focus for FY2027:

### **World-Class Customer Experience**

- Enhance Service Reliability
- Improve Customer Communications During Service Disruptions
- Improve Real-Time Information
- Maintain Service Needs for Essential Workers
- Ensure Optimization of Resources to Best Service Customers and Communities

**Safety and Security**

- Upgrade of Positive Train Control System
- Prioritize Capital Improvements to Increase Safety
- Ensure Front Line Employee Safety and Security

**Fiscal Duty**

- Manage Expenses Under Direct Management of All Operations
- Pursue Additional Operating Funding Sources
- Actively and Aggressively Find Grant Opportunities for Priority Projects
- Manage Work Conducted In-House vs. Externally
- Understand the Impacts of Alternative Fuels on Agency Expenses
- Identify Sustainable Revenue Source for Youth Opportunity Pass
- Expand Fare Enforcement Strategies

**Community and Governmental Stewardship**

- Ensure North County Communities Benefit from Project Opportunities
- Continue Forging Partnerships Creating Short and Long-Term Successful Outcomes for Communities
- Support City and County Projects Outside of the Transit Realm
- Build on Relationships with Business Communities
- Attend Community Events and Expand Involvement at City / County Planning Levels
- Continue Advocacy through Federal Surface Transportation Reauthorization Process
- Explore Opportunities to Find Efficiencies in LOSSAN Corridor Governance Structure

**Employee Experience**

- Promote Succession Planning for Future Leaders
- Provide Learning and Development Opportunities While Maintaining Compliance with Training
- Manage Organizational Structure Effectively

## Goals and Performance Metrics

### **Goals and Objectives**

NCTD develops key performance indicators to measure progress against the Strategic Areas of Focus and goals previously outlined. Each “North Star” objective and underlying goal is assigned measurable metrics to track performance. NCTD’s Business Intelligence department is in the process of developing dashboards to provide Executive Management with visibility into the performance tied to each metric. This allows NCTD to be nimble in managing processes and policies to work toward achieving the goals outlined in this budget document.

Business Intelligence works with each Division and Department within NCTD to gather data, streamline processes, and track progress toward goals. In FY2026, the Business Intelligence department gathered data from multiple departments to develop dashboard for Transit Operations Performance, replacing the monthly report given to NCTD’s Board of Directors.

The Transit Operations Performance Dashboard outlines key performance indicators tied to the “World-Class Customer Experience” objective and goals specified herein. These metrics include ridership, on-time performance, and boardings per revenue hour. NCTD’s systemwide metrics are tracked and historical trends are available to the public, NCTD’s Board, and internal stakeholders. The dashboards are publicly available and utilized by NCTD management to ensure compliance with this budget and track the progress against goals outlined herein. The dashboard can be found on NCTD’s website at [GoNCTD.com/TOPR](https://GoNCTD.com/TOPR).

Figure 1 shows a sample dashboard that provides information on systemwide metrics. Each NCTD mode of service is also assigned a separate page to provide greater granularity into some of the most critical performance metrics. The data informing these metrics is updated on the 20<sup>th</sup> day following the close of the “Current Month” to allow NCTD staff to ensure the validity of the data and perform a cleanse process. Figure 2 provides a sample overview of the COASTER dashboard.

Figure 1. Sample Systemwide Dashboard

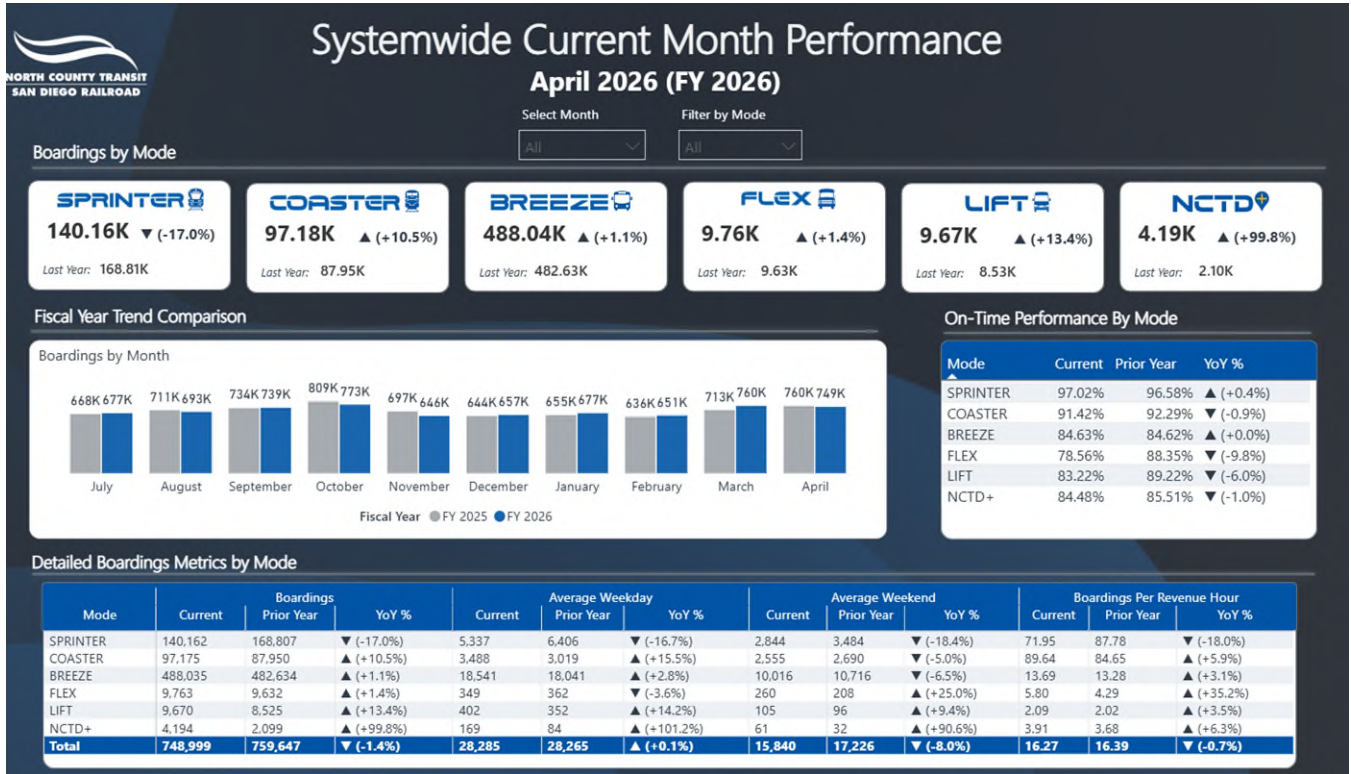
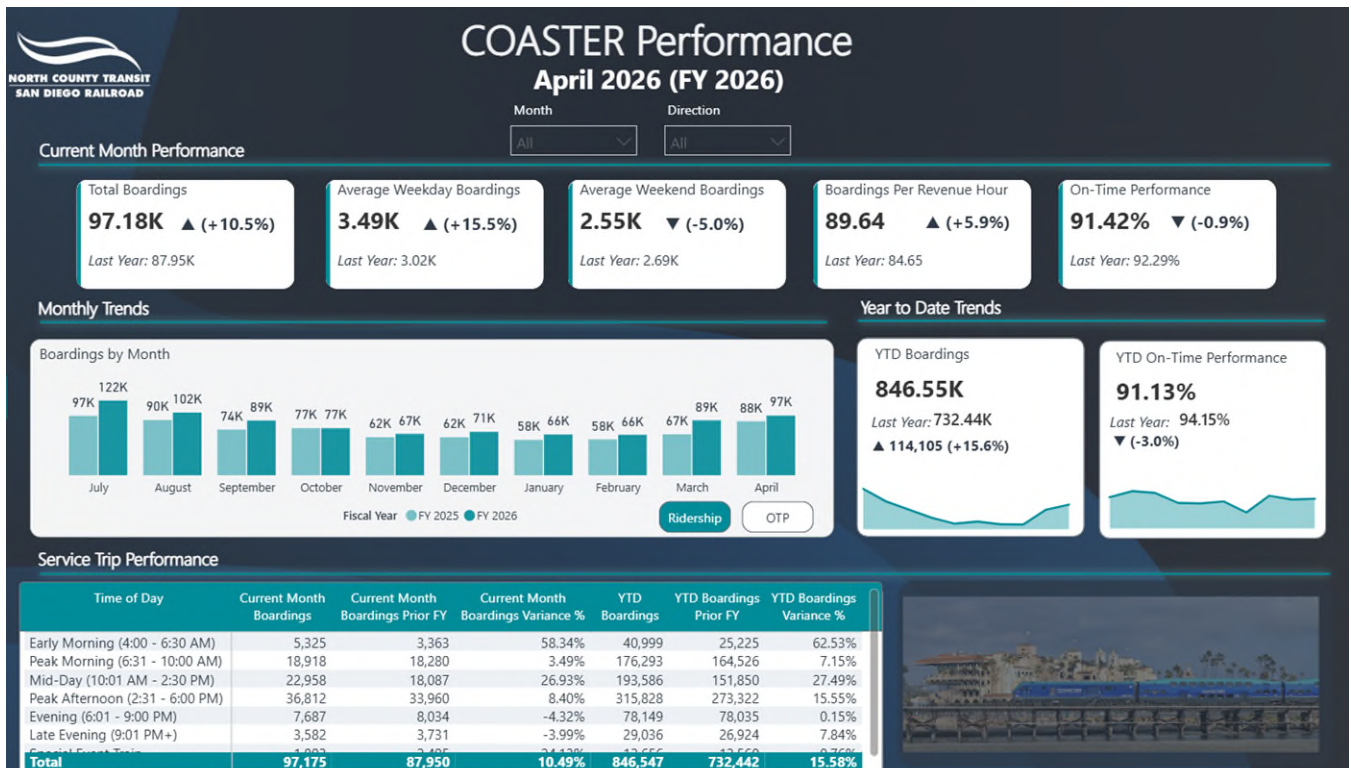


Figure 2. Sample COASTER Dashboard



**Government Finance Officers Association Distinguished Budget Award**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**North County Transit District  
California**

For the Fiscal Year Beginning

**July 01, 2025**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association (GFOA) presented a Distinguished Budget Presentation Award (Award) to the North County Transit District, California, for its annual budget for the fiscal year beginning July 1, 2025. The award represents a significant achievement for NCTD. It reflects the commitment of NCTD's governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the Award, a governmental unit has to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well a budget serves as a policy document, financial plan, operations guide, and communications device. In addition to receiving the Award, NCTD received special recognition for its Long-Range Operating Financial Plans. The Award is valid for a period of one year.

## **Budget Development Policy**

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NCTD's budget policies are governed by NCTD Board Policy No. 17 - *Budget Development*. This policy ensures that proper procedures and controls are followed in the development and implementation of the annual operating budget and capital improvement program. This policy covers the basis of accounting and financial principles, budget development guidelines and conditions, budget development procedures, budget monitoring, and budget controls.

### **Balanced Budget**

NCTD adopts an annual balanced budget in which total revenues equal or exceed total expenses to support service, operations, and capital decisions by engaging staff and Board members to identify significant budget issues, conservatively estimate anticipated revenues, constrain expenses, and integrate business capital needs to focus on maintaining an adequate level of capital investment into the Capital Improvement Program. Additionally, NCTD coordinates its long-range financial planning with the San Diego Association of Governments (SANDAG).

### **Basis of Accounting**

NCTD accounting records are maintained in accordance with generally accepted accounting principles (GAAP) as established by the Government Accounting Standards Board (GASB). NCTD uses the accrual basis of accounting for its audited financial statements. The budget for the enterprise fund is also prepared on the accrual basis except for depreciation expense, which is not budgeted. Accrual accounting records financial events based on economic rather than cash activity. Revenues are recognized when they are earned and realized, regardless of when actual payment is received. Expenses are recognized when incurred, regardless of when such expenses are paid.

### **Finance Division Role**

The Finance Division is responsible for maintaining the records in accordance with GAAP, maintaining an effective capital assets financial record system, producing regular financial reports to management and the Board, overseeing the annual external audit, and adopting an investment policy that emphasizes safety, compliance, and liquidity before yield.

### **Conservative Estimates of Revenues**

Revenues are estimated conservatively bearing in mind federal, state, and local conditions, considering new sources, and assessing fare and route changes as needed. One-time revenues generally should be used for one-time expenses or capital investments.

### **Expenses**

Expenses are planned to support effective transportation by identifying priority services, establishing service levels, delivering efficient service, and ensuring fiscal stability.

### **Capital Improvement Program**

NCTD adopts an annual Capital Improvement Program (CIP) based on needs and in accordance with the long-term capital program. NCTD CIP has received scrutiny for cost, value, and priority to NCTD, and relevant details for each item have been reviewed for conformance to CIP requirements. Projects are funded only when revenues are already committed, or where budget savings or one-time revenues can pay for such items, and for which consideration has been given to all funding sources and grants where applicable.

Capital project expense differs from operating expense as capital expenses ordinarily result in the addition of a capital asset. NCTD Board Policy No. 29 - *Capitalization and Asset Management*, and Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contain guidelines for defining a capital

asset. Once funding for a capital project is secured, the Grants department sets up each project with an expense and funding source budget.

Some projects may not be capital but instead may be “operating projects”. This usually occurs when a grant is available to fund planning projects or other studies or operating activities that do not result in the creation of a capital asset. The expense that is charged to that project will ultimately be recorded as an expense in the operating accounts and must be budgeted in the operating budget. These operating expenses are set up as projects to facilitate grant reporting requirements and/or to track costs on special projects.

### **Intergovernmental Relations**

NCTD maintains constructive relations with other government bodies that encourage shared use of facilities, joint purchases, and shared cost-of-service delivery to the end that transit services, connections, and accessibility will be improved. The NCTD Board of Directors adopted the calendar year 2026 Legislative Agenda on January 15, 2026. The priorities for calendar year 2026 include; advocating for NCTD’s priorities within Federal Surface Transportation Reauthorization legislation, preserving and expanding public transportation funding options, supporting proposals to reform state and local funding mechanisms, exploring opportunities to maintain NCTD’s enabling legislation, and advancing efforts to streamline public transportation processes.

### **Debt**

Short-term and long-term debt may be used for valid business reasons including temporary cash flow, emergency shortfalls, and urgent unfunded capital improvements, provided the Board reviews an analysis of the fiscal effect of the debt on NCTD operations and adopts the debt by resolution.

### **Fund Balance**

NCTD utilizes a single enterprise fund for operating and capital purposes; NCTD elected to have the enterprise fund as allowed under GASB Statement No. 20. Accordingly, NCTD does not have traditional fund balances as typically found at other government agencies. The enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the expenses, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered through user charges and grants. Although NCTD does budget for capital improvement projects, the related capital outlays are recorded as increases in “capital assets” and “net position - invested in capital assets” on the statement of net position of the enterprise fund.

The FY2027 Operating Budget shows a balanced budget where total revenues equal total expenses; therefore, no changes are forecast for unrestricted net assets.

### **Functional Level Budgeting**

The budget is prepared at the functional level by department to allow for accountability and control. After the initial functional budgets are prepared by department managers, budgets are reviewed by the Division Chiefs and executive staff.

### **Cash Reserve Policy**

NCTD demonstrates prudence by maintaining reserves to adequately provide for unforeseen or special events. Board Policy No. 10 - *Cash Reserve Funds*, requires NCTD to maintain a minimum working capital balance of the lower of \$15 million or 15% of the annually budgeted operating expenditures. In the event of unanticipated and unusual financial circumstances, including but not limited to spikes in the cost of fuel or other materials; urgent, high-priority needs; and unforeseen withdrawal or cutback of a revenue source, NCTD will propose an operating budget amendment per Board Policy No. 17.

## **Budget Management**

NCTD maintains budget control through the formal adoption of an operating budget and CIP. Following approval, the budget is incorporated into the accounting system, at which point the budget is compared with actual performance throughout the fiscal year. Any unexpended appropriations from the operating budget automatically lapse at the end of the fiscal year.

The budget is an evolving document that may change as economic and business conditions warrant. Changes to the budget take the form of budget transfers or Board-approved amendments. Budget transfers do not change the total appropriated amount and do not require Board action. Depending on the budget category affected by the transfer, approval may be granted as follows:

- Division Chiefs have the discretion to reappropriation funds between line items within their department or between departments in their division, except for salaries and wages, unless it is an adjustment to fund temporary staffing due to vacancies. Division Chiefs may not exceed the total appropriated amounts within their division.
- The Chief Executive Officer may transfer funds between divisions but may not exceed the total appropriated amount for NCTD.

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

## **Budget Monitoring and Controls**

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

The adopted budget becomes the main internal control document used to monitor and manage NCTD's financial transactions. Project or Department Managers must complete all the required documentation to support a request for procurement. These documents are reviewed by the department Management Analyst (MA) and, when complete, a requisition with the supporting documentation is routed through the ERP system for the required approvals. Once fully approved, the requisition is routed for processing by the Procurement and Contract Administration department. Special procurement requirements apply to purchases that use federal funds and may extend the time required for procurement.

The Finance Division produces monthly budget to actual expenditures reports that are distributed to Division Chiefs and Department Managers intended to help staff control expenditures. The Finance Division also produces quarterly financial statements for the Board, which include the statement of changes and statement of net position compared to prior periods and budget, and explanations for significant variances.

## **Budget Process**

Every year, NCTD develops its personnel, operating, and capital plans for the following fiscal year. This effort results in a Board-approved fiscal year budget. The budget outlines the expected funding sources and expenses that represent NCTD commitment to providing transit services and projects to serve the needs of our stakeholders and to maintain a state of good repair.

Budget preparation takes approximately nine months. The Finance Division is responsible for distributing budget instructions and materials to each division and department for the operating budget. The Project Management Delivery department distributes budget instructions and materials for the Capital Improvement Program (CIP). Work typically begins in July/August with project managers submitting projects to be considered in the 5-Year CIP budget. The operating budget cycle begins in January with departmental operating requirements and application of revised revenue projections and culminates by June with a public hearing and Board adoption of the budget.

The operating budget is prepared from the bottom up to arrive at a functional level and then an organization level budget. Functional budgets are prepared first by Department Managers in collaboration with the Finance Division. The Finance Division then compiles the budget at the Division and organization level. Additionally, the Finance Division is responsible for ensuring that the following critical documents for the upcoming fiscal year are submitted with the budget:

1. Classification and Compensation Schedule
2. Cost Recovery Fee Schedule
3. Service Implementation Plan

The proposed budget is typically first reviewed at the policy level by the Performance, Administration, and Finance (PAF) Committee of the Board to ensure the appropriateness of programs and expenses and to ensure that they meet NCTD goals and objectives for the upcoming budget year. The Chief Executive Officer and Chief Financial Officer will present the draft operating budget to the NCTD Board for consideration and adoption on June 18, 2026.

## **Stakeholders**

For the development of the FY2027 Operating Budget and FY2027-FY2031 CIP, responsibilities were assigned as follows:

- The Chief Financial Officer (CFO) had the overall responsibility for planning, coordinating, analyzing, preparing, and issuing the budget, drafted the overall budget document, and presented the budget to the NCTD PAF Committee and the Board of Directors.
- The Manager of Project Delivery has oversight of the Capital Improvement Program and leads the Capital Project Steering Committee (CPSC).
- The Director of Service Planning was responsible for overseeing the development of the Service Implementation Plan (SIP) for the upcoming year, which includes service levels and ridership forecasts by mode of transportation.
- Division Chiefs were responsible for preparing and submitting their Division budgets in accordance with the budget instructions.
- Department Managers were responsible for preparing their departmental budgets in accordance with the budget instructions.

- The Deputy Chief People Officer and Chief Executive Officer (CEO) reviewed staffing levels and requests for increased staffing or salary adjustments.
- The Capital Project Steering Committee (CPSC) evaluated and ranked capital projects to ensure that the most critical projects were funded.
- Management Analysts coordinated the budget development process for their respective departments and divisions.
- The Chief Executive Officer (CEO), in close consultation with the Division Chiefs and the Chief Financial Officer, made the final determination of the proposed budget to be submitted for approval to the Board of Directors.
- The public reviews the proposed budget during the public hearing period conducted fifteen (15) days prior to the budget submission to the Board of Directors for approval.
- The Board of Directors (Board) is responsible for adopting the annual operating budget and supplemental schedules, the annual CIP, and the 5-Year CIP.
- Finance staff uploads the approved budget into the NCTD Enterprise Resource Planning (ERP) system.

**Budget Calendar**

NCTD Fiscal Year begins on July 1 and ends on June 30.

Below is the detailed summary of actions taken during the development process of the Fiscal Year 2027 Operating Budget and FY2027-FY2031 Capital Improvement Program (CIP).

<b>Month(s)</b>	<b>Description of Action</b>
September 2025	The Manager of Project Delivery presented the kick-off meeting for the Capital Improvement Program (CIP) to include an overview of the CIP process, projects evaluation criteria, strategic priorities, roles and responsibilities, and timeline.
September 2025	Project Managers updated and added project information, funding requests, and project delivery schedules in NCTD's project management software for consideration in the 5-Year CIP. Project Managers reviewed previously approved capital projects to ensure that they were advancing as planned and reallocated funding from projects that had anticipated savings or were no longer advocated for various reasons.
October 2025	Division Chiefs ranked projects within their divisions based on criticality (high, medium, low). The Capital Projects Steering Committee (CPSC) evaluated, ranked, and scored projects according to established criteria and prioritized on how well the respective project meets NCTD goals and objectives. State of good repair, regulatory requirements, and safety and security were the highest priorities.
October 2025	The CFO calculated the preliminary revenue estimates to determine the funding availability for the constrained CIP. Division Chiefs narrowed the list of their Division's priority projects based on funding availability.

Month(s)	Description of Action
November 2025 - December 2025	The CPSC proposed the list of projects eligible for advancement in the constrained CIP based on established criteria and available capital funding. The CEO approved the proposed constrained CIP based on preliminary revenue estimates.
December 2025	NCTD's Board approved the proposed FY2027-FY2031 Capital Improvement Program.
January 2026	The CFO launched the kick-off for the development of the FY2027 Operating Budget with a presentation that included budget considerations, budget process, roles and responsibilities, and key dates.
January 2026	The California State Controller Officer published the FY2027 allocations for State Transit Assistance and State of Good Repair funds.
February 2026	SANDAG's Board approved the apportionments of Transportation Development Act (TDA), Federal Transit Administration (FTA), and Transnet Funds for FY2027, as well as SANDAG staff provided projections for the next four fiscal years to plan for capital projects and determine operating subsidies.
February 2026	The FY2027-FY2031 CIP was programmed in SANDAG's ProjectTrak system for inclusion in the Regional Transportation Improvement Program (RTIP).
March 2026	The Marketing, Service Planning, and Business Development (MSPBD) Committee received a presentation on the FY2027 Service Implementation Plan (SIP) key assumptions.
March 2026 - April 2026	Management Analysts collaborated with Division Chiefs and Department Managers with budget responsibilities and completed the budget worksheets based on operating needs for the upcoming fiscal year.
March 2026 - April 2026	Constrained capital projects were re-evaluated, including considerations for funding needs and project readiness to determine whether these projects continued to be eligible for ratification by NCTD's Board. The Chief Executive Officer approved the re-evaluated constrained CIP based on the current revenue estimates.
April 2026	The staffing plan, which included the freeze of 22 vacant positions, was completed and incorporated in the budget assumptions.
April 2026	The Planning Department completed the proposed FY2027 Service Implementation Plan, which includes ridership projections and operating statistics for all modes. Service level assumptions were incorporated in the projected costs for FY2027.
April 2026 - May 2026	The CEO, CFO, and Division Chiefs held multiple rounds of budget discussions to achieve a balanced FY2027 Operating Budget.

Month(s)	Description of Action
May 2026	The CFO presented the proposed FY2027 Operating Budget to the Performance, Administration, and Finance Committee and full Board along with the key assumptions used and primary drivers for revenues and expenses. Revisions to the constrained FY2027 Capital Improvement Program were also provided to the Board.
May 2026	NCTD's Board set a public hearing date for June 18, 2026, for consideration of adoption of the proposed FY2027 Operating Budget and ratification of the FY2027-FY2031 Capital Improvement Plan.
June 2026	The FY2027 Operating Budget and FY2027-FY2031 Capital Improvement Plan documents were released for public review and comment.
June 2026	The Board receives and considers public comments, closes the public hearing, adopts the Operating Budget and Capital Improvement Program, and approves the Service Implementation Plan, Employee Classification and Compensation Schedules, and Cost Recovery Fee Schedule.
June 2026	The approved budget is entered into NCTD financial system. NCTD staff submits applications as needed to funding agencies.

## **Service Implementation Plan (SIP)**

The Service Implementation Plan (SIP) outlines NCTD's plans to provide multimodal transit services over the next five (5) years. The SIP is a requirement under the Master Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) and is used to inform NCTD's annual operating budget.

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

### **SIP Key Assumptions**

NCTD uses conservative estimates to forecast ridership. The conservative projection is consistent with Board Policy No. 17 - *Budget Development*, which requires staff to conservatively estimate revenues and expenses. The conservative forecast allows NCTD to stress test and confirm that the budget for the upcoming fiscal year will be balanced under the assumed worst-case scenario.

Ridership estimates for the FY2027 SIP are based on observed mode-specific ridership trends. Both year-over-year (YOY) ridership changes and anticipated service levels for each mode factor into projections. Miles and hours projections are based primarily on scheduled daily service, while service statistics for on-demand modes, such as LIFT and NCTD+, are based on projected ridership. Absolute work windows, holidays, and special events are also considered in both service and ridership projections. Other factors, such as uncertain funding projections, changing travel patterns, station redevelopment efforts, and evolving land use and development patterns, influence the phasing of proposed service changes.

### **Strategic Priorities**

Uncertain funding projections at all levels of government, coupled with decreasing sales tax revenues, pose significant challenges in projecting future service levels. Should the current forecast continue without the introduction of a new funding source, NCTD will likely need to reduce service levels in future years. This service reduction may impact all NCTD modes. With this uncertainty in mind, the FY2027 Service Implementation Plan has been developed to support strategic investments that can be implemented over a five-year period. These strategic investments aim to increase ridership and address capital priority needs while being mindful of the constrained resource environment. Key strategic service priorities that are relevant to the five-year horizon of the Service Implementation Plan include:

- Maintain existing service levels across all modes during the FY2027-FY2031 planning horizon
- Continue monitoring system performance and evaluating opportunities for service adjustments that improve customer experience and system efficiency in a cost-effective manner
- Implement future NCTD+ zones contingent upon operational conditions and available funding
- Complete the planned Convention Center COASTER Station in FY2029 without increasing total daily COASTER trips

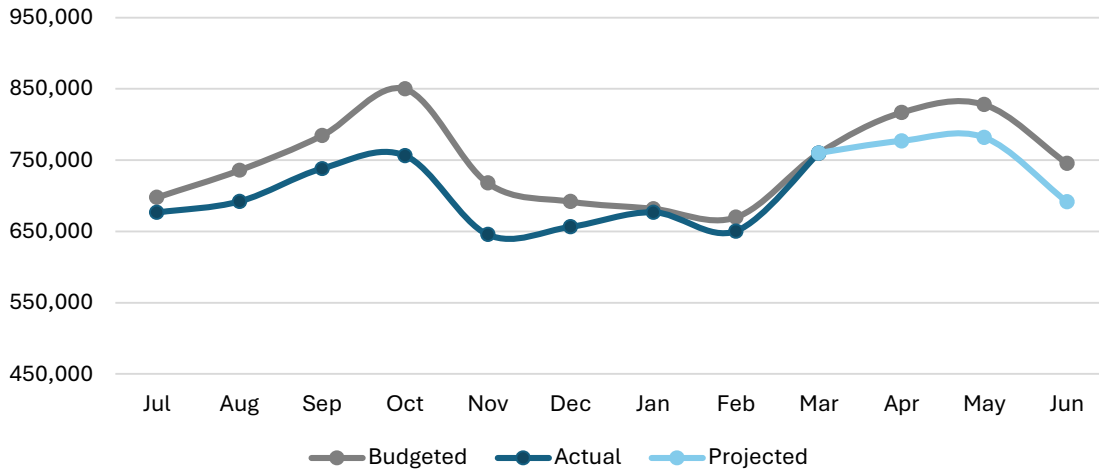
**System Summary**

Service statistics and ridership projections are reviewed each budget cycle to reflect actual performance and assess the accuracy of previous forecasts. The FY2026 Service Implementation Plan (SIP), developed in the spring of 2025, projected a 4.9% increase in systemwide ridership driven by the transition to in-house bus operations, continued benefits from the Youth Opportunity Pass program and special event service, and planned service initiatives, including the implementation of the Fallbrook-Pala NCTD+ zone.

During FY2026, NCTD implemented several service adjustments to improve system efficiency and align service levels with demand, including the discontinuation of FLEX Routes 471, 472, and 478, as well as BREEZE Route 323 due to low performance. In addition, implementation of the Fallbrook-Pala NCTD+ zone was deferred due to operational capacity constraints and fiscal considerations and remains contingent upon receipt of external funding through SANDAG’s Flexible Fleets program.

As shown in Figure 3 below, systemwide ridership throughout FY2026 has generally remained below budgeted projections, and total FY2026 ridership is currently estimated to be approximately 5.3% lower than originally budgeted for the year. While ridership continued to recover in FY2026, growth was lower than initially projected, with systemwide ridership currently estimated to increase approximately 0.1% over FY2025 levels.

*Figure 3. FY2026 Systemwide Monthly Ridership*



**Service Levels and Ridership Projections**

FY2027 service levels and ridership forecasts by mode are summarized in Table 1. Detailed information on all modes of service is provided in the next sections. For FY2027, NCTD anticipates systemwide ridership growth to stabilize, with a projected increase of approximately 1.5%.

*Table 1. FY2027 Projected Ridership and Operating Statistics*

<b>Mode/Metric</b>	<b>Ridership</b>	<b>Revenue Miles</b>	<b>Total Miles</b>	<b>Revenue Hours</b>	<b>Total Hours</b>
<b>BREEZE</b>	5,603,693	4,875,785	5,755,046	421,175	457,592
<b>LIFT</b>	115,147	871,853	939,038	49,558	54,044
<b>FLEX</b>	111,682	344,416	441,931	20,104	24,023
<b>COASTER</b>	1,080,628	407,220	424,586	12,737	13,645
<b>SPRINTER</b>	1,671,683	518,926	521,147	23,588	23,742
<b>NCTD+</b>	46,897	134,527	180,977	12,695	16,628
<b>System Total</b>	<b>8,629,730</b>	<b>7,152,727</b>	<b>8,262,725</b>	<b>539,857</b>	<b>589,674</b>

Table 2 summarizes the FY2027 projected ridership and operating statistics for all modes of service compared to the FY2026 Budget and FY2026 Projections.

*Table 2. Ridership and Operating Statistics FY2025-FY2027*

	<b>FY2025</b>	<b>FY2026</b>	<b>FY2026</b>	<b>FY2027</b>	<b>Change from</b>	<b>Change from</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Proposed</b>	<b>FY2026</b>	<b>FY2026</b>
					<b>Budget</b>	<b>Projected</b>
<b>BREEZE</b>						
Ridership	5,458,166	5,735,171	5,543,623	5,603,693	-2.3%	1.1%
Revenue Miles	5,050,027	5,062,584	5,009,050	4,875,785	-3.7%	-2.7%
Total Miles	5,866,238	5,759,795	5,812,044	5,755,046	-0.1%	-1.0%
Revenue Hours	430,969	429,066	428,537	421,175	-1.8%	-1.7%
Total Hours	465,290	465,347	460,445	457,592	-1.7%	-0.6%
<b>LIFT</b>						
Ridership	111,204	118,861	113,610	115,147	-3.1%	1.4%
Revenue Miles	938,401	1,186,922	826,398	871,853	-26.5%	5.5%
Total Miles	1,019,494	1,282,687	890,147	939,038	-26.8%	5.5%
Revenue Hours	54,739	66,037	46,971	49,558	-25.0%	5.5%
Total Hours	61,558	78,884	51,225	54,044	-31.5%	5.5%
<b>FLEX</b>						
Ridership	100,309	130,517	110,017	111,682	-14.4%	1.5%
Revenue Miles	381,383	373,196	362,496	344,416	-7.7%	-5.0%
Total Miles	473,179	466,507	454,565	441,931	-5.3%	-2.8%
Revenue Hours	26,562	26,542	24,207	20,104	-24.3%	-16.9%
Total Hours	30,750	30,772	28,359	24,023	-21.9%	-15.3%

*Table 2. Ridership and Operating Statistics FY2025-FY2027  
(continued)*

	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Projected</b>	<b>FY2027 Proposed</b>	<b>Change from FY2026 Budget</b>	<b>Change from FY2026 Projected</b>
<b>COASTER</b>						
Ridership	927,557	919,746	1,037,616	1,080,628	17.5%	4.1%
Revenue Miles	397,260	401,139	403,087	407,220	1.5%	1.0%
Total Miles	422,669	426,825	422,056	424,586	-0.5%	0.6%
Revenue Hours *	12,199	12,302	12,577	12,737	3.5%	1.3%
Total Hours	13,588	13,708	13,579	13,645	-0.5%	0.5%
<b>SPRINTER</b>						
Ridership	1,876,403	1,998,260	1,652,666	1,671,683	-16.3%	1.2%
Revenue Miles	501,642	518,850	518,835	518,926	0.0%	0.0%
Total Miles	504,792	521,083	514,299	521,147	0.0%	1.3%
Revenue Hours	22,808	23,585	23,308	23,588	0.0%	1.2%
Total Hours	22,984	23,738	23,461	23,742	0.0%	1.2%
<b>NCTD+</b>						
Ridership	22,459	77,514	46,360	46,897	-39.5%	1.2%
Revenue Miles	79,177	230,635	133,277	134,527	-41.7%	0.9%
Total Miles	121,163	312,883	178,983	180,977	-42.2%	1.1%
Revenue Hours	7,221	23,546	12,553	12,695	-46.1%	1.1%
Total Hours	11,025	31,464	16,446	16,628	-47.2%	1.1%
<b>SYSTEM</b>						
Ridership	8,496,098	8,980,069	8,503,892	8,629,730	-3.9%	1.5%
Revenue Miles	7,347,890	7,773,326	7,253,143	7,152,727	-8.0%	-1.4%
Total Miles	8,407,535	8,769,780	8,272,093	8,262,725	-5.8%	-0.1%
Revenue Hours	554,498	581,078	548,153	539,857	-7.1%	-1.5%
Total Hours	605,195	643,913	593,515	589,674	-8.4%	-0.6%

\* Includes in-service hours and adjusted layover hours

**BREEZE**

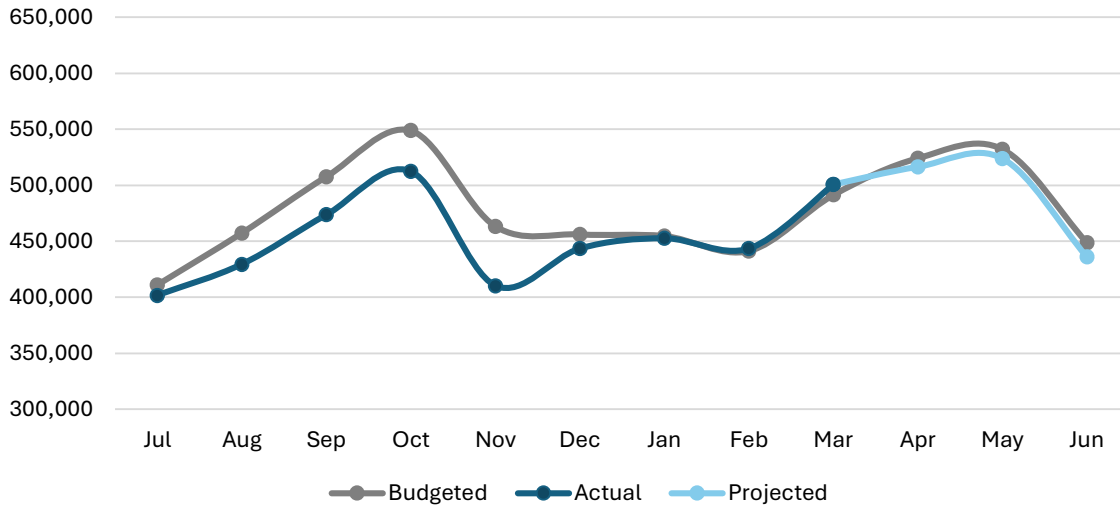
BREEZE service changes outlined in the FY2026 SIP included the planned reintroduction of BREEZE 408 special event service and continued ridership growth associated with customer-focused service improvements. The FY2026 SIP projected a 4.4% increase in ridership, from approximately 5.5 million boardings in FY2025 to 5.7 million boardings in FY2026. However, the reintroduction of BREEZE 408 was deferred due to operational and fiscal constraints. At the end of FY2025, NCTD discontinued BREEZE Routes 334 and 444 due to low performance and replaced Route 334 with NCTD+ service in Vista. During FY2026, NCTD also discontinued BREEZE Route 323 and rerouted BREEZE Routes 311, 313, and 325 to serve portions of the former Route 323 corridor and provide new connections within the region.



As shown in Figure 4, actual FY2026 ridership growth has been lower than originally anticipated, with the FY2026 ridership projected to be 3.3% below the budgeted ridership for the year.

As detailed in Table 3, BREEZE FY2027 ridership is projected to increase modestly by approximately 1.1% to 5.6 million boardings, reflecting stabilized service levels and anticipated year-over-year transit ridership growth trends. Given ongoing fiscal uncertainty, no major BREEZE service expansions are currently planned for FY2027.

*Figure 4. FY2026 BREEZE Monthly Ridership*



*Table 3. BREEZE Ridership and Operating Statistics FY2025-FY2027*

<b>BREEZE</b>	<b>FY25 Actual</b>	<b>FY26 Actual &amp; Projected</b>	<b>FY27 Proposed</b>	<b>Change from FY25 to FY27</b>	<b>Change from FY26 to FY27</b>
Total Ridership	5,458,166	5,543,623	5,603,693	2.7%	1.1%
Total Revenue Miles	5,050,027	5,009,050	4,875,785	-3.5%	-2.7%
Total Miles	5,866,238	5,812,044	5,755,046	-1.9%	-1.0%
Total Revenue Hours	430,969	428,537	421,175	-2.3%	-1.7%
Total Hours	465,290	460,445	457,592	-1.7%	-0.6%

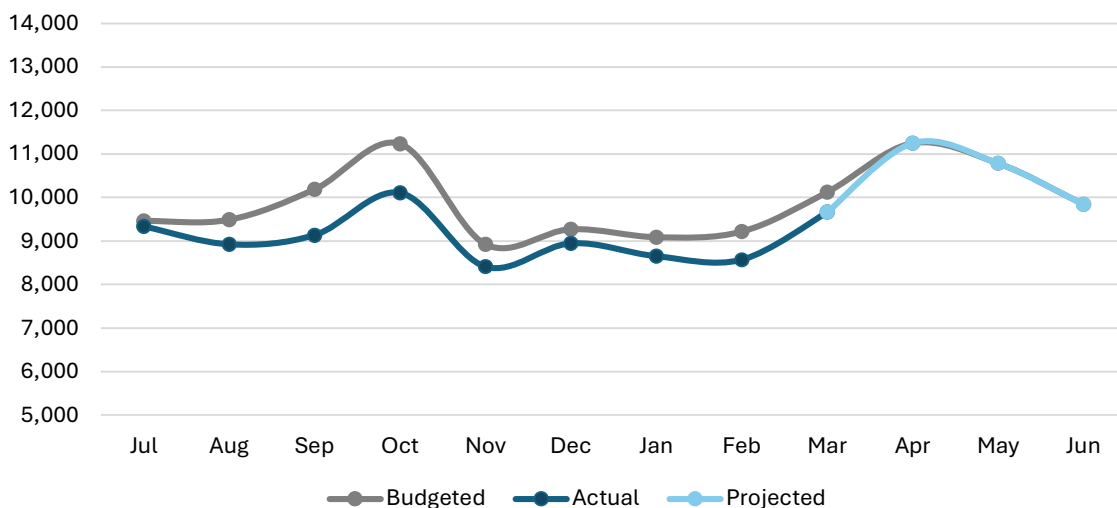
**LIFT**

The FY2026 SIP projected a 2.7% increase in LIFT ridership based on the significant ridership growth experienced between FY2024 and FY2025, during which ridership increased approximately 9.9% year-over-year. As shown in Figure 5, actual FY2026 ridership growth has been lower than originally anticipated, and monthly ridership has generally remained below budgeted goals throughout the year. FY2026 ridership is currently projected to increase approximately 2.2% over FY2025 levels, reaching an estimated 113,000 boardings.



As detailed in Table 4, LIFT ridership growth is expected to stabilize in FY2027, with boardings projected to increase approximately 1.4%, from a projected 113,000 boardings in FY2026 to 115,000 boardings in FY2027.

*Figure 5. FY2026 LIFT Monthly Ridership*



*Table 4. LIFT Ridership and Operating Statistics FY2025-FY2027*

LIFT	FY25 Actual	FY26 Actual & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
Total Ridership	111,204	113,610	115,147	3.5%	1.4%
Total Revenue Miles	938,401	826,398	871,853	-7.1%	5.5%
Total Miles	1,019,494	890,147	939,038	-7.9%	5.5%
Total Revenue Hours	54,739	46,971	49,558	-9.5%	5.5%
Total Hours	61,558	51,225	54,044	-12.2%	5.5%

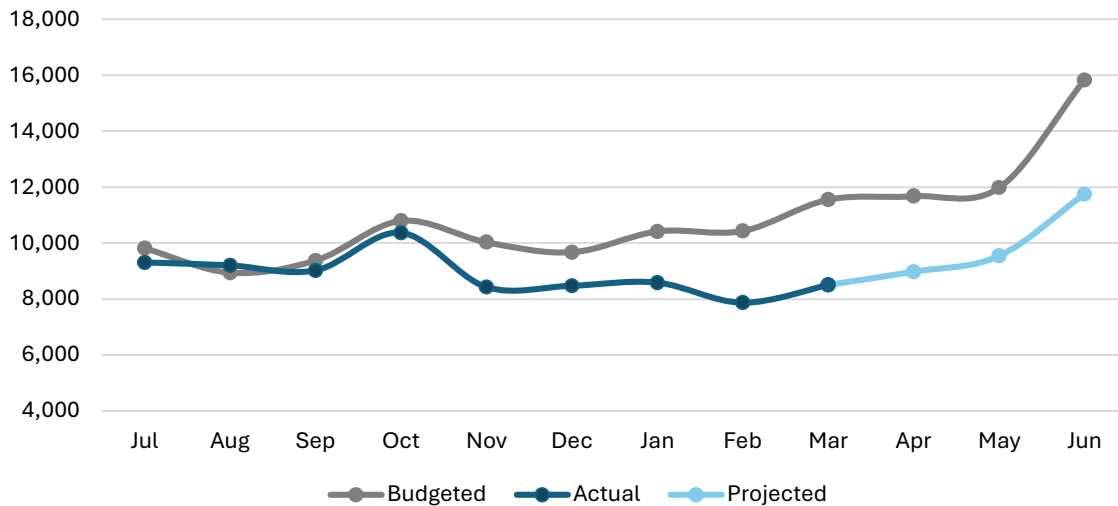
**FLEX**

The FY2026 SIP projected continued strong growth in FLEX ridership, including a projected 29.4% increase in FY2026 associated with the inclusion of COASTER and FLEX services in the University of California, San Diego (UCSD) U-Pass Program and continued demand for COASTER Connection services. As shown in Figure 6, actual FY2026 ridership growth has been lower than originally anticipated, and monthly ridership has generally remained below budgeted goals throughout the year.



FLEX ridership is currently projected to increase approximately 9.7% compared to actual FY2025 ridership. In February 2026, NCTD discontinued FLEX Routes 471, 472, and 478 due to low performance. While these service changes are expected to slow future ridership growth, overall FLEX ridership is still projected to increase. Due to ongoing fiscal uncertainty, no major FLEX service expansions are currently planned for FY2027. As detailed in Table 5, FY2027 ridership is projected to increase approximately 1.5%, from just over 110,000 boardings in FY2026 to nearly 112,000 boardings in FY2027.

*Figure 6. FY2026 FLEX Monthly Ridership*



*Table 5. FLEX Ridership and Operating Statistics FY2025-FY2027*

<b>FLEX</b>	<b>FY25 Actual</b>	<b>FY26 Actual &amp; Projected</b>	<b>FY27 Proposed</b>	<b>Change from FY25 to FY27</b>	<b>Change from FY26 to FY27</b>
Total Ridership	100,309	110,017	111,682	11.3%	1.5%
Total Revenue Miles	381,383	362,496	344,416	-9.7%	-5.0%
Total Miles	473,179	454,565	441,931	-6.6%	-2.8%
Total Revenue Hours	26,562	24,207	20,104	-24.3%	-16.9%
Total Hours	30,750	28,359	24,023	-21.9%	-15.3%

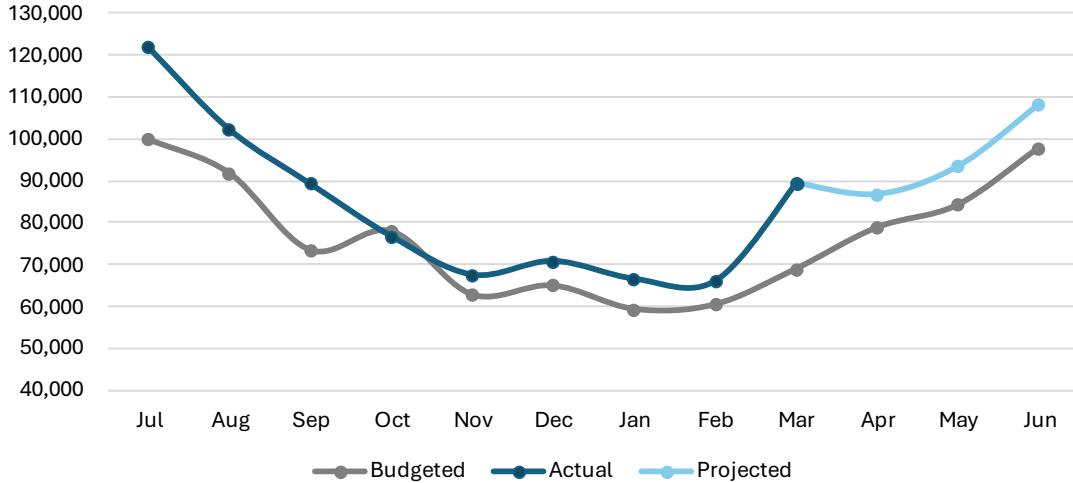
**COASTER**

Year-to-date ridership on COASTER has increased significantly compared to the previous fiscal year, exceeding the growth projected in the FY2026 SIP. The FY2026 SIP projected over 900,000 boardings in FY2026; however, current estimates indicate ridership will exceed 1 million boardings, representing an approximately 11.9% increase compared to FY2025. As shown in Figure 7, monthly COASTER ridership has generally exceeded budgeted goals throughout FY2026, with the exception of October, which may be partially attributed to an additional Absolute Work Window (AWW) day compared to the previous year. Continued demand associated with Padres games and other regional events has also contributed to increased ridership.



In October 2025, NCTD implemented a COASTER schedule adjustment that redistributed trips throughout the day to better align service with evolving travel demand patterns while maintaining the same overall number of trips operated. As detailed in Table 6, COASTER ridership is projected to continue increasing in FY2027, from a projected 1.03 million boardings in FY2026 to a projected 1.08 million boardings in FY2027, representing an estimated increase of approximately 4.1%. Due to ongoing fiscal uncertainty, no major COASTER service expansions are currently planned for FY2027.

*Figure 7. FY2026 COASTER Monthly Ridership*



*Table 6. COASTER Ridership and Operating Statistics FY2025-FY2027*

<b>COASTER</b>	<b>FY25 Actual</b>	<b>FY26 Actual &amp; Projected</b>	<b>FY27 Proposed</b>	<b>Change from FY25 to FY27</b>	<b>Change from FY26 to FY27</b>
Total Ridership	927,557	1,037,616	1,080,628	16.5%	4.1%
Total Revenue Miles	397,260	403,087	407,220	2.5%	1.0%
Total Miles	422,669	422,056	424,586	0.5%	0.6%
Total Revenue Hours	12,199	12,577	12,737	4.4%	1.3%
Total Hours	13,588	13,579	13,645	0.4%	0.5%

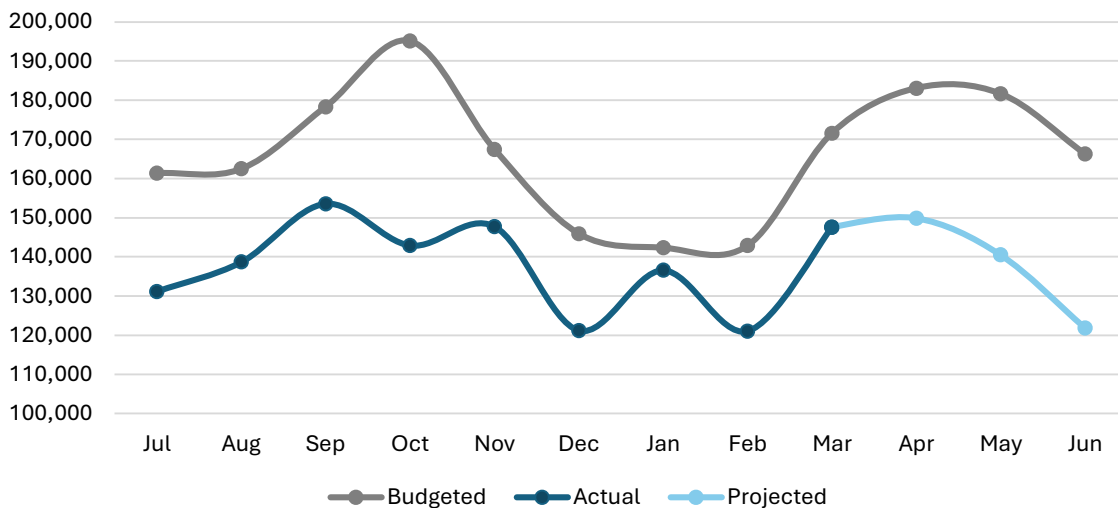
**SPRINTER**

The FY2026 SIP projected continued ridership growth on SPRINTER, with ridership anticipated to increase by approximately 4% in FY2026. However, beginning in FY2026, NCTD implemented updates to its ridership reporting methodology, resulting in a one-time reduction in reported ridership compared to both FY2025 actual ridership and the ridership projections originally budgeted for FY2026, which did not anticipate the methodology change. As a result of this change, and as evidenced in Figure 8, monthly FY2026 ridership has remained below budgeted projections. However, FY2026 ridership will serve as the new baseline for future reporting.



No major SPRINTER service changes were implemented during FY2026, and service levels are expected to remain consistent moving forward. FY2027 ridership projections are, therefore, based on the revised reporting methodology established in FY2026. As detailed in Table 7, SPRINTER ridership is projected to increase modestly by approximately 1.2% in FY2027 compared to projected FY2026 levels.

*Figure 8. FY2026 SPRINTER Monthly Ridership*



*Table 7. SPRINTER Ridership and Operating Statistics FY2025-FY2027*

SPRINTER	FY25 Actual	FY26 Actual & Projected	FY27 Proposed	Change from FY25 to FY27	Change from FY26 to FY27
Total Ridership	1,876,403	1,652,666	1,671,683	-10.9%	1.2%
Total Revenue Miles	501,642	518,835	518,926	3.4%	0.0%
Total Miles	504,792	514,299	521,147	3.2%	1.3%
Total Revenue Hours	22,808	23,308	23,588	3.4%	1.2%
Total Hours	22,984	23,461	23,742	3.3%	1.2%

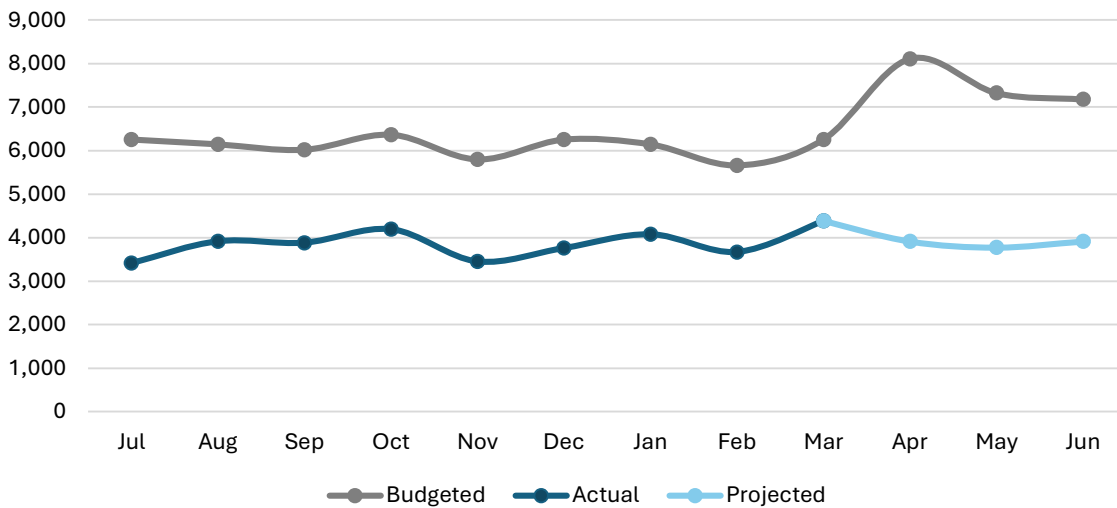
**NCTD+**

In June 2024, NCTD introduced its on-demand microtransit service, NCTD+, as a pilot in San Marcos, followed by the implementation of the Vista pilot zone in May 2025. The FY2026 SIP projected significant ridership growth for NCTD+, including the anticipated implementation of a third pilot zone in Fallbrook and Pala supported through SANDAG Flexible Fleets funding. However, due to fiscal and operational uncertainty, implementation of the Fallbrook-Pala NCTD+ zone has been deferred to FY2028 and remains contingent upon receipt of SANDAG Flexible Fleets funding.



As shown in Figure 9, FY2026 ridership has remained below budgeted projections largely because the Fallbrook-Pala zone was not implemented as originally anticipated. Ridership in the existing San Marcos and Vista zones has remained steady throughout FY2026. As illustrated in Table 8, NCTD+ ridership is projected to increase modestly by approximately 1.2% from FY2026 to FY2027, reflecting continued operation of the existing service zones without further expansion.

*Figure 9. FY2026 NCTD+ Monthly Ridership*



*Table 8. NCTD+ Ridership and Operating Statistics FY2025-FY2027*

<b>NCTD+</b>	<b>FY25 Actual</b>	<b>FY26 Actual &amp; Projected</b>	<b>FY27 Proposed</b>	<b>Change from FY25 to FY27</b>	<b>Change from FY26 to FY27</b>
Total Ridership	22,459	46,360	46,897	108.8%	1.2%
Total Revenue Miles	79,177	133,277	134,527	69.9%	0.9%
Total Miles	121,163	178,983	180,977	49.4%	1.1%
Total Revenue Hours	7,221	12,553	12,695	75.8%	1.1%
Total Hours	11,025	16,446	16,628	50.8%	1.1%

## **Financial Forecast and Significant Assumptions**

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### **Grant Revenue**

NCTD receives federal, state, and local revenue to support both capital projects and ongoing operations. SANDAG is responsible for the apportionment of these various funds, as well as forecasting revenues for the Transportation Development Act (TDA) and TransNet local sales tax programs. The State of California State Controller's Office estimates the state apportionments of the State Transit Assistance (STA) and State of Good Repair (SGR) programs by January 31 of each year pursuant to statutory requirements. The Federal Register provides the apportionments for the federal programs, which are subject to Congressional appropriations. Federal Transit Administration (FTA) formula programs generally provide 80% of the cost of eligible capital and maintenance activities. Additional state and local funding sources supplement the FTA programs and fund operations. NCTD's financial health is dependent on economic and political conditions that affect these revenue sources.

### ***Federal Transit Administration (FTA) Formula Programs***

#### **Section 5307**

The Urbanized Area Formula Funding program (49 U.S.C. 5307) (Section 5307) provides funding for transit capital and operating assistance in urbanized areas and for transportation-related planning. An urbanized area (UZA) is an area that has been defined and designated by the U.S. Department of Commerce, Census Bureau as an urban area with a population of 50,000 or more. Eligible activities include planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, station infrastructure, track, signals, communications, and computer hardware and software. In addition, associated transit improvements, workforce development activities, non-emergency medical transportation, and certain expenses associated with mobility management programs are eligible under the program.

All preventive maintenance and some Americans with Disabilities Act complementary paratransit service costs are considered capital costs for purposes of eligibility. The FTA defines preventive maintenance as all maintenance costs related to vehicles and non-vehicles. Specifically, it is all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including the current state-of-the-art for maintaining such an asset. For urbanized areas with populations of less than 200,000, operating assistance is an eligible expense. Urbanized areas of 200,000 or more may not use funds for operating assistance unless identified by FTA as eligible under 49 U.S.C. 5307(a)(2) and (3). The San Diego UZA, which includes NCTD and MTS, is not eligible to utilize Section 5307 funds for operating assistance.

FTA apportions Section 5307 funds using a statutory formula based on the latest U.S. Census data and information reported by the National Transit Database (NTD). For urbanized areas of 50,000 to 199,999 in population, the formula is based on population, low-income population, and population density. For urbanized areas with a population of 200,000 or more, the formula is based on a combination of bus vehicle revenue miles, bus passenger miles, fixed guideway vehicle revenue miles, fixed guideway directional route miles, fixed guideway passenger miles, and operating expenses, as well as population, low-income population, and population density. The FTA publishes annually the allocations for the recipients. The federal share of project costs may not exceed 80% for planning and capital expenses. SANDAG is the designated recipient for the San Diego region and then allocates the funds between NCTD and MTS. The FY2027 Section 5307 allocation is 30% for NCTD and 70% for MTS after SANDAG's deductions for the Regional Vanpool Program. For FY2027, NCTD was allocated \$28.3 million (increase of 1.2% from FY2026).

**Section 5337**

The formula component of the State of Good Repair Grants Program (49 U.S.C. 5337) (Section 5337) provides capital assistance to high-intensity fixed guideway and motorbus systems for maintenance, replacement, and rehabilitation rolling stock, track line equipment and structures, signals and communications, power equipment and substations, passenger stations and terminals, security equipment and systems, maintenance facilities and equipment, and operational support equipment, including computer hardware and software. Funds may also be used to develop and implement transit asset management plans.

Funding is apportioned based on statutory formulas. The funds allocated to the UZAs for high-intensity fixed-guideway systems are based on fixed-guideway vehicle revenue miles and directional route miles reported to the National Transit Database (NTD) and what the UZA would have received in the FY 2011 fixed-guideway modernization formula using the current definition of fixed guideway. High-intensity motorbus funds are allocated to UZAs based on high-intensity vehicle revenue miles and directional route miles reported to the NTD. The federal share for eligible capital expenses is not to exceed 80% of the net project cost.

The FY2027 Section 5337 allocation for the San Diego region is 30% for NCTD and 70% for MTS after MTS takes the allocation specific to High Intensity Motorbus. For FY2027, NCTD was allocated \$20.3 million (increase of 0.9% from FY2026).

**Section 5339(a)**

The Grants for Buses and Bus Facilities Formula Program (49 U.S.C. 5339(a)) [Section 5339(a)] provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Eligible recipients include designated recipients that operate fixed route bus service. Eligible capital projects include replacement, rehabilitation and purchases of buses, vans, and related equipment, and construction of bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

The FY2027 Section 5339 (a) allocation for the San Diego region is 30% for NCTD and 70% for MTS. For FY2027, NCTD was allocated \$1.9 million (increase of 4.3% from FY2026).

**Section 5311**

The Formula Grants for Rural Areas program (49 U.S.C. 5311) (Section 5311) provides federal funding to states for capital, planning, and operating assistance to support public transportation in rural areas with populations of less than 50,000, where many residents often rely on public transit to reach their destinations. FTA apportions Section 5311 funds using a statutory formula based on the latest U.S. Census data. The majority of rural formula funds (83.15%) are apportioned based on land area and population factors. The remaining rural formula funds (16.85%) are apportioned based on land area, vehicle revenue miles, and low-income individual factors.

The federal share of the project cost may not exceed 80% for planning and capital expenses, 50% for operating assistance, and 80% for Americans with Disabilities Act (ADA) non-fixed route paratransit service. NCTD receives FTA 5311 funding through Caltrans.

### ***Bipartisan Infrastructure Law***

The Bipartisan Infrastructure Law (BIL), as enacted in the Infrastructure Investment and Jobs Act (IIJA) and signed into law on November 15, 2021, authorized up to \$108 billion for public transportation (including \$91 billion in guaranteed funding) - the largest federal investment in public transportation in the nation's history. The legislation reauthorizes surface transportation programs for federal fiscal years FY2022-2026 and provides advanced appropriations for certain programs. Key priorities for public transportation under the legislation include:

- **Safety:** The law will enhance state safety oversight programs by strengthening rail inspection practices, protecting transit workers and riders from injuries, and ensuring safe access to transit.
- **Modernization:** The law will reduce the maintenance backlog by repairing and upgrading aging transit infrastructure and modernizing bus and rail fleets.
- **Climate:** Funding in the law will support replacement of thousands of transit vehicles, including buses and ferries, with cleaner, greener vehicles.
- **Equity:** Investments in the law will improve transit service for communities that have historically had more limited access to transit and provide for substantial upgrades to accessibility.

The IIJA is scheduled to expire on September 30, 2026, and will need to be reauthorized by Congress to continue funding beyond its expiration date. Reauthorization by Congress will be critical by NCTD in order for NCTD to be able to fund capital projects and its state of good repair program. The 5-Year Plan assumes an extension of the IIJA through FY2031 at the same level as FY2027.

### ***State Grant Revenue***

#### ***Transportation Development Act (TDA) and State Transit Assistance (STA)***

The Mills-Alquist-Deddeh Act (SB 325), or Transportation Development Act of 1971, was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. TDA provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans. The TDA provides two funding sources: (1) Local Transportation Fund (LTF), which is derived from a one-quarter of a cent of the general sales tax collected statewide and (2) State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county. The San Diego Association of Governments (SANDAG), as the Regional Transportation Planning Agency, is responsible for apportionment of TDA funds each year in conformance with state statute. Pursuant to state statute, the County of San Diego Auditor has the responsibility for providing the TDA apportionment for the upcoming fiscal year. The County Auditor develops the apportionment in consultation with SANDAG staff and with the transit operators, based on actual sales tax receipts and projections. The legislative priorities established by state law include certain categories for which TDA funds are taken "off the top." These include the allocation to SANDAG for various planning, programming, and administrative-related expenses, funding of bike and pedestrian facilities, and support of community transit services. In addition, the County Auditor receives an allocation based on estimates of its costs to administer the TDA program. The remaining apportionment, along with any prior year carryover funds, is available to be claimed by NCTD and MTS.

The TDA LTF program is the major funding source that supports the San Diego region's public transit operators. Allocation to NCTD and MTS is based on population, of which NCTD will receive 29% and MTS will receive 71% in FY2027. TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects.

Fiscal and performance audits are conducted to ensure TDA program compliance. Fiscal audits are conducted annually and include transit operator's expense-to-revenue ratio, known as farebox recovery. Performance audits are conducted every three years and include performance measures that verify the efficiency and effectiveness of planning agencies and transit operators. Both fiscal and performance audits are conducted by SANDAG.

State Transit Assistance (STA) funds are generated by a sales tax on diesel fuel. The amount of funding available for transit agencies varies from year to year based on diesel prices. The State allocates STA funds based on two components: population-based funds and revenue-based funds. The California State Controller's Office publishes the allocations for STA funds.

NCTD can use TDA and STA funds for both capital projects and transit operations.

### **Senate Bill 1 (SB1)**

Senate Bill 1, the Road Repair and Accountability Act of 2017, was signed into law on April 28, 2017. The legislation increased both gasoline and diesel taxes, while also creating new vehicle taxes and fees to fund transportation. The tax increases took effect on November 1, 2017, and new vehicle registration fees began on January 1, 2018. Fees on zero-emission vehicles took effect on July 1, 2020. SB1 funds are programmed for:

- State Transit Assistance (STA) Program: Funding to help transit agencies fund their capital infrastructure and operational costs and is distributed via current funding formulas based on agency revenue and population.
- State of Good Repair Program (SGR): Funding for transit capital projects or services to maintain or repair existing transit fleets and facilities; new vehicles or facilities that improve existing transit services; or transit services that complement local efforts to repair and improve local transportation infrastructure. This money is made available to eligible transit operators based on the STA formula.

### **State Rail Assistance (SRA)**

Senate Bill 1 also created the State Rail Assistance Program by directing a portion of new revenue specifically to intercity rail and commuter rail. Most of the program funding is directed by statutory formula to rail operators. Funds are allocated among the five California commuter rail operators based on a formula that combines a fixed guaranteed amount and a variable amount based on service levels. SRA-funded projects are focused investments by the state to improve commuter and intercity rail service across the state, reduce air pollution and ease traffic congestion.

State Rail Assistance provides California's commuter and intercity rail agencies with dependable supplemental revenue that they can use to improve rail service in various ways, including:

- Operations funding for expanded service;
- Increased customer amenities such as discounted tickets;
- Capital investments such as new and clean emissions rolling stock to increase capacity and reduce emissions; and
- Track and station investments that can reduce travel times, delays, improve accessibility, and enhance the customer experience.

### **Senate Bill 125 (SB125)**

In July 2023, the State of California passed Senate Bill 125 (SB125), which served as a trailer bill to the State's FY2023-2024 budget and guides the distribution of \$4 billion in General Fund through the Transit and Intercity Rail Capital Program (TIRCP) on a population-based formula to regional transportation planning agencies, which have the flexibility to use the money to fund transit operations or capital improvements. The transportation budget trailer bill also established the \$1.1 billion Zero-Emission Transit Capital Program (ZETCP) to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations. SB 125 included an accountability program to govern the distribution of these funds. To be eligible to receive money from these funding sources, regional transportation planning agencies must submit a regional short-term financial plan to the California State Transportation Agency (CalSTA). There is no deadline for the expenditure of funds and agencies may spend SB125 funds in any order relative to other state, federal, and local funds. The FY2027 operating budget includes SB125 funds of \$10.2 million and ZETCP funds of \$3.5 million.

### **Local Grant Revenue**

#### **TransNet - Transit Services**

TransNet is a funding source created originally by Proposition Z, the one-half cent local countywide sales tax originally enacted in November 1987 to fund a 20-year transportation program that expired at the end of 2008. In November 2004, San Diego County voters approved Proposition A, which extended TransNet an additional 40 years through 2048 (Ordinance). Proposition A mandates the formation of an Independent Taxpayer Oversight Committee (ITOC) to provide oversight for the expenditures of TransNet funds and ensure that voter mandates are carried out. In addition, the ITOC makes recommendations to improve the program's financial integrity and performance.

After deducting costs associated with administrative expenses; the operation of the TransNet Independent Taxpayer Oversight Committee (ITOC); and the Bicycle, Pedestrian, and Neighborhood Safety program; the TransNet program is divided into Major Corridor (42.4%), New Bus Rapid Transit/Rail Operations (8.1%), Local System Improvements (33%), and Transit System Improvements (16.5%). Within the Transit System Improvements, services provided pursuant to the Americans with Disabilities Act of 1990 (ADA) and subsidies for seniors have specific earmarks (2.5% and 3.25%, respectively). The remaining revenues can be used by the transit agencies for operating or miscellaneous capital purposes. Similar to TDA, the transit share between NCTD and MTS is allocated based upon the respective population of the two transit agencies' service areas.

#### **TransNet - New Major Corridor Transit Operations (NMCTO)**

After deducting the costs associated with administrative expense, the ITOC, and the bicycle/pedestrian program, the NMCTO receives 8.1% of TransNet revenues. This funding is for the operation of new or expanded services only and is not available for the operation of services in existence prior to the effective date of the Ordinance.

On October 25, 2021, COASTER service was increased to 30 weekday daily trips, 32 Friday daily trips, and 20 weekend daily trips. The expanded COASTER service receives support from TransNet NMCTO funds.

### Fare Revenue

Fare revenues include fare receipts collected from money deposited in the farebox and ticket vending machines (TVMs) or collected through sales of tickets and passes at various transit centers, ticket outlets, college agreements, employer agreements, mobile ticketing, and online. Fare revenues are based on ridership of the various modes of transportation. COASTER and BREEZE generate the largest share of fare revenue. Despite the COASTER having a lower percentage of ridership in comparison to the BREEZE or SPRINTER modes, the COASTER's higher fare generates significantly more revenue per trip than the other modes.

### Other Operating Revenue

Other operating revenues are composed of auxiliary revenues and non-transportation revenues. Auxiliary revenues include transit-system generated revenues such as shared use of the railroads, dispatching, and concession revenues. Non-transportation revenues include leases, permits, investment income, administrative fees, federal Renewable Fuel Standard Program credits, and Low Carbon Fuel Standard (LCFS) credits managed by the California Air Resources Board.

### Operating Expenses

The most significant cost drivers for NCTD are employees' wages and benefits, contracted professional services, fuel costs, and parts for bus and rail vehicles. Beginning in FY2026, NCTD assumed direct operations of bus operations and maintenance, effectively making NCTD a direct operator of all modes of transit.

Total FY2027 budgeted operating expenses are higher by 1.17% compared to the total budgeted operating expenses for FY2026, which aligns with the projected revenue growth for FY2027, but is lower than the current inflation rate for the San Diego region, which is in excess of 3%. Furthermore, NCTD is experiencing escalating fuel costs due to global geopolitical events and financial constraints caused by unfunded federal and state mandates, such as federal mandatory excess railroad liability insurance, Positive Train Control operations and maintenance, and California Innovative Clean Transit (ICT) regulations that require public transit agencies to gradually transition to a 100 percent zero-emission bus (ZEB) fleet.

Detailed descriptions of the operating expenses are explained in the following sections.

### Fiscal Year 2027 Assumptions

The significant assumptions used in the development of the FY2027 Operating Budget include:

#### **Operating Revenues**

- Formula-based federal grants are derived from the Federal Transit Administration's (FTA) published apportionment tables. FTA formula funding under Section 5307, 5337, and 5339(a) apportioned to the San Diego region for transit agencies are allocated 30% to NCTD and 70% to MTS. Funding from Section 5307, 5337, and 5339(a) can only be used for capital and maintenance expenses. FTA funding under Section 5311 for Rural Areas is funded through Caltrans.
- The Transportation Development Act (TDA) has two major funding sources, the Local Transportation Fund (LTF) and the State Transit Assistance (STA). LTF is derived from a 1/4-cent general sales tax and STA is derived from sales tax on diesel fuel. Pursuant to state statute, the County of San Diego Auditor and Controller has the responsibility for providing the LTF apportionment for the upcoming fiscal year in consultation with SANDAG staff based on actual sales tax receipts and projections. NCTD will receive 29% of San Diego County's apportionment for LTF based on population estimates. For FY2027, TDA funds have been programmed for operations and as the match for FTA-funded preventive maintenance.
- STA funds are appropriated by the legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenue, by formula, to planning agencies and other selected agencies. Statute requires that 50% of STA funds be allocated according to population (Public Utilities Code (PUC) 99313) and 50% be allocated according to transit operator revenues from the prior fiscal year (PUC 99314). STA payments may be revised upward or downward depending on the actual stream of revenues funding the program. For FY2027, all STA funds have been programmed for operations.
- The State of Good Repair (SGR) Program is a formula-based program included under Senate Bill 1: *The Road Repair and Accountability Act of 2017* (SB1). SB1 funds are deposited into the STA account and then distributed to regional transportation agencies using the STA Program formula. SGR funds can only be used for for capital and maintenance expenses. For FY2027, SGR funds have been programmed as the match for FTA-funded preventive maintenance
- TransNet revenue is forecasted by the SANDAG before the start of the new fiscal year. The most recent estimates were approved by SANDAG's Board at its February 27, 2026 meeting. The distribution to NCTD is based on population; NCTD will receive 29% of San Diego County's allocation. TransNet actual revenues will be dependent upon sales of taxable goods in San Diego County.
- The TransNet Extension Ordinance requires that 8.1% of all TransNet revenue be used to fund transit operations for ten (10) specified projects, which includes COASTER frequency enhancements.
- The FY2027 operating budget includes SB125 funds of \$10.2 million and ZETCP funds of \$3.5 million.
- The State Rail Assistance FY2027 budget was based on prior years' levels; the actual estimate for FY2027 has not yet been provided by the California State Transportation Agency (CalSTA). SRA funds are programmed for COASTER operations.
- Customer fares revenue is based on the FY2027 Service Implementation Plan (SIP) ridership forecasts and historical average fares by mode.

- SANDAG provides funding to NCTD for the Youth Opportunity Pass (YOP) program, which allows youth riders age 18 and under to ride free on NCTD services (except LIFT). For FY2027, SANDAG is providing NCTD with federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for YOP; however these funds are restricted to capital projects.
- Revenue projections for operations, use, maintenance fees, and dispatching (auxiliary revenues) from BNSF, Amtrak, and Metrolink are based on the terms specified in shared use/operating agreements.
- Projections for other operating revenues such as permits, leases, and administrative fees are based on FY2026 levels.

Table 9 summarizes the sources and uses of revenues for FY2027.

### **Operating Expenses**

- The budget for salaries, wages, and benefits assumes full staffing of 857 full-time equivalents (FTEs). FTEs were reduced compared to the FY2026 budget as result of hiring freezes of vacant positions.
- Professional services include dedicated law enforcement and on-call security, technical support and material management services for COASTER and SPRINTER, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, Positive Train Control (PTC) costs, software support and maintenance, electrical, plumbing, landscaping, train cleaning, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance.
- The fuel budget is based on the FY2027 Service Implementation Plan (SIP) and levels of service by vehicle type (bus, commuter rail, hybrid rail, vans, cutaways) and type of fuel consumed (diesel, unleaded gasoline, hydrogen, electricity). Due to ongoing geopolitical events, the fuel budget assumes the cost of a gallon of diesel at \$4.63 (excluding taxes and fees), with Brent Crude oil price averaging \$110-\$120/barrel (Brent Crude is a major benchmark price for purchases of oil worldwide). Compressed Natural Gas (CNG) costs are budgeted at \$0.3568 per therm based on recent prices trend and projections from the U.S. Energy Information Administration. Hydrogen is budgeted at \$26.80 per kilogram for the mobile trailer and \$8.82 per kilogram after the construction of the fueling station is completed in the fall of 2026.
- Purchased transportation includes \$0.9 million for contracted taxi for paratransit services.
- The FY2027 budget for excess liability insurance premiums is higher by \$1.5 million compared to FY2026 due to the increase in the mandatory minimum federal railroad liability cap and increasing rates in the insurance marketplace.
- A contingency expense of \$0.5 million has been established for unforeseen circumstances or emergencies.
- The FY2027 minimum required pension unfunded accrued liability payment of \$4.3 million and SPRINTER debt principal payment of \$1.5 million will be paid from net assets and are not included in the FY2027 Operating Budget.

Table 9. FY2027 Sources and Uses of Revenues

Revenue Source	Capital and Maintenance	Restricted Use by Grant	Operations	Total FY2027
Passenger Fares and U-Pass			\$ 12,763,545	\$ 12,763,545
Non-Transportation and Auxiliary Revenues			16,158,122	16,158,122
Federal Transit Administration (FTA) Section 5307	28,309,831			28,309,831
Federal Transit Administration (FTA) Section 5337	20,338,759			20,338,759
Federal Transit Administration (FTA) Section 5339	1,926,889			1,926,889
Federal Transit Administration (FTA) Section 5311			641,568	641,568
Federal Transit Administration (FTA) Low No	16,774,170	325,312		17,099,482
Federal Highway Administration - Congestion Mitigation and Air Quality Improvement (CMAQ) Program	1,233,240			1,233,240
Federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program	600,000			600,000
Medi-Cal			40,000	40,000
Transportation Development Act (TDA) 4.0			52,821,210	52,821,210
Transportation Development Act (TDA) 4.5			2,770,875	2,770,875
TDA 4.0 (SANDAG Reimbursement)			234,765	234,765
State Transit Assistance (STA)			10,786,883	10,786,883
STA State of Good Repair	2,113,840			2,113,840
Caltrans Planning Grant		325,000		325,000
State Rail Assistance (SRA)			4,000,000	4,000,000
Low Carbon Transit Operations Program (LCTOP)	1,995,555			1,995,555
SB 125 Transit and Intercity Rail Capital Program (TIRCP)	7,125,144		3,061,142	10,186,286
Zero-Emission Transit Capital Program (ZETCP)		3,467,415		3,467,415
California Public Utilities Commission	88,683			88,683
TransNet - Transit Services (Senior and Disabled)			506,000	506,000
TransNet - Transit Services			19,072,000	19,072,000
TransNet - New Major Corridor Transit Operations			7,632,937	7,632,937
Prior Years Capital Carryover	14,968,377			14,968,377
<b>Total Revenue</b>	<b>\$ 95,474,488</b>	<b>\$ 4,117,727</b>	<b>\$ 130,489,047</b>	<b>\$ 230,081,262</b>

**FY2027 Operating Budget**

The Proposed FY2027 Operating Budget is submitted at \$180,890,377 (including contingency funds of \$500,000), an increase of \$2,084,800 (1.17%) from the FY2026 Operating Budget and an increase of \$6,832,507 (3.93%) from the FY2026 Forecast. Table 10 shows the proposed operating revenues and expenditures for FY2027.

**Operating Summary**

*Table 10. FY2027 Operating Budget - Summary*

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

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

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

**Operating Revenues**

Table 11 summarizes the FY2027 budgeted operating revenues, Figure 10 compares the levels of operating revenues for FY2025, FY2026 and FY2027, and Figure 11 shows the FY2027 composition of operating revenues.

*Table 11. FY2027 Budget - Operating Revenues*

Operating Revenues	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
Passenger Fares	\$ 11,669,967	\$ 12,492,298	\$ 12,493,703	\$ 12,763,545	\$ 271,247	2.17%	\$ 269,842	2.16%
Non-Transportation Revenues	8,157,718	4,731,200	5,951,011	4,557,736	(173,464)	-3.67%	(1,393,275)	-23.41%
Auxiliary Revenues	11,781,017	11,199,184	11,352,783	11,600,386	401,202	3.58%	247,603	2.18%
Federal Grants	53,229,807	37,254,595	37,283,786	37,962,816	708,221	1.90%	679,030	1.82%
State Grants	18,611,475	33,654,670	26,241,500	30,968,107	(2,686,563)	-7.98%	4,726,607	18.01%
Local Grants	77,784,109	79,473,630	81,460,337	83,037,787	3,564,157	4.48%	1,577,450	1.94%
	<b>181,234,093</b>	<b>178,805,577</b>	<b>174,783,120</b>	<b>180,890,377</b>	<b>2,084,800</b>	<b>1.17%</b>	<b>\$ 6,107,257</b>	<b>3.49%</b>

Figure 10. FY2025-FY2027 - Operating Revenues

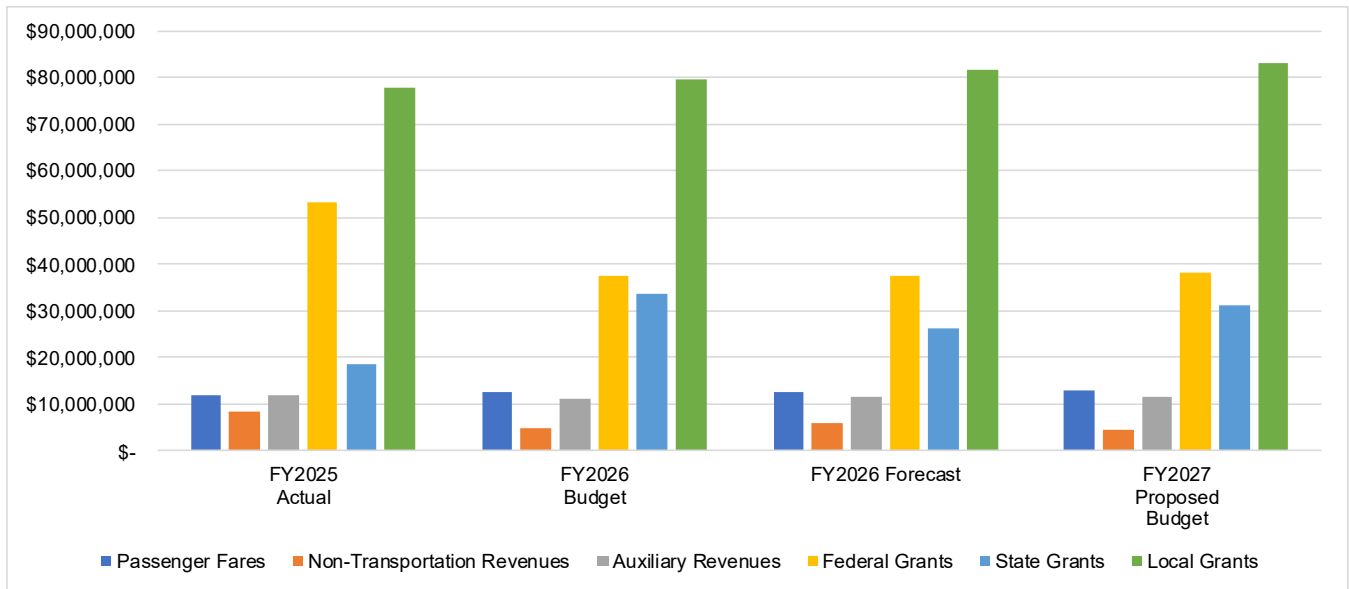
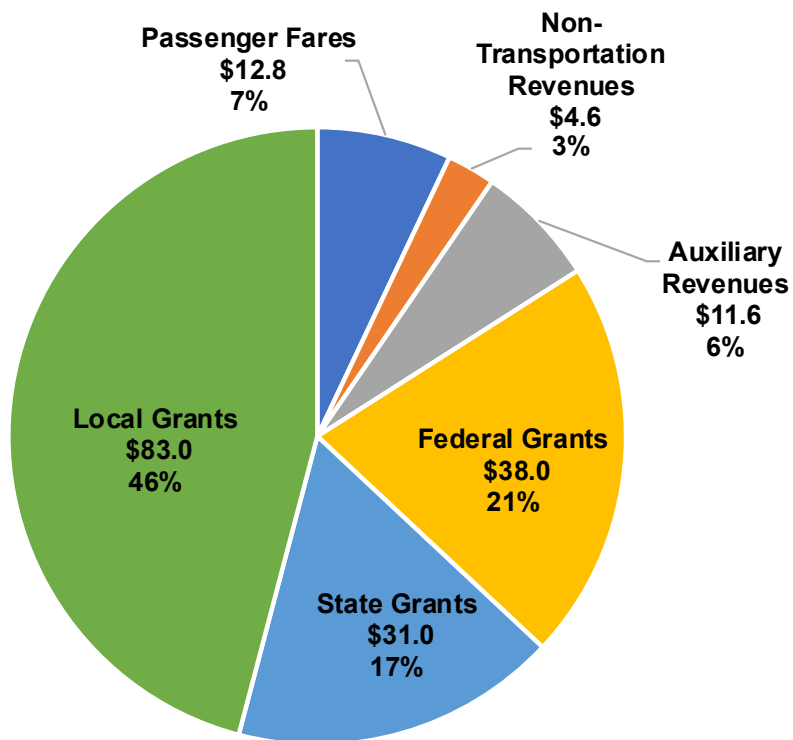


Figure 11. FY2027 Budget - Operating Revenues  
 (in millions)



**Passenger Fares**

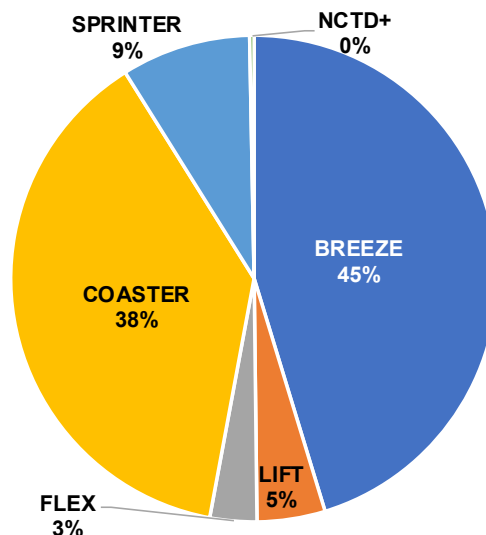
The FY2027 Budget forecasts system ridership at 8.6 million boardings (see Table 1), a decrease of 3.9% from the FY2026 Budget and an increase of 1.48% from the FY2026 Forecast. FY2027 ridership forecasts and operating statistics by mode are described in detail in the Service Implementation Plan section. Revenues generated from passenger fares vary across modes of service. BREEZE generates the highest total revenues; however, the highest average fare per passenger is generated by commuter rail (COASTER) and the lowest average fare per passenger is from hybrid rail (SPRINTER) and NCTD+. Fare revenues for FY2027 were projected by multiplying the number of projected boardings and historical average fares by mode. Average fares by mode are blended rates that incorporate discounted rates for seniors, disabled, and Medicare recipients, and free fares for youth; as well as lower average rates charged per trip as passenger reach the fare cap for the day and month. Under fare capping, passengers pay as they ride using stored value until they reach the daily and monthly maximums. Table 12 shows the projected passenger fare revenues by mode for FY2027 and Figure 12 shows the percentage composition of fare revenues by mode.

Beginning in May 2022, NCTD has partnered with SANDAG and MTS to provide free transit to anyone age 18 and under through a program named Youth Opportunity Pass (YOP). Due to the lack of operating funds from SANDAG to continue the YOP program, since July 1, 2025, SANDAG has provided capital federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds, which are programmed in the Capital Improvement Program.

*Table 12. FY2027 Budget - Passenger Fares Revenue*

Mode	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase (Decrease) from FY2026 Budget (#)	Increase (Decrease) from FY2026 Budget (%)	Increase (Decrease) from FY2026 Forecast (#)	Increase (Decrease) from FY2026 Forecast (%)
BREEZE	\$ 5,249,437	\$ 6,033,114	\$ 5,640,466	\$ 5,779,582	\$ (253,532)	-4.20%	\$ 139,116	2.47%
LIFT	754,128	594,305	748,838	575,735	(18,570)	-3.12%	(173,103)	-23.12%
FLEX	192,428	310,769	310,556	398,631	87,862	28.27%	88,075	28.36%
COASTER	4,144,971	4,240,722	4,598,812	4,874,715	633,993	14.95%	275,903	6.00%
SPRINTER	1,313,507	1,252,430	1,150,773	1,099,887	(152,543)	-12.18%	(50,886)	-4.42%
NCTD+	15,496	60,958	44,258	34,995	(25,963)	100.00%	(9,263)	100.00%
	<b>\$ 11,669,967</b>	<b>\$ 12,492,298</b>	<b>\$ 12,493,703</b>	<b>\$ 12,763,545</b>	<b>\$ 271,247</b>	<b>2.17%</b>	<b>\$ 269,842</b>	<b>2.16%</b>

*Figure 12 FY2027 Fares Revenue Percentages by Mode*



**Grant Revenues**

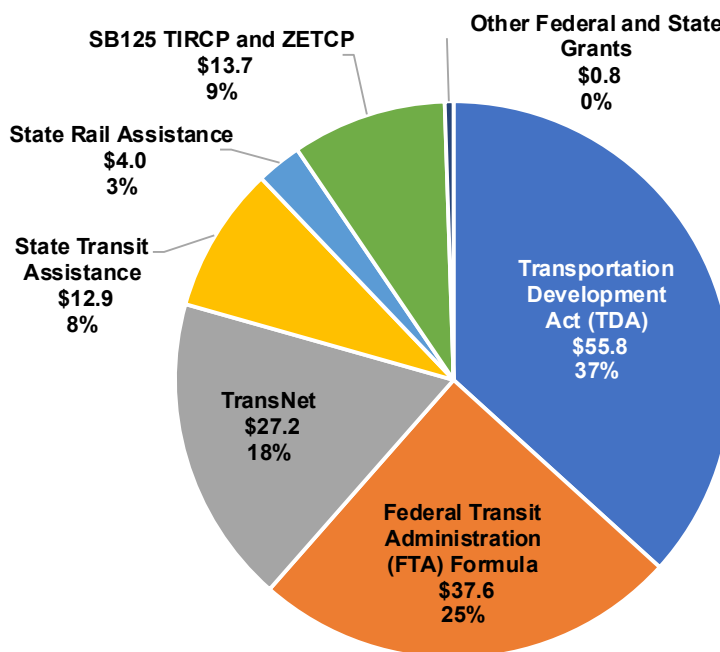
Formula-based federal grants are derived from the Federal Transit Administration’s (FTA) published apportionment tables. Federal revenues include Section 5307, Section 5337, and Section 5339(a) funds that are used for 80% of eligible preventive maintenance expenses and Section 5311 funds as subsidy for service to rural routes.

The County of San Diego Auditor and Controller have the responsibility for providing the TDA apportionment for the upcoming fiscal year in consultation with SANDAG staff based on actual sales tax receipts and projections. STA funds are appropriated by the California State Controller’s Office (SCO).

In December of each year, SANDAG revises its TransNet Revenue forecast to reflect the latest data on sales tax collections and evolving economic conditions. SANDAG’s forecast is generated using the most recent historical collections and then projecting future revenue as the product of nominal retail sales per capita growth and population growth. The nominal retail sales forecast is the consensus (arithmetic mean) of three independent nationally recognized forecasts of growth in per-capita nominal retail sales (IHS Markit, Moody’s Analytics, and Oxford Economics). The San Diego regional population growth is the SANDAG Series 15 forecast (2022-2060). SANDAG economists adjusted the annual growth rates of the TransNet revenue forecasted by the model. The lower revenue reflects adjustments to both the short-term and long-term outlooks. In the short term, the forecast reflects revenue to have normalized in FY2026 and a return to consistent but measured growth (around 2.6%). In comparison, the forecast last year had assumed a slower normalization path that eventually lands with annual growth above 3.2%. SANDAG also adjusted the long-term tail of the forecast to be more conservative, pegging it to 2.3% which is more aligned with long term growth expectations for the broader economy. Without this adjustment, TransNet revenue would have been projected to grow at an average of 3.3% per year based on the consensus forecast. The adjustments reflected a guiding principle of being conservative to minimize the risk of budget shortfalls.

Figure 13 shows the percentage composition and amounts of operating grant revenues budgeted for FY2027.

*Figure 13. FY2027 Budget - Operating Grant Revenues  
 (in millions)*



**Non-Transportation Revenues**

Non-transportation revenues include leases, permits, investment income, administrative fees, federal Renewable Fuel Standard Program credits, and Low Carbon Fuel Standard (LCFS) credits managed by the California Air Resources Board. These revenues are projected based on FY2026 levels and planned consumption of renewable natural gas.

**Auxiliary Revenues**

Auxiliary revenues include transit facility concession revenues, dispatching, and right-of-way shared-use agreements. Revenue projections for operations, use, maintenance fees, and dispatching (auxiliary revenues) from BNSF, Amtrak, and Metrolink are based on the terms specified in shared use/operating agreements.

**Operating Expenses**

Table 13 summarizes the FY2027 budgeted operating expenses by category, Table 14 summarizes the FY2027 budgeted expenses by mode of service, and Figure 14 compares the levels of operating expenses for FY2025, FY2026 and FY2027. Figure 15 shows the percentage composition and amounts of operating expenses.

*Table 13. FY2027 Budget - Operating Expenses by Category*

Operating Expenditures	FY2025 Actual *	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 34,024,199	\$ 70,118,247	\$ 67,522,992	\$ 74,915,208	\$ 4,796,961	6.84%	\$ 7,392,216	10.95%
Employee Benefits	16,003,094	22,748,554	26,854,113	21,000,506	(1,748,048)	-7.68%	(5,853,607)	-21.80%
Professional Services	39,354,982	43,190,410	39,807,650	38,206,981	(4,983,429)	-11.54%	(1,600,669)	-4.02%
Fuel, Materials, and Supplies	12,663,395	22,700,459	20,312,433	25,232,595	2,532,136	11.15%	4,920,162	24.22%
Utilities	3,330,396	3,867,188	3,667,324	4,083,591	216,403	5.60%	416,267	11.35%
Casualty and Liability	7,302,406	9,709,267	10,569,851	11,750,000	2,040,733	21.02%	1,180,149	11.17%
Fuel Taxes	1,105,672	1,270,553	1,251,589	1,433,547	162,994	12.83%	181,958	14.54%
Purchased Transportation	56,080,643	1,033,000	1,443,613	913,000	(120,000)	-11.62%	(530,613)	-36.76%
Miscellaneous Expenses	1,585,328	1,847,204	1,213,347	1,676,190	(171,014)	-9.26%	462,843	38.15%
Debt-Related Expense	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Leases and Rentals	795,367	1,146,395	883,834	656,759	(489,636)	-42.71%	(227,075)	-25.69%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>\$ 172,801,112</b>	<b>\$ 178,805,577</b>	<b>\$ 174,057,870</b>	<b>\$ 180,890,377</b>	<b>\$ 2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>

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

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

*Table 14. FY2027 Budget - Operating Expenses by Mode*

Mode	FY2025 Actual *	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (#)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (#)	Increase/ (Decrease) from FY2026 Forecast (%)
BREEZE	\$ 66,838,267	\$ 62,864,934	\$ 62,556,883	\$ 62,841,215	\$ (23,719)	-0.04%	\$ 284,332	0.45%
LIFT	14,874,828	14,025,323	13,905,394	14,574,682	549,359	3.92%	669,288	4.81%
FLEX	4,901,784	7,279,846	6,842,705	7,809,218	529,372	7.27%	966,513	14.12%
COASTER	40,046,845	44,464,340	42,843,256	44,931,670	467,330	1.05%	2,088,414	4.87%
COASTER RIGHT-OF-WAY	9,890,834	12,107,635	11,229,930	10,923,713	(1,183,922)	-9.78%	(306,217)	-2.73%
SPRINTER	35,556,715	35,832,702	33,711,079	36,796,207	963,505	2.69%	3,085,128	9.15%
SPRINTER RIGHT-OF-WAY	215,355	464,015	1,244,722	343,644	(120,371)	-25.94%	(901,078)	-72.39%
NCTD+	476,484	1,766,782	1,723,901	2,670,028	903,246	51.12%	946,127	54.88%
	<b>\$ 172,801,112</b>	<b>\$ 178,805,577</b>	<b>\$ 174,057,870</b>	<b>\$ 180,890,377</b>	<b>\$ 2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>

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

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Figure 14. FY2025-FY2027 - Operating Expenses

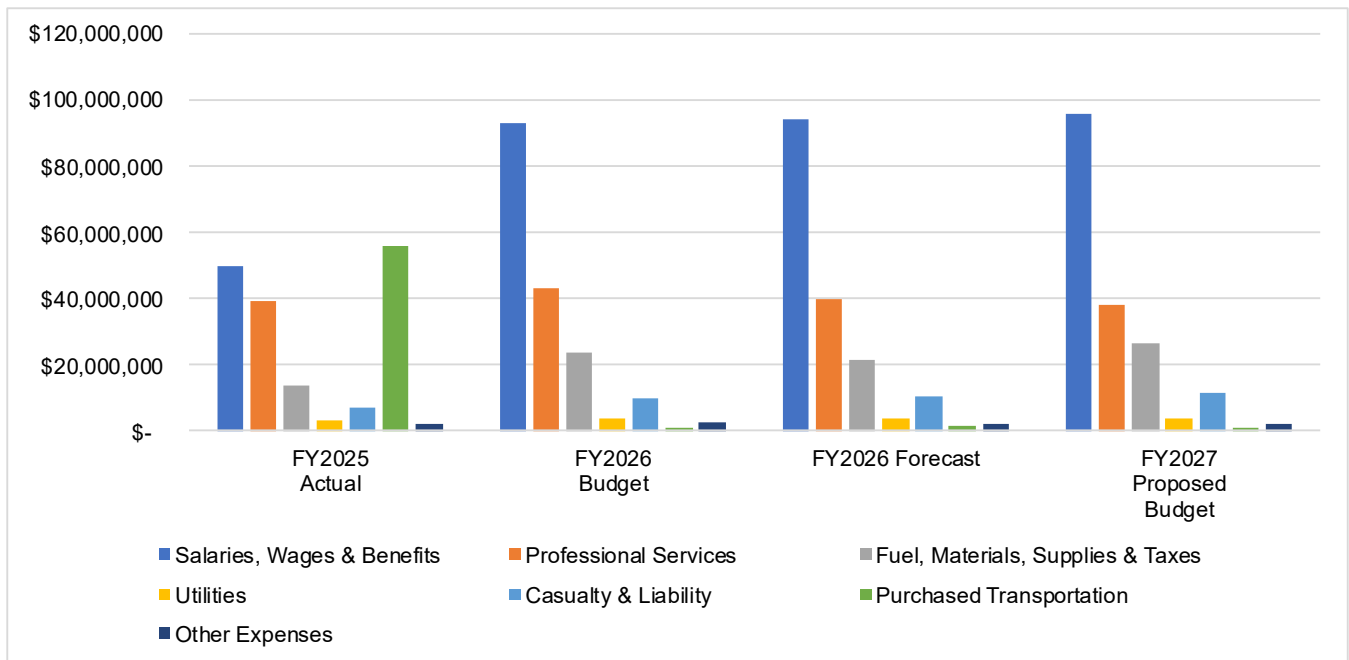
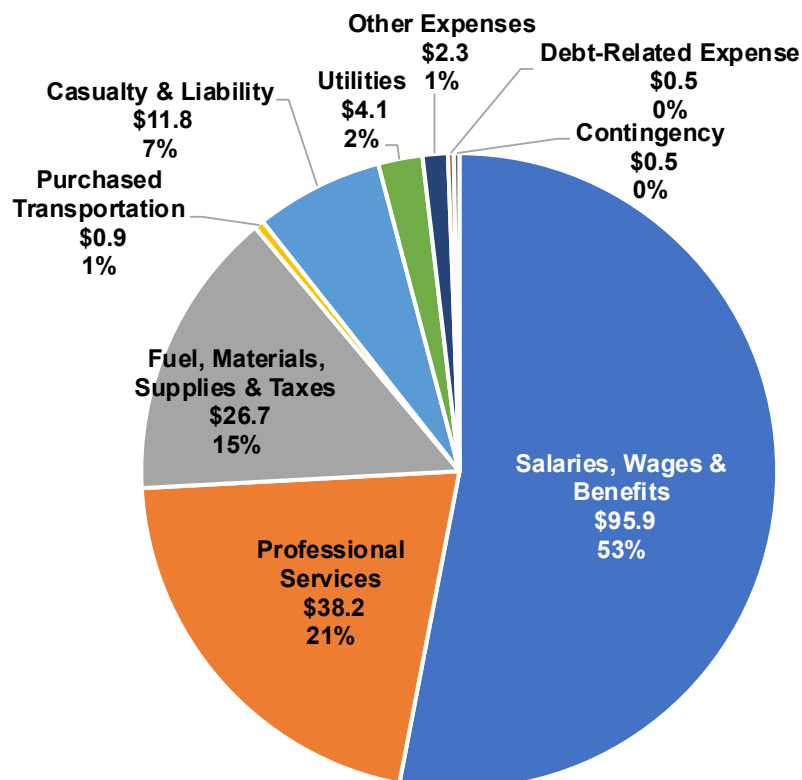


Figure 15. FY2027 Budget - Operating Expenses  
(in millions)



**Salaries, Wages, and Benefits**

Due to financial constraints caused by low formula revenue increases, renegotiations of collective bargaining agreements, and inflation exceeding 3% annually, NCTD placed a hiring freeze on 22 vacant positions at the end of 2026. FY2027 budgeted FTEs total 857 compared to 878 in the FY2026 budget. In late 2026, the number of Divisions was reduced and some departments were consolidated as part of an organizational restructuring. For comparative purposes, Table 15 below shows the budgeted FTEs by Division for the last five years with departments reclassified under the current structure. Table 16 shows the budgeted FTEs by Department for the last five fiscal year budgets.

Budgeted salaries and wages include holidays and paid time-off. When employees take the actual holidays and time-off, these are reported as fringe benefits instead of salaries and wages. Budgeted fringe benefits include the normal cost of the CalPERS pension (the unfunded accrued liability payment is not included in the FY2027 operating budget and is funded from net assets), employer-paid healthcare, 401(a) employer matching contributions, railroad retirement, railroad unemployment insurance, workers compensation, Carpenter’s pension plan, and basic life and disability insurance. Fringe benefits also include the pay-as-you-go payments for health insurance for eligible retirees that participate in the postemployment benefit health plan. The FY2027 Operating Budget also assumes capitalized labor for staff time working on capital projects of \$0.84 million. Actual expenses will vary from budgeted amounts depending on staff vacancies, timing of hires, benefits elections, and the amount of staff time spent on capital projects.

*Table 15. FY2023-FY2027 Budget - FTEs by Division*

Division *	Budget Positions				
	FY2023	FY2024	FY2025	FY2026	2027
Office of the Chief Executive Officer	36.00	36.75	33.50	31.00	27.00
Office of Chief General Counsel	114.25	121.00	128.25	122.00	118.00
Bus Operations	21.00	23.00	23.00	479.00	471.00
Development Services	130.00	130.25	140.25	138.00	141.00
Finance	19.00	20.00	19.00	19.00	18.00
General Services	52.25	51.75	76.75	89.00	82.00
<b>Total</b>	<b>372.50</b>	<b>382.75</b>	<b>420.75</b>	<b>878.00</b>	<b>857.00</b>

*\* Departments have been reclassified to conform with current assigned Divisions*

Table 16. FY2023-FY2027 Budget - FTEs by Department

Department	Budget Positions				
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>OFFICE OF THE CHIEF EXECUTIVE OFFICER</b>					
Operations Control Center	20.00	21.00	20.00	20.00	20.00
Communications and Marketing	6.75	7.50	5.50	4.00	3.00
Service Planning	6.00	5.00	5.00	5.00	3.00
Chief Executive Officer	3.25	3.25	1.00	1.00	1.00
Transit Systems Management	-	-	2.00	1.00	-
<b>OFFICE OF CHIEF GENERAL COUNSEL</b>					
SPRINTER Operators	42.00	42.00	42.00	39.00	37.00
COASTER Operators	32.00	36.00	36.00	36.00	35.00
Security Oversight	16.00	15.00	17.00	17.00	17.00
General Counsel	5.00	7.00	7.25	7.00	9.00
Rail Operations	8.25	7.00	7.00	9.00	8.00
Administration	6.00	6.00	9.00	5.00	4.00
Rail Training	-	-	-	4.00	4.00
Safety Oversight	5.00	8.00	10.00	5.00	4.00
<b>BUS OPERATIONS</b>					
Bus Operators	-	-	-	256.00	259.00
Bus Vehicles Maintenance	-	-	-	83.00	81.00
Bus Operations Administration	7.00	6.00	6.00	65.00	58.00
On-Demand Operators	-	-	-	57.00	57.00
Customer Experience	14.00	16.00	16.00	16.00	15.00
Government Relations	-	1.00	1.00	2.00	1.00
<b>DEVELOPMENT SERVICES</b>					
Maintenance-of-Way	43.00	27.00	27.00	27.00	29.00
COASTER Maintenance	-	-	-	19.00	19.00
Systems Technology	-	-	-	8.00	16.00
Maintenance of Signals	19.00	19.25	20.25	21.00	15.00
SPRINTER Maintenance	-	-	-	14.00	14.00
Rail Vehicles Maintenance	35.00	44.00	46.00	10.00	11.00
Information Technology Operations	18.00	17.00	20.00	8.00	9.00
Rail Vehicles Overhauls	-	-	-	7.00	8.00
Engineering	6.00	7.00	8.00	8.00	7.00
Project Management Delivery	-	-	4.00	3.00	5.00
Asset Management	-	5.00	4.00	3.00	3.00
Development Services Oversight	3.00	3.00	3.00	4.00	3.00
Land Use	3.00	3.00	3.00	3.00	2.00
Rail Right-of-Way Oversight	-	1.00	3.00	2.00	-
Rail Systems	3.00	4.00	2.00	1.00	-
<b>FINANCE</b>					
Financial Oversight	8.00	8.00	9.00	8.00	7.00
Payroll	-	-	-	4.00	5.00
Accounting	5.00	6.00	6.00	3.00	3.00
Grants	5.00	5.00	3.00	3.00	2.00
Fare Collection	1.00	1.00	1.00	1.00	1.00
<b>GENERAL SERVICES</b>					
Facilities Management	30.00	23.00	46.00	54.00	51.00
Procurement and Contract Administration	9.00	10.50	9.50	9.00	9.00
Materials Management	-	-	-	8.00	8.00
Human Resources	7.25	6.00	9.00	10.00	7.00
Business Intelligence	-	-	-	2.00	2.00
General Services	-	-	-	1.00	2.00
Learning and Development	4.00	7.00	8.00	4.00	2.00
Non-Revenue Vehicles and Specialty Equipment	-	3.00	2.00	1.00	1.00
Support Services	2.00	2.25	2.25	-	-
<b>TOTAL</b>	<b>372.50</b>	<b>382.75</b>	<b>420.75</b>	<b>878.00</b>	<b>857.00</b>

**Professional Services**

Professional services include dedicated law enforcement and on-call security, technical support and material management services for COASTER and SPRINTER, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, Positive Train Control (PTC) costs, software support and maintenance, electrical, plumbing, landscaping, train cleaning, environmental services, maintenance facilities improvements, planning studies, and various other services for transit operations and maintenance.

Figure 16 provides the distribution of professional services expenses by department and Table 17 shows the detail of major professional services of \$31.1 million (81% of \$38.2 million total) that are budgeted for FY2027.

*Figure 16. FY2027 Budget - Professional Services by Department*

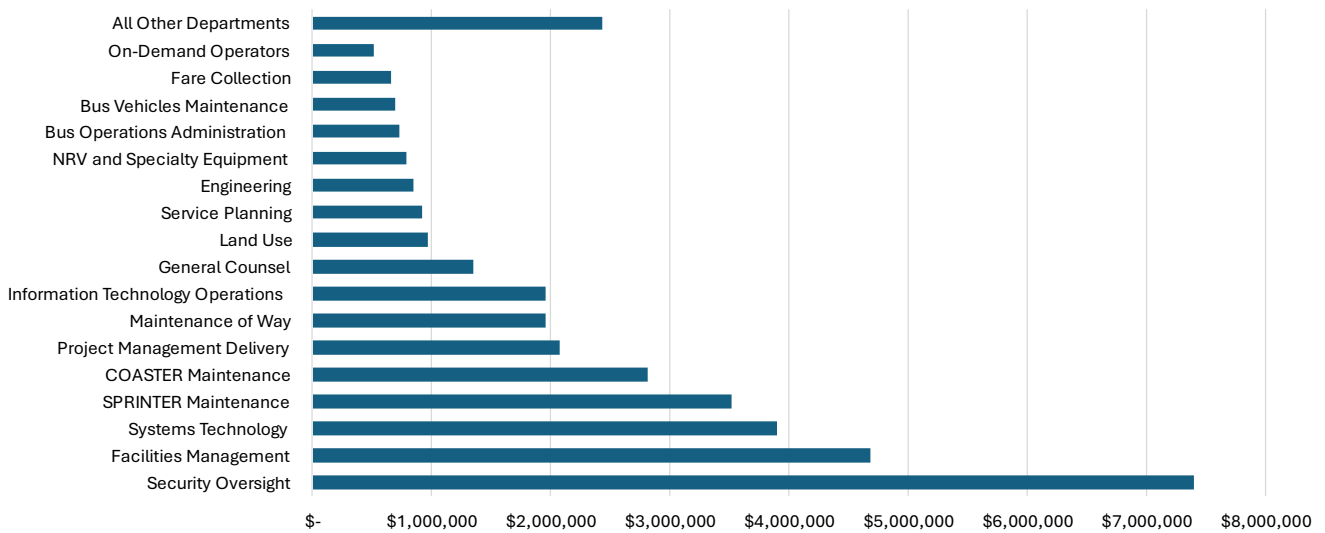


Table 17. FY2027 Budget - Major Professional Services

Major Professional Services	FY2027 Budget
San Diego Sheriffs Department	\$ 5,800,000
SPRINTER Technical Support and Materials Management	3,082,676
Software Licenses and Support	2,817,998
Wabtec Positive Train Control	2,014,767
Railroad (Grinding, Ultrasonic Testing, Track Geometry, Vegetation)	1,739,166
COASTER Technical Support and Materials Management	1,701,000
On-Call Security	1,570,000
Landscape	1,300,000
Fare Collection (INIT, Armored Services, PRONTO Regional Allocation)	908,000
Legal Services	800,000
Maintenance of Non-Revenue Vehicles and Specialty Equipment	793,807
Train Cleaning	775,000
On-Demand Services Scheduling Software	722,592
Stormwater Mitigation and Environmental Compliance	700,000
BREEZE Operations and Maintenance Facilities Improvements	662,120
Fueling Stations Maintenance	655,501
Electrical	511,252
Bridge Inspections and Repairs	423,812
RTMS Radio Equipment Maintenance	394,528
Bus Stops Maintenance	381,974
Rail Docs	350,000
Plumbing	350,000
Palomar College Apprenticeship Program	325,312
Caltrans Planning Studies	325,000
COASTER Bi-Level Vendor Managed Inventory	324,000
COASTER Operations and Maintenance Facilities Improvements	303,687
ADA Certification	258,000
Rail Vehicles HVAC Maintenance	250,000
Fire Systems Maintenance	242,847
Hazardous Waste	234,730
Right-of-Way Embankment Monitoring and Mitigation	200,000
Culverts Condition Assessments	200,000
	<b>\$ 31,117,769</b>

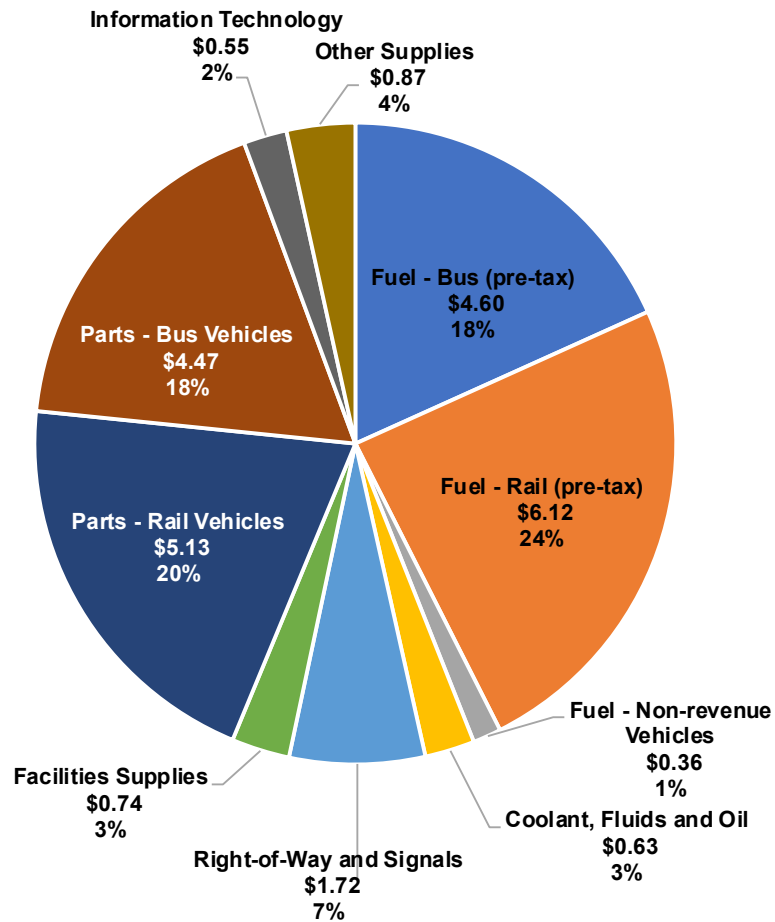
**Fuel, Materials and Supplies**

Fuel, materials, and supplies include fuel costs for revenue and non-revenue vehicles and equipment (diesel, unleaded gasoline, compressed natural gas, hydrogen, electricity), oil and fluids, tires, bus and rail vehicle parts, signals parts, right-of-way materials, tools, facilities supplies, personal protective equipment, and various miscellaneous and office supplies.

The fuel budget is based on the FY2027 Service Implementation Plan (SIP) and levels of service by vehicle type (bus, commuter rail, hybrid rail, vans, cutaways) and type of fuel consumed (diesel, unleaded gasoline, hydrogen, electricity). Due to ongoing geopolitical events, the fuel budget assumes the cost of a gallon of diesel at \$4.63 (excluding taxes and fees), with Brent Crude oil price averaging \$110-\$120/barrel (Brent Crude is a major benchmark price for purchases of oil worldwide). Compressed Natural Gas (CNG) costs are budgeted at \$0.3568 per therm based on recent prices trend and projections from the U.S. Energy Information Administration. Hydrogen is budgeted at \$26.80 per kilogram for the mobile trailer and \$8.82 per kilogram after the construction of the fueling station is completed in the fall of 2026.

Figure 17 illustrates the major categories for fuel, materials and supplies expenditures.

*Figure 17. FY2027 Budget - Fuel, Materials, and Supplies  
(in millions)*



**Utilities**

These expenditures are for electricity, gas, water, and trash collection services located at the various NCTD facilities, transit centers throughout its service area, and right-of-way.

**Casualty and Liability**

This expenditure category represents costs incurred to purchase various business, liability, property, and right-of-way insurance to mitigate risk beyond NCTD self-insured coverage. The FY2027 budget for excess liability insurance premiums is higher by \$1.5 million compared to FY2026 due to the increase in the mandatory minimum federal railroad liability cap and increasing rates in the insurance marketplace.

**Taxes**

The taxes in this expenditure class are related to fuel purchases in the Material and Supplies category above.

**Miscellaneous Expenses**

This category of expense includes items such as advertising, permits, dues, memberships, travel, and training.

**Debt-Related Expense**

This category represents the interest payments on the Certificates of Participation.

**Contingency**

A contingency expense of \$0.5 million has been established for unforeseen circumstances or emergencies.

**FY2027 Budget Expenses by Department**

**Summary of Expenses by Department**

*Table 18. FY2027 Budget - Operating Expenses by Department*

	FY2025 Actual	FY2026 ** Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
<b>Operating Expenditures *</b>								
Board of Directors	\$ 41,796	\$ 66,000	\$ 43,506	\$ 59,000	\$ (7,000)	-10.61%	\$ 15,494	35.61%
Office of the Chief Executive Officer								
Operations Control Center	2,904,186	2,713,964	2,736,524	2,823,272	109,308	4.03%	86,748	3.17%
Service Planning	1,547,199	2,239,331	2,302,735	1,368,163	(871,168)	-38.90%	(934,572)	-40.59%
Communications and Marketing	1,642,166	1,740,317	1,288,701	1,193,726	(546,591)	-31.41%	(94,975)	-7.37%
Chief Executive Officer	536,342	559,459	630,717	576,277	16,818	3.01%	(54,440)	-8.63%
Transit Systems Management	519,317	637,188	35,548	-	(637,188)	-100.00%	(35,548)	-100.00%
Office of Chief General Counsel								
General Counsel	10,732,669	12,813,308	13,945,500	15,239,291	2,425,983	18.93%	1,293,791	9.28%
Security Oversight	8,020,720	7,933,902	8,516,148	8,833,581	899,679	11.34%	317,433	3.73%
COASTER Operators	4,205,979	4,461,302	4,491,786	4,367,612	(93,690)	-2.10%	(124,174)	-2.76%
SPRINTER Operators	3,129,109	2,965,391	3,053,261	2,885,873	(79,518)	-2.68%	(167,388)	-5.48%
Safety Oversight	1,941,993	1,455,264	1,555,086	1,559,415	104,151	7.16%	4,329	0.28%
Rail Operations	6,036,336	2,008,372	1,823,773	1,498,121	(510,251)	-25.41%	(325,652)	-17.86%
Rail Training	66,059	868,285	747,826	774,234	(94,051)	-10.83%	26,408	3.53%
Administration	613,226	694,507	661,996	728,884	34,377	4.95%	66,888	10.10%
Operations Support Services	207,307	-	-	-	-	100.00%	-	100.00%
Bus Operations								
Bus Operators	229,003	20,612,747	23,634,674	23,161,921	2,549,174	12.37%	(472,753)	-2.00%
Bus Vehicles Maintenance	276,300	15,911,160	15,787,805	15,395,578	(515,582)	-3.24%	(392,227)	-2.48%
Bus Operations Administration	62,289,523	7,753,736	6,095,817	7,501,706	(252,030)	-3.25%	1,405,889	23.06%
On-Demand Operators	34,305	7,131,977	7,937,481	7,322,768	190,791	2.68%	(614,713)	-7.74%
Customer Experience	1,342,815	1,499,029	1,377,366	1,217,734	(281,295)	-18.77%	(159,632)	-11.59%
Government Relations	851,344	831,344	769,204	578,924	(252,420)	-30.36%	(190,280)	-24.74%
Development Services								
COASTER Maintenance	148,223	9,829,827	9,675,287	11,846,472	2,016,645	20.52%	2,171,185	22.44%
SPRINTER Maintenance	135,817	7,103,491	6,102,059	8,673,105	1,569,614	22.10%	2,571,046	42.13%
Maintenance-of-Way	6,170,637	6,518,570	5,772,258	7,390,244	871,674	13.37%	1,617,986	28.03%
Systems Technology	105,268	1,229,850	4,878,597	6,384,679	5,154,829	419.14%	1,506,082	30.87%
Information Technology Operations	6,979,828	4,485,034	3,558,601	4,441,294	(43,740)	-0.98%	882,693	24.80%
Asset Management	408,521	372,590	376,508	3,541,205	3,168,615	850.43%	3,164,697	840.54%
Maintenance of Signals	6,784,111	6,411,313	4,017,901	3,463,923	(2,947,390)	-45.97%	(553,978)	-13.79%
Project Management Delivery	560,921	571,977	590,603	2,941,517	2,369,540	414.27%	2,350,914	398.05%
Rail Vehicles Overhauls	44,769	4,473,902	3,148,885	2,890,757	(1,583,145)	-35.39%	(258,128)	-8.20%
Rail Vehicles Maintenance	12,486,928	1,749,488	1,785,372	1,979,658	230,170	13.16%	194,286	10.88%
Engineering	2,772,396	4,259,024	3,772,987	1,809,013	(2,450,011)	-57.53%	(1,963,974)	-52.05%
Land Use	1,056,796	1,144,441	1,056,657	1,716,899	572,458	50.02%	660,242	62.48%
Development Services Oversight	3,475,592	2,540,267	3,335,355	816,149	(1,724,118)	-67.87%	(2,519,206)	-75.53%
Rail Technologies	970,617	860,304	538,367	-	(860,304)	-100.00%	(538,367)	-100.00%
Rail Right-of-Way Oversight	511,581	577,551	134,723	-	(577,551)	-100.00%	(134,723)	-100.00%
Finance								
Financial Oversight	1,170,967	1,418,171	1,342,001	1,336,128	(82,043)	-5.79%	(5,873)	-0.44%
Fare Collection	594,678	774,468	711,985	780,341	5,873	0.76%	68,356	9.60%
Payroll	39,539	503,448	628,207	746,898	243,450	48.36%	118,691	18.89%
Debt	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Accounting	646,098	347,424	342,582	355,714	8,290	2.39%	13,132	3.83%
Grants	279,560	399,866	297,544	290,545	(109,321)	-27.34%	(6,999)	-2.35%
General Services								
Facilities Management	13,150,711	13,579,854	12,583,102	9,854,748	(3,725,106)	-27.43%	(2,728,354)	-21.68%
Materials Management	236,583	6,137,638	5,478,897	5,539,898	(597,740)	-9.74%	61,001	1.11%
Human Resources	2,171,082	2,626,282	1,835,670	1,657,435	(968,847)	-36.89%	(178,235)	-9.71%
NRV and Specialty Equipment	1,071,659	1,249,013	1,170,174	1,360,033	111,020	8.89%	189,859	16.22%
Procurement and Contract Administration	1,539,695	1,361,822	1,318,163	1,358,700	(3,122)	-0.23%	40,537	3.08%
Learning and Development	1,502,523	1,330,608	969,572	726,342	(604,266)	-45.41%	(243,230)	-25.09%
General Services	34,903	316,458	328,676	548,632	232,174	73.37%	219,956	66.92%
Business Intelligence	27,785	300,901	317,455	331,968	31,067	10.32%	14,513	4.57%
Non-Revenue Operations Support	-	261,112	23,104	-	(261,112)	-100.00%	(23,104)	-100.00%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>\$ 172,801,112</b>	<b>\$ 178,805,577</b>	<b>\$ 174,057,870</b>	<b>\$ 180,890,377</b>	<b>\$ 2,084,800</b>	<b>1.17%</b>	<b>\$ 6,832,507</b>	<b>3.93%</b>

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

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

**Board of Directors**

The Board of Directors consists of ten members, including one member from each of the city councils of Carlsbad, Del Mar, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista, one member from the San Diego County Board of Supervisors Fifth District, and one ex officio member from the City of San Diego. The FY2027 budget primarily includes funding to support attendance of meetings and travel.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	27,291	43,000	26,949	39,000	(4,000)	-9.30%	12,051	44.72%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	14,505	23,000	16,557	20,000	(3,000)	-13.04%	3,443	20.79%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 41,796</b>	<b>\$ 66,000</b>	<b>\$ 43,506</b>	<b>\$ 59,000</b>	<b>\$ (7,000)</b>	<b>-10.61%</b>	<b>\$ 15,494</b>	<b>35.61%</b>

**Office of the Chief Executive Officer (CEO)**

The Chief Executive Officer leads the Office of the CEO and provides leadership and strategic direction based on recommendations from the Board of Directors and collaborates with other agencies to achieve NCTD goals and objectives. The following departments report to the Office of the Chief Executive Officer: Operations Control Center, Service Planning, and Communications and Marketing. The Transit Systems Management department was discontinued in early FY2026.

**Operations Control Center**

The Operations Control Center (OCC) coordinates communications from bus, rail, paratransit operations, public safety personnel, customers, and other sources to support safe, efficient, and reliable operations. The OCC also supports service management for transit operations which includes the dispatch of passenger and freight services.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 1,813,981	\$ 1,980,240	\$ 1,836,786	\$ 2,051,434	\$ 71,194	3.60%	\$ 214,648	11.69%
Employee Benefits	1,058,003	705,724	882,071	742,188	36,464	5.17%	(139,883)	-15.86%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	11,663	4,000	1,349	10,050	6,050	151.25%	8,701	645.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	20,539	24,000	16,318	19,600	(4,400)	-18.33%	3,282	20.11%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 2,904,186</b>	<b>\$ 2,713,964</b>	<b>\$ 2,736,524</b>	<b>\$ 2,823,272</b>	<b>\$ 109,308</b>	<b>4.03%</b>	<b>\$ 86,748</b>	<b>3.17%</b>

**Service Planning**

The Service Planning department is responsible for directing and coordinating multimodal transit service operations planning (bus, paratransit, hybrid rail, and commuter rail services), data and performance management, and implementation activities of NCTD. This department develops the Short-Range Transit Plan, Service Implementation Plan, Title VI, and ADA Plan.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 331,058	\$ 520,797	394,969	\$ 337,331	\$ (183,466)	-35.23%	\$ (57,638)	-14.59%
Employee Benefits	147,758	134,249	145,652	84,832	(49,417)	-36.81%	(60,820)	-41.76%
Professional Services	1,076,211	1,541,286	1,743,583	922,000	(619,286)	-40.18%	(821,583)	-47.12%
Fuel, Materials, and Supplies	170	2,000	506	-	(2,000)	-100.00%	(506)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	(31,494)	25,000	12,692	13,000	(12,000)	-48.00%	308	2.43%
Miscellaneous Expenses	23,496	15,999	5,333	11,000	(4,999)	-31.25%	5,667	106.26%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,547,199</b>	<b>\$ 2,239,331</b>	<b>\$ 2,302,735</b>	<b>\$ 1,368,163</b>	<b>\$ (871,168)</b>	<b>-38.90%</b>	<b>\$ (934,572)</b>	<b>-40.59%</b>

**Communications and Marketing**

The Communications and Marketing department directs and manages all marketing and communications activities, consisting of marketing, public information, and creative design. This department develops and implements marketing, public relations, and customer communications programs that enhance the customer experience.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 354,248	\$ 363,851	\$ 311,658	\$ 316,107	\$ (47,744)	-13.12%	\$ 4,449	1.43%
Employee Benefits	137,016	74,866	107,905	77,019	2,153	2.88%	(30,886)	-28.62%
Professional Services	401,728	658,000	402,320	415,000	(243,000)	-36.93%	12,680	3.15%
Fuel, Materials, and Supplies	184,486	305,000	204,356	110,000	(195,000)	-63.93%	(94,356)	-46.17%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	564,688	338,600	262,462	275,600	(63,000)	-18.61%	13,138	5.01%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,642,166</b>	<b>\$ 1,740,317</b>	<b>\$ 1,288,701</b>	<b>\$ 1,193,726</b>	<b>\$ (546,591)</b>	<b>-31.41%</b>	<b>\$ (94,975)</b>	<b>-7.37%</b>

**Chief Executive Officer**

The Chief Executive Officer (CEO) plans, organizes, directs, and administers all functions of NCTD and develops recommendations for action for the Board of Directors and executes decisions of the Board. The Chief Executive Officer reports to the Board and is responsible for the supervision and management of all personnel staff and functions except for the functions managed by the Deputy CEO/General Counsel.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 367,520	\$ 390,961	\$ 396,618	405,640	\$ 14,679	3.75%	\$ 9,022	2.27%
Employee Benefits	91,067	68,498	134,766	70,637	2,139	3.12%	(64,129)	-47.59%
Professional Services	-	-	25,205	-	-	0.00%	(25,205)	-100.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	77,755	100,000	74,128	100,000	-	0.00%	25,872	34.90%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 536,342</b>	<b>\$ 559,459</b>	<b>\$ 630,717</b>	<b>\$ 576,277</b>	<b>\$ 16,818</b>	<b>3.01%</b>	<b>\$ (54,440)</b>	<b>-8.63%</b>

**Office of Chief General Counsel**

The Deputy Chief Executive Officer/Chief General Counsel leads the Office of Chief General Counsel, which includes the following departments: General Counsel, Security Oversight, COASTER Operators, SPRINTER Operators, Safety Oversight, Rail Operations, Rail Training, and Administration.

**General Counsel**

General Counsel provides in-house legal counsel and compliance functions to support NCTD’s focus on safety, contract management and regulatory/legal compliance in all business transactions. General Counsel staff are responsible for NCTD-wide compliance and oversight and the management of all legal matters and claims, and includes internal audit, contract compliance, environmental compliance, and civil rights (Disadvantaged Business Enterprise [DBE], Equal Employment Opportunity [EEO], Title VI, and Americans with Disabilities Act [ADA] compliance). This department also develops, implements, manages and evaluates the Risk Management program for NCTD including workers’ compensation, general insurance and property/liability claims.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 1,249,618	\$ 1,457,084	\$ 1,364,681	\$ 1,709,976	\$ 252,892	17.36%	\$ 345,295	25.30%
Employee Benefits	500,753	289,329	480,591	375,315	85,986	29.72%	(105,276)	-21.91%
Professional Services	1,599,060	1,306,900	1,472,153	1,348,000	41,100	3.14%	(124,153)	-8.43%
Fuel, Materials, and Supplies	667	5,000	2,086	5,000	-	0.00%	2,914	139.69%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	7,303,126	9,709,267	10,569,851	11,750,000	2,040,733	21.02%	1,180,149	11.17%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	79,445	45,728	56,138	51,000	5,272	11.53%	(5,138)	-9.15%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 10,732,669</b>	<b>\$ 12,813,308</b>	<b>\$ 13,945,500</b>	<b>\$ 15,239,291</b>	<b>\$ 2,425,983</b>	<b>18.93%</b>	<b>\$ 1,293,791</b>	<b>9.28%</b>

**Security Oversight**

The Security department is responsible for managing NCTD’s contracted law enforcement agencies and for assisting with the ongoing management of NCTD’s emergency management and continuity of operations programs. This includes the identification, evaluation, and mitigation of all internal and external security risks and threats which have the potential to disrupt NCTD’s operations.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 917,009	\$ 1,036,807	\$ 994,018	\$ 1,066,109	\$ 29,302	2.83%	\$ 72,091	7.25%
Employee Benefits	435,210	371,047	421,518	338,272	(32,775)	-8.83%	(83,246)	-19.75%
Professional Services	6,646,663	6,502,000	7,062,136	7,392,000	890,000	13.69%	329,864	4.67%
Fuel, Materials, and Supplies	14,785	15,548	30,630	24,200	8,652	55.65%	(6,430)	-20.99%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	7,053	8,500	7,846	13,000	4,500	52.94%	5,154	65.69%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 8,020,720</b>	<b>\$ 7,933,902</b>	<b>\$ 8,516,148</b>	<b>\$ 8,833,581</b>	<b>\$ 899,679</b>	<b>11.34%</b>	<b>\$ 317,433</b>	<b>3.73%</b>

**COASTER Operators**

This department includes the wages and benefits for locomotive engineers and conductors, who are responsible for the safe operation of COASTER locomotives, complying with train orders, wayside signals, PTC procedures, railroad operating rules, special instructions, federal, state, and local regulations.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 2,649,311	\$ 3,281,261	\$ 3,131,174	\$ 3,222,241	\$ (59,020)	-1.80%	\$ 91,067	2.91%
Employee Benefits	1,555,747	1,180,041	1,360,085	1,135,301	(44,740)	-3.79%	(224,784)	-16.53%
Professional Services	60	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	861	-	527	10,070	10,070	100.00%	9,543	1810.82%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 4,205,979</b>	<b>\$ 4,461,302</b>	<b>\$ 4,491,786</b>	<b>\$ 4,367,612</b>	<b>\$ (93,690)</b>	<b>-2.10%</b>	<b>\$ (124,174)</b>	<b>-2.76%</b>

**SPRINTER Operators**

This department includes the wages and benefits for train operators and attendants, who are responsible for the safe operation of SPRINTER trains in accordance with applicable regulations and operating rules and practices.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 2,246,117	\$ 2,230,108	\$ 2,234,475	\$ 2,190,344	\$ (39,764)	-1.78%	\$ (44,131)	-1.98%
Employee Benefits	866,472	735,283	805,813	661,809	(73,474)	-9.99%	(144,004)	-17.87%
Professional Services	1,340	-	-	23,520	23,520	100.00%	23,520	100.00%
Fuel, Materials, and Supplies	15,180	-	12,973	10,200	10,200	100.00%	(2,773)	-21.38%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 3,129,109</b>	<b>\$ 2,965,391</b>	<b>\$ 3,053,261</b>	<b>\$ 2,885,873</b>	<b>\$ (79,518)</b>	<b>-2.68%</b>	<b>\$ (167,388)</b>	<b>-5.48%</b>

**Safety Oversight**

The Safety Oversight department has the overall responsibility to plan, organize, direct, manage, and oversee comprehensive safety programs to ensure a safe and secure environment for employees, passengers, contractors, and the general public.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 644,961	\$ 522,104	\$ 456,405	\$ 564,167	\$ 42,063	8.06%	\$ 107,762	23.61%
Employee Benefits	1,212,886	825,997	980,100	887,748	61,751	7.48%	(92,352)	-9.42%
Professional Services	50,137	58,912	81,369	77,000	18,088	30.70%	(4,369)	-5.37%
Fuel, Materials, and Supplies	5,909	19,250	4,886	4,500	(14,750)	-76.62%	(386)	-7.90%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	28,100	29,001	32,326	26,000	(3,001)	-10.35%	(6,326)	-19.57%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,941,993</b>	<b>\$ 1,455,264</b>	<b>\$ 1,555,086</b>	<b>\$ 1,559,415</b>	<b>\$ 104,151</b>	<b>7.16%</b>	<b>\$ 4,329</b>	<b>0.28%</b>

**Rail Operations**

The Rail Operations department manages the daily operations of NCTD’s COASTER and SPRINTER services. This department is responsible for ensuring that services are operated in compliance with the specifications and regulations of the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), the California Public Utilities Commission (CPUC), and other regulatory and governing agencies. Beginning in FY2026, rail mechanical and maintenance staff were budgeted in standalone departments; these departments are under the Development Services Division in FY2027.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget	from FY2026 Budget	from FY2026 Forecast	from FY2026 Forecast
					(\$)	(%)	(\$)	(%)
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 1,185,889	\$ 1,445,662	\$ 1,201,465	\$ 1,067,370	\$ (378,292)	-26.17%	\$ (134,095)	-11.16%
Employee Benefits	563,463	440,370	527,329	330,076	(110,294)	-25.05%	(197,253)	-37.41%
Professional Services	294,758	50,000	55,695	43,400	(6,600)	-13.20%	(12,295)	-22.08%
Fuel, Materials, and Supplies	3,119,217	40,900	13,316	28,450	(12,450)	-30.44%	15,134	113.65%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	854,581	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	18,428	31,440	25,968	28,825	(2,615)	-8.32%	2,857	11.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,036,336</b>	<b>\$ 2,008,372</b>	<b>\$ 1,823,773</b>	<b>\$ 1,498,121</b>	<b>\$ (510,251)</b>	<b>-25.41%</b>	<b>\$ (325,652)</b>	<b>-17.86%</b>

**Rail Training**

The Rail Training department is responsible for the delivery and implementation of regulatory and custom-made training programs focused on rail operations delivery. This department develops curriculum, lesson plans, instructional procedures and program content, and training materials.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget	from FY2026 Budget	from FY2026 Forecast	from FY2026 Forecast
					(\$)	(%)	(\$)	(%)
<b>Operating Expenditures</b>								
Salaries and Wages	\$ 46,917	\$ 525,926	\$ 491,453	539,556	\$ 13,630	2.59%	\$ 48,103	9.79%
Employee Benefits	19,142	126,610	167,851	134,798	8,188	6.47%	(33,053)	-19.69%
Professional Services	-	134,149	63,631	79,000	(55,149)	-41.11%	15,369	24.15%
Fuel, Materials, and Supplies	-	8,000	2,006	8,880	880	11.00%	6,874	342.67%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	73,600	22,885	12,000	(61,600)	-83.70%	(10,885)	-47.56%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 66,059</b>	<b>\$ 868,285</b>	<b>\$ 747,826</b>	<b>\$ 774,234</b>	<b>\$ (94,051)</b>	<b>-10.83%</b>	<b>\$ 26,408</b>	<b>3.53%</b>

**Administration**

The Administration department provides general administrative services support for all divisions and departments within NCTD. This department oversees records management and document control services and has responsibility for overseeing NCTD Board of Directors meetings and calendars.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 310,355	\$ 371,711	\$ 367,413	\$ 393,142	\$ 21,431	5.77%	\$ 25,729	7.00%
Employee Benefits	136,808	122,446	138,756	107,982	(14,464)	-11.81%	(30,774)	-22.18%
Professional Services	36,759	35,000	14,885	24,000	(11,000)	-31.43%	9,115	61.24%
Fuel, Materials, and Supplies	100,787	110,000	110,100	138,000	28,000	25.45%	27,900	25.34%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	28,517	55,350	30,842	65,760	10,410	18.81%	34,918	113.22%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 613,226</b>	<b>\$ 694,507</b>	<b>\$ 661,996</b>	<b>\$ 728,884</b>	<b>\$ 34,377</b>	<b>4.95%</b>	<b>\$ 66,888</b>	<b>10.10%</b>

**Bus Operations**

The Deputy Chief of Bus Operations leads the Bus Operations Division, which includes the following departments: Bus Operators, Bus Vehicles Maintenance, Bus Operations Administration, On-Demand Operators, Customer Experience, and Government Relations.

**Bus Operators**

Beginning on June 29, 2025, NCTD insourced bus operations, which included coach operators for BREEZE service. This department includes the salaries and wages of BREEZE coach operators, who operate public transit buses, transport passengers, and perform safety inspections of bus equipment to assure their safe, efficient, and on-time operation.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 112,013	\$ 15,788,643	17,000,182	\$ 17,937,827	\$ 2,149,184	13.61%	\$ 937,645	5.52%
Employee Benefits	20,233	4,740,195	6,569,391	5,137,966	397,771	8.39%	(1,431,425)	-21.79%
Professional Services	-	4,429	4,300	3,295	(1,134)	-25.60%	(1,005)	-23.37%
Fuel, Materials, and Supplies	96,757	74,480	58,679	77,833	3,353	4.50%	19,154	32.64%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	5,000	2,122	5,000	-	0.00%	2,878	135.63%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 229,003</b>	<b>\$ 20,612,747</b>	<b>\$ 23,634,674</b>	<b>\$ 23,161,921</b>	<b>\$ 2,549,174</b>	<b>12.37%</b>	<b>\$ (472,753)</b>	<b>-2.00%</b>

**Bus Vehicles Maintenance**

Beginning on June 29, 2025, NCTD insourced bus maintenance, which includes bus servicers, auto technicians, and various bus maintenance staff. This department is responsible for activities such as cleaning of revenue and non-revenue equipment, including automobiles and buses; fueling vehicles; topping off fluids; cleaning interiors; diagnosing and conducting technical repairs; and performing preventative maintenance, diagnosis, service and repair of steering, suspension, brakes, engines, transmissions, differentials, electrical, wheelchair lifts, and air conditioning systems. The fuel budget for bus services (compressed natural gas, unleaded gasoline, hydrogen, and electricity) is included in this department.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
	Actual	Budget	Forecast					
Salaries and Wages	\$ 45,490	\$ 6,495,033	\$ 6,714,529	\$ 7,256,461	\$ 761,428	11.72%	\$ 541,932	8.07%
Employee Benefits	10,343	2,934,176	2,657,191	2,062,479	(871,697)	-29.71%	(594,712)	-22.38%
Professional Services	220,370	994,049	549,040	695,856	(298,193)	-30.00%	146,816	26.74%
Fuel, Materials, and Supplies	97	5,134,395	5,570,325	4,932,945	(201,450)	-3.92%	(637,380)	-11.44%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	337,747	326,626	220,741	(117,006)	-34.64%	(105,885)	-32.42%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	15,760	(32,134)	227,096	211,336	1340.96%	259,230	-806.72%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	2,228	-	-	0.00%	(2,228)	-100.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 276,300</b>	<b>\$ 15,911,160</b>	<b>\$ 15,787,805</b>	<b>\$ 15,395,578</b>	<b>\$ (515,582)</b>	<b>-3.24%</b>	<b>\$ (392,227)</b>	<b>-2.48%</b>

**Bus Operations Administration**

Beginning on June 29, 2025, NCTD insourced bus operations. Prior to FY2026, all contracted bus operations and maintenance costs were budgeted under purchase transportation in this department. Beginning in FY2026, bus operations and maintenance costs are budgeted across multiple departments. The Bus Operations Administration department manages bus and shared mobility transportation operations, which includes BREEZE, LIFT, FLEX, and NCTD+ transit services. Beginning in FY2027, paratransit dispatchers, schedulers, and reservationists are included in this department (previously reported in FY2026 in the On-Demand Services department).

Operating Expenditures	FY2025	FY2026	FY2026	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
	Actual	Budget	Forecast					
Salaries and Wages	\$ 1,116,576	\$ 4,808,645	\$ 3,900,208	\$ 5,303,230	\$ 494,585	10.29%	\$ 1,403,022	35.97%
Employee Benefits	439,531	1,810,939	1,487,407	1,408,997	(401,942)	-22.20%	(78,410)	-5.27%
Professional Services	1,065,450	909,309	603,897	726,579	(182,730)	-20.10%	122,682	20.32%
Fuel, Materials, and Supplies	4,608,290	11,500	12,062	5,000	(6,500)	-56.52%	(7,062)	-58.55%
Utilities	24,112	29,117	20,974	-	(29,117)	-100.00%	(20,974)	-100.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	251,091	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	54,683,897	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	100,576	131,030	71,269	57,900	(73,130)	-55.81%	(13,369)	-18.76%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	53,196	-	-	(53,196)	-100.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 62,289,523</b>	<b>\$ 7,753,736</b>	<b>\$ 6,095,817</b>	<b>\$ 7,501,706</b>	<b>\$ (252,030)</b>	<b>-3.25%</b>	<b>\$ 1,405,889</b>	<b>23.06%</b>

**On-Demand Operators**

Beginning on June 29, 2025, NCTD insourced bus operations, which included drivers for on-demand services. This department includes the salaries and wages of LIFT, FLEX, and NCTD+ drivers, who operate public transit buses, transport passengers, and perform safety inspections of bus equipment to assure their safe, efficient, and on-time operation. This department also includes \$0.9 million for contracted taxi for paratransit services. Beginning in FY2027, paratransit dispatchers, schedulers, and reservationists will be transferred to the Bus Operations Administration department.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
Salaries and Wages	\$ 26,623	\$ 4,207,952	4,445,057	\$ 4,634,218	\$ 426,266	10.13%	\$ 189,161	4.26%
Employee Benefits	4,243	1,499,454	1,629,237	1,194,872	(304,582)	-20.31%	(434,365)	-26.66%
Professional Services	-	408,171	424,974	519,226	111,055	27.21%	94,252	22.18%
Fuel, Materials, and Supplies	-	10,000	2,374	36,786	26,786	267.86%	34,412	1449.54%
Utilities	-	2,400	4,918	31,791	29,391	1224.63%	26,873	546.42%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	3,439	1,000,000	1,430,921	900,000	(100,000)	-10.00%	(530,921)	-37.10%
Miscellaneous Expenses	-	4,000	-	5,875	1,875	46.88%	5,875	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 34,305</b>	<b>\$ 7,131,977</b>	<b>\$ 7,937,481</b>	<b>\$ 7,322,768</b>	<b>\$ 190,791</b>	<b>2.68%</b>	<b>\$ (614,713)</b>	<b>-7.74%</b>

**Customer Experience**

The Customer Experience department is the front line for all NCTD customer service including selling fares, facilitating transit trip planning, and receiving and processing customer reports. The Customer Service department staffs in-person retail outlets, a call center, and the ADA Eligibility Center.

Operating Expenditures	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
Salaries and Wages	\$ 717,484	\$ 910,589	795,505	\$ 887,170	\$ (23,419)	-2.57%	\$ 91,665	11.52%
Employee Benefits	352,842	283,140	344,304	286,264	3,124	1.10%	(58,040)	-16.86%
Professional Services	264,663	240,000	213,842	20,000	(220,000)	-91.67%	(193,842)	-90.65%
Fuel, Materials, and Supplies	6,574	40,000	15,786	15,000	(25,000)	-62.50%	(786)	-4.98%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	1,252	25,300	7,929	9,300	(16,000)	-63.24%	1,371	17.29%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,342,815</b>	<b>\$ 1,499,029</b>	<b>\$ 1,377,366</b>	<b>\$ 1,217,734</b>	<b>\$ (281,295)</b>	<b>-18.77%</b>	<b>\$ (159,632)</b>	<b>-11.59%</b>

**Government Relations**

The Government Relations department has the overall responsibility for the oversight of the legislative program, including the development, implementation, and maintenance of government relation activities with state/federal executive and legislative bodies and other regulatory agencies and the management of legislative representation and other consultant contracts. This department also researches and pursues discretionary grants funding opportunities.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
Salaries and Wages	\$ 209,804	\$ 298,284	\$ 271,801	\$ 91,817	\$ (206,467)	-69.22%	\$ (179,984)	87.17%
Employee Benefits	83,415	40,410	75,017	16,107	(24,303)	-60.14%	(58,910)	242.40%
Professional Services	379,510	296,000	258,506	276,000	(20,000)	-6.76%	17,494	-87.47%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	178,615	196,650	163,880	195,000	(1,650)	-0.84%	31,120	-1886.06%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 851,344</b>	<b>\$ 831,344</b>	<b>\$ 769,204</b>	<b>\$ 578,924</b>	<b>\$ (252,420)</b>	<b>-30.36%</b>	<b>\$ (190,280)</b>	<b>75.38%</b>

**Development Services**

The Chief Development Officer leads the Development Services Division, which includes the following departments: COASTER Maintenance, SPRINTER Maintenance, Maintenance-of-Way, Systems Technology, Information Technology Operations, Asset Management, Maintenance of Signals, Project Management Delivery, Rail Vehicles Overhauls, Rail Vehicles Maintenance, Engineering, Land Use, and Development Services Oversight. The Rail Right-of-Way Oversight department was discontinued in early FY2026. The Rail Technologies department has been consolidated into the Systems Technology department for FY2027.

**COASTER Maintenance**

This department includes maintenance technicians, who perform a variety of maintenance tasks on COASTER revenue vehicles, which incorporate duties of machinist, electrician, and passenger rail inspection and repair. The contracted technical support and material management services, parts, and fuel budget for COASTER are included in this department.

	FY2025	FY2026	FY2026	FY2027	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
Operating Expenditures	Actual	Budget	Forecast	Proposed Budget	from FY2026 Budget (\$)	from FY2026 Budget (%)	from FY2026 Forecast (\$)	from FY2026 Forecast (%)
Salaries and Wages	\$ 106,204	\$ 1,463,744	\$ 1,367,058	\$ 1,508,543	\$ 44,799	3.06%	\$ 141,485	10.35%
Employee Benefits	42,019	393,460	474,239	396,795	3,335	0.85%	(77,444)	-16.33%
Professional Services	-	3,592,609	3,154,734	2,815,000	(777,609)	-21.64%	(339,734)	-10.77%
Fuel, Materials, and Supplies	-	3,722,675	3,997,152	6,259,742	2,537,067	68.15%	2,262,590	56.61%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	657,339	682,104	866,392	209,053	31.80%	184,288	27.02%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 148,223</b>	<b>\$ 9,829,827</b>	<b>\$ 9,675,287</b>	<b>\$ 11,846,472</b>	<b>\$ 2,016,645</b>	<b>20.52%</b>	<b>\$ 2,171,185</b>	<b>22.44%</b>

**SPRINTER Maintenance**

This department includes maintenance technicians, who perform a variety of maintenance tasks on SPRINTER revenue vehicles, which incorporate duties of machinist, electrician, and passenger rail inspection and repair. The contracted technical support and material management services, parts, and fuel budget for SPRINTER are included in this department.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 98,540	\$ 1,079,614	\$ 1,043,051	\$ 1,114,330	\$ 34,716	3.22%	\$ 71,279	6.83%
Employee Benefits	37,277	280,745	338,105	249,555	(31,190)	-11.11%	(88,550)	-26.19%
Professional Services	-	3,567,552	3,219,873	3,510,676	(56,876)	-1.59%	290,803	9.03%
Fuel, Materials, and Supplies	-	1,900,113	1,258,171	3,452,130	1,552,017	81.68%	2,193,959	174.38%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	275,467	242,859	346,414	70,947	25.76%	103,555	42.64%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 135,817</b>	<b>\$ 7,103,491</b>	<b>\$ 6,102,059</b>	<b>\$ 8,673,105</b>	<b>\$ 1,569,614</b>	<b>22.10%</b>	<b>\$ 2,571,046</b>	<b>42.13%</b>

**Maintenance-of-Way**

The Maintenance-of-Way department performs maintenance activities within NCTD's railroad right-of-way to support commuter, freight, and hybrid rail services. This department also oversees contractors performing right-of-way maintenance and construction and implements tasks such as track surfacing, rail repairs and replacements, tie replacements, spot ballast program, vegetation and erosion control, ultrasonic and geometry testing, and rail grinding.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 2,678,477	\$ 2,547,582	\$ 2,681,407	\$ 3,683,921	\$ 1,136,339	44.60%	\$ 1,002,514	37.39%
Employee Benefits	936,670	635,652	948,229	669,315	33,663	5.30%	(278,914)	-29.41%
Professional Services	1,812,737	2,300,737	1,372,434	1,955,408	(345,329)	-15.01%	582,974	42.48%
Fuel, Materials, and Supplies	653,752	735,999	641,543	866,600	130,601	17.74%	225,057	35.08%
Utilities	-	10,000	5,447	10,000	-	0.00%	4,553	83.59%
Casualty and Liability	(720)	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	36,977	33,600	19,444	40,000	6,400	19.05%	20,556	105.72%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	52,744	255,000	103,754	165,000	(90,000)	-35.29%	61,246	59.03%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,170,637</b>	<b>\$ 6,518,570</b>	<b>\$ 5,772,258</b>	<b>\$ 7,390,244</b>	<b>\$ 871,674</b>	<b>13.37%</b>	<b>\$ 1,617,986</b>	<b>28.03%</b>

**Systems Technology**

The Systems Technology department is responsible for the design, implementation, and management of servers and other related hardware and software with a primary focus on NCTD's transit operation systems, including the effective utilization of these systems. The prior department of Rail Technologies has been consolidated into this department for FY2027. Costs associated with Positive Train Control (PTC) are now included in this department.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 68,217	\$ 959,858	887,368	\$ 1,782,234	\$ 822,376	85.68%	\$ 894,866	100.84%
Employee Benefits	37,051	269,992	402,415	449,816	179,824	66.60%	47,401	11.78%
Professional Services	-	-	3,356,638	3,901,784	3,901,784	#DIV/0!	545,146	16.24%
Fuel, Materials, and Supplies	-	-	103,218	139,545	139,545	#DIV/0!	36,327	35.19%
Utilities	-	-	103,255	71,300	71,300	#DIV/0!	(31,955)	-30.95%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	25,703	40,000	40,000	#DIV/0!	14,297	55.62%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 105,268</b>	<b>\$ 1,229,850</b>	<b>\$ 4,878,597</b>	<b>\$ 6,384,679</b>	<b>\$ 5,154,829</b>	<b>419.14%</b>	<b>\$ 1,506,082</b>	<b>30.87%</b>

**Information Technology Operations**

The Information Technology Operations Department is responsible for the organizational functions of user support, network and infrastructure, and cybersecurity.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 1,775,825	\$ 788,654	907,747	\$ 1,037,360	\$ 248,706	31.54%	\$ 129,613	14.28%
Employee Benefits	839,022	227,795	343,398	300,899	73,104	32.09%	(42,499)	-12.38%
Professional Services	2,850,630	2,477,702	1,535,434	1,953,981	(523,721)	-21.14%	418,547	27.26%
Fuel, Materials, and Supplies	944,357	265,824	121,281	414,024	148,200	55.75%	292,743	241.38%
Utilities	448,473	540,800	469,371	573,500	32,700	6.05%	104,129	22.18%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	15,025	48,046	36,941	49,030	984	2.05%	12,089	32.73%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	106,496	136,213	144,429	112,500	(23,713)	-17.41%	(31,929)	-22.11%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,979,828</b>	<b>\$ 4,485,034</b>	<b>\$ 3,558,601</b>	<b>\$ 4,441,294</b>	<b>\$ (43,740)</b>	<b>-0.98%</b>	<b>\$ 882,693</b>	<b>24.80%</b>

**Asset Management**

The Asset Management department is responsible for the implementation of asset management principles and practices across NCTD in accordance with NCTD’s Transit Asset Management Plan. Beginning in FY2027, the budget for utilities costs (water, electricity, gas, trash collection) was transferred from the Facilities Management department to this department.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 291,198	\$ 310,620	284,433	\$ 318,678	\$ 8,058	2.59%	\$ 34,245	12.04%
Employee Benefits	114,564	59,470	90,891	65,079	5,609	9.43%	(25,812)	-28.40%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	1,000	250	-	(1,000)	-100.00%	(250)	-100.00%
Utilities	-	-	-	3,097,000	3,097,000	#DIV/0!	3,097,000	#DIV/0!
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	2,759	1,500	934	60,448	58,948	3929.87%	59,514	6371.95%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 408,521</b>	<b>\$ 372,590</b>	<b>\$ 376,508</b>	<b>\$ 3,541,205</b>	<b>\$ 3,168,615</b>	<b>850.43%</b>	<b>\$ 3,164,697</b>	<b>840.54%</b>

**Maintenance of Signals**

The Maintenance of Signals department maintains various railroad signals and grade crossing warning devices and infrastructure to support commuter, freight, and hybrid rail services along NCTD’s railroad right-of-way. This department ensures that the railroad signal communication facilities and systems function to support safe and efficient rail operations and comply with the specifications and regulations of the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), the California Public Utilities Commission (CPUC), and other regulatory and governing agencies.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 2,076,471	\$ 2,272,139	\$ 1,985,329	\$ 1,772,840	\$ (499,299)	-21.97%	\$ (212,489)	-10.70%
Employee Benefits	808,414	564,997	669,528	323,083	(241,914)	-42.82%	(346,445)	-51.74%
Professional Services	2,615,205	2,565,077	598,497	159,000	(2,406,077)	-93.80%	(439,497)	-73.43%
Fuel, Materials, and Supplies	947,703	585,000	433,477	854,000	269,000	45.98%	420,523	97.01%
Utilities	266,171	330,000	306,025	300,000	(30,000)	-9.09%	(6,025)	-1.97%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	62,430	50,000	14,020	35,000	(15,000)	-30.00%	20,980	149.64%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	7,717	44,100	11,025	20,000	(24,100)	-54.65%	8,975	81.41%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 6,784,111</b>	<b>\$ 6,411,313</b>	<b>\$ 4,017,901</b>	<b>\$ 3,463,923</b>	<b>\$ (2,947,390)</b>	<b>-45.97%</b>	<b>\$ (553,978)</b>	<b>-13.79%</b>

**Project Management Delivery**

This Project Management Delivery department is responsible for project management functions and processes. This department develops and maintains standards for projects life cycle, tracks and reports on projects progress, and oversees the development and prioritization of NCTD’s Capital Improvement Program. FY2027 budgeted costs for non-right-of-way projects were transferred from the Engineering department to this department.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 321,742	\$ 378,184	\$ 344,014	\$ 665,792	\$ 287,608	76.05%	\$ 321,778	93.54%
Employee Benefits	120,102	82,388	119,089	147,220	64,832	78.69%	28,131	23.62%
Professional Services	118,750	108,905	127,051	2,077,110	1,968,205	1807.27%	1,950,059	1534.86%
Fuel, Materials, and Supplies	-	-	-	41,600	41,600	100.00%	41,600	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	327	2,500	449	9,795	7,295	291.80%	9,346	2081.51%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 560,921</b>	<b>\$ 571,977</b>	<b>\$ 590,603</b>	<b>\$ 2,941,517</b>	<b>\$ 2,369,540</b>	<b>414.27%</b>	<b>\$ 2,350,914</b>	<b>398.05%</b>

**Rail Vehicles Overhauls**

This department includes the overhaul and repair mechanics, who are responsible for major disassembly, repair, rebuilding, assembly, diagnostic and testing duties in the process of overhauling rail vehicles. These mechanics work with power plants, transmissions, differentials, axles, wheels, hydraulic and electrical systems, climate control systems, valves, pumps, tanks, compressors, heat exchangers, piping, alternators, generators, distributors, starters, blowers, and fuel metering devices.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 33,610	\$ 466,467	\$ 448,694	\$ 486,401	\$ 19,934	4.27%	\$ 37,707	8.40%
Employee Benefits	11,159	109,327	139,102	120,356	11,029	10.09%	(18,746)	-13.48%
Professional Services	-	925,605	1,068,919	324,000	(601,605)	-65.00%	(744,919)	-69.69%
Fuel, Materials, and Supplies	-	2,972,503	1,492,170	1,960,000	(1,012,503)	-34.06%	467,830	31.35%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 44,769</b>	<b>\$ 4,473,902</b>	<b>\$ 3,148,885</b>	<b>\$ 2,890,757</b>	<b>\$ (1,583,145)</b>	<b>-35.39%</b>	<b>\$ (258,128)</b>	<b>-8.20%</b>

**Rail Vehicles Maintenance**

The Rail Vehicles Maintenance department oversees the maintenance technicians and overhaul and repair mechanics and is responsible for overseeing daily servicing, inspection, cleaning, maintenance, repair, and capital work. This department is responsible for ensuring NCTD's compliance with specifications and regulations of the Federal Transit Administration (FTA), the Federal Rail Association (FRA), the California Public Utilities Commission (CPUC), and other regulatory and governing agencies.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	3,132,127	\$ 1,377,053	\$ 1,334,408	\$ 1,461,760	\$ 84,707	6.15%	\$ 127,352	9.54%
Employee Benefits	1,157,803	310,875	414,781	309,683	(1,192)	-0.38%	(105,098)	-25.34%
Professional Services	8,108,466	-	-	100,000	100,000	100.00%	100,000	100.00%
Fuel, Materials, and Supplies	80,124	8,280	326	78,935	70,655	853.32%	78,609	24113.19%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	8,408	53,280	35,857	29,280	(24,000)	-45.05%	(6,577)	-18.34%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 12,486,928</b>	<b>\$ 1,749,488</b>	<b>\$ 1,785,372</b>	<b>\$ 1,979,658</b>	<b>\$ 230,170</b>	<b>13.16%</b>	<b>\$ 194,286</b>	<b>10.88%</b>

**Engineering**

The Engineering department is responsible for the oversight of design and construction of rail infrastructure projects (rail infrastructure including stations, track, bridges and drainage structures) and directing the work of design consultants and construction contractors. This department also oversees SANDAG's and other agency projects planned for or under construction along the San Diego Subdivision of the Los Angeles–San Diego–San Luis Obispo (LOSSAN) Corridor. FY2027 budgeted costs for non-right-of-way projects have been transferred to the Project Management Delivery department.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 646,241	\$ 579,880	\$ 663,509	\$ 772,079	\$ 192,199	33.14%	\$ 108,570	16.36%
Employee Benefits	326,515	137,574	308,058	182,772	45,198	32.85%	(125,286)	-40.67%
Professional Services	1,522,024	3,534,100	2,549,559	845,812	(2,688,288)	-76.07%	(1,703,747)	-66.83%
Fuel, Materials, and Supplies	262,412	1,600	249,859	750	(850)	-53.13%	(249,109)	-99.70%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	15,204	5,870	2,002	7,600	1,730	29.47%	5,598	279.62%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 2,772,396</b>	<b>\$ 4,259,024</b>	<b>\$ 3,772,987</b>	<b>\$ 1,809,013</b>	<b>\$ (2,450,011)</b>	<b>-57.53%</b>	<b>\$ (1,963,974)</b>	<b>-52.05%</b>

**Land Use**

The Land Use department manages NCTD real estate activities through leases, licenses (crossings), easements, right-of-entry permits, and other real estate agreements; and plans and implements the redevelopment of NCTD's real estate assets.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 286,622	\$ 338,981	231,289	\$ 306,946	\$ (32,035)	-9.45%	\$ 75,657	32.71%
Employee Benefits	110,333	69,120	79,496	75,601	6,481	9.38%	(3,895)	-4.90%
Professional Services	24,552	78,054	117,566	969,954	891,900	1142.67%	852,388	725.03%
Fuel, Materials, and Supplies	-	-	69	-	-	0.00%	(69)	-100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	9,063	2,400	6,339	5,139	2,739	114.13%	(1,200)	-18.93%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	626,226	655,886	621,898	359,259	(296,627)	-45.23%	(262,639)	-42.23%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,056,796</b>	<b>\$ 1,144,441</b>	<b>\$ 1,056,657</b>	<b>\$ 1,716,899</b>	<b>\$ 572,458</b>	<b>50.02%</b>	<b>\$ 660,242</b>	<b>62.48%</b>

**Development Services Oversight**

The Development Services Oversight department manages the departments within the Development Services Division.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 589,999	\$ 782,391	\$ 734,733	\$ 666,758	\$ (115,633)	-14.78%	\$ (67,975)	-9.25%
Employee Benefits	271,255	167,012	271,043	149,391	(17,621)	-10.55%	(121,652)	-44.88%
Professional Services	2,610,075	1,587,000	2,328,298	-	(1,587,000)	-100.00%	(2,328,298)	-100.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	4,263	3,864	1,281	-	(3,864)	-100.00%	(1,281)	-100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 3,475,592</b>	<b>\$ 2,540,267</b>	<b>\$ 3,335,355</b>	<b>\$ 816,149</b>	<b>\$ (1,724,118)</b>	<b>-67.87%</b>	<b>\$ (2,519,206)</b>	<b>-75.53%</b>

**Finance**

The Chief Financial Officer leads the Finance Division, which includes the following departments: Financial Oversight, Fare Collection, Payroll, Debt, Accounting, and Grants.

**Financial Oversight**

The Financial Oversight department is responsible for financial management leadership. This department has oversight of the operating budget, financial audits and compliance, accounting for fixed assets, and internal controls in all the Finance Division areas. It is responsible for ensuring that financial transactions are recorded accurately in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 738,063	\$ 1,011,910	\$ 875,221	\$ 955,598	\$ (56,312)	-5.56%	\$ 80,377	9.18%
Employee Benefits	325,348	257,261	320,998	227,630	(29,631)	-11.52%	(93,368)	-29.09%
Professional Services	105,099	121,000	137,138	131,000	10,000	8.26%	(6,138)	-4.48%
Fuel, Materials, and Supplies	-	-	-	2,400	2,400	100.00%	2,400	100.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	2,457	28,000	8,644	19,500	(8,500)	-30.36%	10,856	125.59%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,170,967</b>	<b>\$ 1,418,171</b>	<b>\$ 1,342,001</b>	<b>\$ 1,336,128</b>	<b>\$ (82,043)</b>	<b>-5.79%</b>	<b>\$ (5,873)</b>	<b>-0.44%</b>

**Fare Collection**

The Fare Collection department is responsible for the operations, collections, accounting, and reconciliation of fare revenue. This department oversees contracted armored services, servicing transit centers and ticket vending machines, and ticket inventory management.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 48,079	\$ 59,758	\$ -	\$ 80,997	\$ 21,239	35.54%	\$ 80,997	100.00%
Employee Benefits	26,996	17,010	6,435	22,144	5,134	30.18%	15,709	244.12%
Professional Services	509,775	669,700	684,293	660,000	(9,700)	-1.45%	(24,293)	-3.55%
Fuel, Materials, and Supplies	9,828	25,000	20,507	16,200	(8,800)	-35.20%	(4,307)	-21.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	3,000	750	1,000	(2,000)	-66.67%	250	33.33%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 594,678</b>	<b>\$ 774,468</b>	<b>\$ 711,985</b>	<b>\$ 780,341</b>	<b>\$ 5,873</b>	<b>0.76%</b>	<b>\$ 68,356</b>	<b>9.60%</b>

**Payroll**

The Payroll department is responsible for the full range of payroll preparation, processing, and payment to employees, and the preparation of payroll reports and documents for NCTD’s payroll tax returns, W2, CalPERS, Railroad Retirement, and State Controller’s Office.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 28,460	\$ 385,582	\$ 450,171	\$ 556,056	\$ 170,474	44.21%	\$ 105,885	23.52%
Employee Benefits	11,079	103,866	161,306	170,742	66,876	64.39%	9,436	5.85%
Professional Services	-	-	10,563	8,000	8,000	100.00%	(2,563)	-24.26%
Fuel, Materials, and Supplies	-	2,000	1,566	2,400	400	20.00%	834	53.26%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	12,000	4,601	9,700	(2,300)	-19.17%	5,099	110.82%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 39,539</b>	<b>\$ 503,448</b>	<b>\$ 628,207</b>	<b>\$ 746,898</b>	<b>\$ 243,450</b>	<b>48.36%</b>	<b>\$ 118,691</b>	<b>18.89%</b>

**Debt**

The Debt services department is used to separately account for debt-related expenditures. The only source of debt for NCTD is the Certificates of Participation related to the construction of the SPRINTER. This debt is expected to be retired by 2035.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	555,630	674,300	531,124	522,000	(152,300)	-22.59%	(9,124)	-1.72%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 555,630</b>	<b>\$ 674,300</b>	<b>\$ 531,124</b>	<b>\$ 522,000</b>	<b>\$ (152,300)</b>	<b>-22.59%</b>	<b>\$ (9,124)</b>	<b>-1.72%</b>

**Accounting**

The Accounting department is responsible for financial transactions in the areas of accounts payable and accounts receivable.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 424,157	\$ 242,716	\$ 204,420	\$ 260,697	\$ 17,981	7.41%	\$ 56,277	27.53%
Employee Benefits	165,117	65,708	73,480	56,117	(9,591)	-14.60%	(17,363)	-23.63%
Professional Services	45,461	25,000	50,458	32,000	7,000	28.00%	(18,458)	-36.58%
Fuel, Materials, and Supplies	10,062	5,000	9,066	2,400	(2,600)	-52.00%	(6,666)	-73.53%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	1,301	9,000	5,158	4,500	(4,500)	-50.00%	(658)	-12.76%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 646,098</b>	<b>\$ 347,424</b>	<b>\$ 342,582</b>	<b>\$ 355,714</b>	<b>\$ 8,290</b>	<b>2.39%</b>	<b>\$ 13,132</b>	<b>3.83%</b>

**Grants**

The Grants department is responsible for ensuring the proper accounting, billing, and financial reporting of projects and grants activities in accordance with generally accepted accounting principles and relevant local, state, and federal regulations.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 180,896	\$ 292,536	\$ 212,873	\$ 222,248	\$ (70,288)	-24.03%	\$ 9,375	4.40%
Employee Benefits	97,798	88,130	79,823	65,057	(23,073)	-26.18%	(14,766)	-18.50%
Professional Services	-	10,000	2,503	-	(10,000)	-100.00%	(2,503)	-100.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	866	9,200	2,345	3,240	(5,960)	-64.78%	895	38.17%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 279,560</b>	<b>\$ 399,866</b>	<b>\$ 297,544</b>	<b>\$ 290,545</b>	<b>\$ (109,321)</b>	<b>-27.34%</b>	<b>\$ (6,999)</b>	<b>-2.35%</b>

**General Services**

The Chief Operating Officer leads the General Services Division, which includes the following departments: Facilities Management, Materials Management, Human Resources, Non-Revenue Vehicles and Specialty Equipment, Procurement and Contract Administration, Learning and Development, General Services, and Business Intelligence.

**Facilities Management**

The Facilities department manages and/or maintains transit centers, operations facilities, maintenance facilities, administrative offices, and bus stops. Professional services include landscaping, electrical, plumbing, HVAC maintenance, and bus stops and shelters cleaning. The FY2027 budget for utilities was transferred to the Asset Management department.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 2,449,931	\$ 3,191,251	2,883,024	\$ 3,451,686	\$ 260,435	8.16%	\$ 568,662	19.72%
Employee Benefits	1,123,536	1,156,677	1,141,192	942,405	(214,272)	-18.52%	(198,787)	-17.42%
Professional Services	4,535,706	5,083,760	4,693,157	4,683,057	(400,703)	-7.88%	(10,100)	-0.22%
Fuel, Materials, and Supplies	1,071,034	1,218,500	1,049,330	770,600	(447,900)	-36.76%	(278,730)	-26.56%
Utilities	2,481,787	2,858,680	2,757,317	-	(2,858,680)	-100.00%	(2,757,317)	-100.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	1,423,762	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	62,771	68,986	58,582	7,000	(61,986)	-89.85%	(51,582)	-88.05%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	2,184	2,000	500	-	(2,000)	-100.00%	(500)	-100.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 13,150,711</b>	<b>\$ 13,579,854</b>	<b>\$ 12,583,102</b>	<b>\$ 9,854,748</b>	<b>\$ (3,725,106)</b>	<b>-27.43%</b>	<b>\$ (2,728,354)</b>	<b>-21.68%</b>

**Materials Management**

The Materials Management department orders parts, receives and stores parts, controls inventory, issues parts, files warranty parts claims, and maintains vendor relations. This department develop strategies to optimize parts availability and reduce costs and leads quality control inspections and audits. Cost for bus revenue vehicles are included in this department. Parts for rail vehicles are accounted separately under the rail departments.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 24,613	\$ 725,771	\$ 704,358	\$ 756,974	\$ 31,203	4.30%	\$ 52,616	7.47%
Employee Benefits	22,694	296,658	284,339	196,174	(100,484)	-33.87%	(88,165)	-31.01%
Professional Services	-	217,149	163,697	15,000	(202,149)	-93.09%	(148,697)	-90.84%
Fuel, Materials, and Supplies	189,276	4,898,060	4,325,385	4,566,750	(331,310)	-6.76%	241,365	5.58%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	1,118	5,000	5,000	#DIV/0!	3,882	347.23%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 236,583</b>	<b>\$ 6,137,638</b>	<b>\$ 5,478,897</b>	<b>\$ 5,539,898</b>	<b>\$ (597,740)</b>	<b>-9.74%</b>	<b>\$ 61,001</b>	<b>1.11%</b>

**Human Resources**

The Human Resources department is responsible for managing and overseeing all aspects of human resources activities in general personnel management including compensation, benefits, employer and employee relations, labor relations and negotiations, recruitment and selection, classification, workers' compensation, training, employee and organizational development, and the drug and alcohol program.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 944,255	\$ 1,330,744	\$ 913,063	\$ 991,450	\$ (339,294)	-25.50%	\$ 78,387	8.59%
Employee Benefits	576,476	417,538	508,135	307,985	(109,553)	-26.24%	(200,150)	-39.39%
Professional Services	482,185	540,000	215,871	182,000	(358,000)	-66.30%	(33,871)	-15.69%
Fuel, Materials, and Supplies	10,625	11,000	8,072	8,000	(3,000)	-27.27%	(72)	-0.89%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	157,541	327,000	190,529	168,000	(159,000)	-48.62%	(22,529)	-11.82%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 2,171,082</b>	<b>\$ 2,626,282</b>	<b>\$ 1,835,670</b>	<b>\$ 1,657,435</b>	<b>\$ (968,847)</b>	<b>-36.89%</b>	<b>\$ (178,235)</b>	<b>-9.71%</b>

**Non-Revenue Vehicles (NRV) and Specialty Equipment**

The NRV and Specialty Equipment department manages the maintenance, repair, and servicing of non-revenue vehicles and specialty equipment including light, medium, and heavy-duty vehicles; hi-rail vehicle equipment; and rail, heavy, and general support equipment.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 128,114	\$ 143,393	\$ 124,968	\$ 147,112	\$ 3,719	2.59%	\$ 22,144	17.72%
Employee Benefits	47,238	24,537	44,011	28,507	3,970	16.18%	(15,504)	-35.23%
Professional Services	612,829	819,263	568,436	793,807	(25,456)	-3.11%	225,371	39.65%
Fuel, Materials, and Supplies	279,347	253,820	431,451	373,605	119,785	47.19%	(57,846)	-13.41%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	4,131	8,000	1,308	17,002	9,002	112.53%	15,694	1199.85%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,071,659</b>	<b>\$ 1,249,013</b>	<b>\$ 1,170,174</b>	<b>\$ 1,360,033</b>	<b>\$ 111,020</b>	<b>8.89%</b>	<b>\$ 189,859</b>	<b>16.22%</b>

**Procurement and Contract Administration**

The Procurement and Contract Administration department is responsible for the procurement of goods and services and contract administration for NCTD in accordance with State of California Public Contracting Code, Federal Transportation Administration Circular 4220.1F, NCTD Board policies, and internal compliance standards. This Division ensures that there is fair and open competition from prospective vendors and suppliers.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 985,931	\$ 959,813	785,144	\$ 937,350	\$ (22,463)	-2.34%	\$ 152,206	19.39%
Employee Benefits	464,333	252,009	331,373	271,350	19,341	7.67%	(60,023)	-18.11%
Professional Services	79,913	119,500	185,239	133,000	13,500	11.30%	(52,239)	-28.20%
Fuel, Materials, and Supplies	445	3,000	1,206	3,000	-	0.00%	1,794	148.76%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	9,073	27,500	15,201	14,000	(13,500)	-49.09%	(1,201)	-7.90%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,539,695</b>	<b>\$ 1,361,822</b>	<b>\$ 1,318,163</b>	<b>\$ 1,358,700</b>	<b>\$ (3,122)</b>	<b>-0.23%</b>	<b>\$ 40,537</b>	<b>3.08%</b>

**Learning and Development**

The Learning and Development department leads all employee learning and development programs, including administrative training, bus, rail and facilities technical training, talent management, leadership development, internship programs, and related organizational learning and development functions and activities.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ 760,485	\$ 563,186	\$ 386,258	\$ 299,901	\$ (263,285)	-46.75%	\$ (86,357)	-22.36%
Employee Benefits	273,253	120,406	132,317	58,425	(61,981)	-51.48%	(73,892)	-55.84%
Professional Services	433,967	627,016	433,031	352,516	(274,500)	-43.78%	(80,515)	-18.59%
Fuel, Materials, and Supplies	2,761	3,000	3,064	3,000	-	0.00%	(64)	-2.09%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	32,057	17,000	14,902	12,500	(4,500)	-26.47%	(2,402)	-16.12%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 1,502,523</b>	<b>\$ 1,330,608</b>	<b>\$ 969,572</b>	<b>\$ 726,342</b>	<b>\$ (604,266)</b>	<b>-45.41%</b>	<b>\$ (243,230)</b>	<b>-25.09%</b>

**General Services**

The General Services department has oversight of the departments under the General Services Division and the Bus Stops and Zones Program.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 23,622	\$ 281,664	\$ 252,511	\$ 445,824	\$ 164,160	58.28%	\$ 193,313	76.56%
Employee Benefits	11,281	34,794	76,165	92,308	57,514	165.30%	16,143	21.19%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	10,500	10,500	100.00%	10,500	100.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 34,903</b>	<b>\$ 316,458</b>	<b>\$ 328,676</b>	<b>\$ 548,632</b>	<b>\$ 232,174</b>	<b>73.37%</b>	<b>\$ 219,956</b>	<b>66.92%</b>

**Business Intelligence**

The Business Intelligence department combines business analytics, data mining, data visualization, data tools and infrastructure, and best practices to support NCTD's data-driven decisions.

Operating Expenditures	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Proposed Budget	Increase/ (Decrease) from FY2026 Budget (\$)	Increase/ (Decrease) from FY2026 Budget (%)	Increase/ (Decrease) from FY2026 Forecast (\$)	Increase/ (Decrease) from FY2026 Forecast (%)
Salaries and Wages	\$ 19,231	\$ 233,694	231,403	\$ 257,533	\$ 23,839	10.20%	\$ 26,130	11.29%
Employee Benefits	8,554	62,207	83,682	69,435	7,228	11.62%	(14,247)	-17.03%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	5,000	2,370	5,000	-	0.00%	2,630	110.97%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	-	-	-	-	0.00%	-	0.00%
	<b>\$ 27,785</b>	<b>\$ 300,901</b>	<b>\$ 317,455</b>	<b>\$ 331,968</b>	<b>\$ 31,067</b>	<b>10.32%</b>	<b>\$ 14,513</b>	<b>4.57%</b>

**Contingency**

This department was created to separately account for unplanned expenses. The Chief Executive Officer approves any use of contingency funds to fund unplanned departmental expenses.

<b>Operating Expenditures</b>	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Proposed Budget</b>	<b>Increase/ (Decrease) from FY2026 Budget (\$)</b>	<b>Increase/ (Decrease) from FY2026 Budget (%)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (\$)</b>	<b>Increase/ (Decrease) from FY2026 Forecast (%)</b>
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Employee Benefits	-	-	-	-	-	0.00%	-	0.00%
Professional Services	-	-	-	-	-	0.00%	-	0.00%
Fuel, Materials, and Supplies	-	-	-	-	-	0.00%	-	0.00%
Utilities	-	-	-	-	-	0.00%	-	0.00%
Casualty and Liability	-	-	-	-	-	0.00%	-	0.00%
Fuel Taxes	-	-	-	-	-	0.00%	-	0.00%
Purchased Transportation	-	-	-	-	-	0.00%	-	0.00%
Miscellaneous Expenses	-	-	-	-	-	0.00%	-	0.00%
Debt-Related Expense	-	-	-	-	-	0.00%	-	0.00%
Leases and Rentals	-	-	-	-	-	0.00%	-	0.00%
Contingency	-	500,000	-	500,000	-	0.00%	500,000	100.00%
	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 500,000</b>	<b>100.00%</b>

## **5-Year Plan and Capital Improvement Program**

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### **5-Year Financial Assumptions**

The 5-Year Forecast is a planning tool designed to review the long-term outlook of NCTD's major cost drivers and available funding sources. It is updated annually to help identify opportunities or issues and serves as the foundation to guide decision making during the development of the operating and capital budgets. It also provides a stress test to identify cash needs if sources of revenue came lower than projected.

The following key assumptions were used in the 5-Year financial forecast:

- Fare revenues: Fare revenues are based on the projected number of passengers by mode multiplied by historical average fares by mode. Forecasted ridership by mode was derived from the 5-Year Service Implementation Plan (SIP). There are no fare increases included in the projections.
- Federal Formula Revenues: FY2027 amounts are based on the Federal Transit Administration (FTA) published apportionment tables. FY2028-FY2031 revenues remain flat, consistent with the conservative assumptions used by SANDAG. The 5-Year Plan assumes an extension of the IIJA through FY2031.
- The TDA and TransNet apportionments for FY2027 and estimates for FY2028-FY2031 were provided by SANDAG and presented in Agenda Item 3.5 of the SANDAG Board of Directors meeting on February 27, 2026.
- State Transit Assistance (STA) and STA State of Good Repair FY2027 allocation estimates were published by the California State Controller on January 31, 2026. Estimates for FY2028-FY2031 remain unchanged from FY2027 levels.
- State Rail Assistance (SRA): The FY2027 estimate is based on prior years' levels; the actual estimate for FY2027 has not yet been provided by the California State Transportation Agency (CalSTA). FY2028-FY2031 are projected to remain the same as FY2027.
- COASTER Service Expansion Program is funded with TransNet 8.1% funds based on the number of trips.
- Revenue from the University of California San Diego (UCSD) U-Pass program is based on annual negotiated rates multiplied by the number of projected student enrollments.
- Investment income is based on interest rates of 1%-1.5% based on the conservative approach.
- Other operating revenues are projected to increase by 3% annually.
- Payroll costs for represented employees are based on negotiated rates in collective bargaining agreements. Payroll costs for non-represented employees are budgeted to increase by 2.5% in FY2027 and by 2% from FY2028 through FY2031.
- Federal statute directs the U.S. Secretary of Transportation to adjust the cap on railroad liability every five years by applying the consumer price index. Few domestic insurers offer coverage beyond \$50 million and agencies must recur to foreign-owned insurers willing to offer coverage up to the current federal cap of \$323 million. Foreign-owned insurers are constantly re-evaluating their position in the U.S. market based on claims losses across all sectors and premium increases have exceeded the CPI in the past. The 5-Year Plan does not factor this uncertainty and assumes that premiums will increase by 3% annually from FY2028 through FY2031. The FY2027 excess liability insurance premium is budgeted to be \$1.5 million higher than FY2026.

- Other operating expenses are projected to increase by 3% annually.
- Payments of long-term obligations for the pension unfunded accrued liability and SPRINTER principal payments will be made from net assets and are not included in the operating budget.

**Sources of Revenue and Allocation of Funds**

Based on revenue and expense assumptions, NCTD will achieve a balanced operating budget in FY2027 but will face a fiscal deficit beginning in FY2028 based on current funding levels. Capital carryover funds of \$15 million will be used in FY2027 to cover capital expenditures, and net deficits are projected beginning in FY2028. Furthermore, payments for long-term obligations for the unfunded pension liability and principal payments on the Certificates of Participation will be made from net assets. Table 19 shows the projected revenues from all sources and allocations to the Capital Improvement Program (CIP) and operating expenses for the next five years. Details on the projects funded in the CIP are provided in the following sections.

*Table 19. FY2027-FY2031 Sources of Revenue and Allocation of Funds*

	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>	<b>5-Year T total</b>
<b>TOTAL REVENUES</b>						
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 65,521,506
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	20,132,378
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	61,588,019
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	277,684,437
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	109,975,711
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	434,837,741
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>969,739,792</b>
<b>FUNDS ALLOCATION</b>						
Capital Improvement Program	49,190,885	7,813,025	-	-	-	57,003,910
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	950,136,686
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>1,059,327,571</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(89,587,779)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	15,581,212
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (74,006,567)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>						
CalPERS Unfunded Accrued Liability Payments	\$ 4,280,762	\$ 4,451,603	\$ 4,937,095	\$ 4,997,562	\$ 5,041,221	\$ 23,708,243
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	7,900,000
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 31,608,243</b>

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

**Allocation of Federal, State and Local Grant Funds**

Table 20 shows the projected grants funding allocations in the next five years (excluding Medi-Cal and CPUC reimbursements for maintenance of crossings and signals):

*Table 20. FY2027-FY2031 Grants Revenue and Allocation of Funds*

Grant	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year Total
<b>Federal Formula Grants</b>						
Federal Transit Administration (FTA) Section 5307	\$ 28,309,831	\$ 28,309,831	\$ 28,309,831	\$ 28,309,831	\$ 28,309,831	\$ 141,549,155
Federal Transit Administration (FTA) Section 5337	20,338,759	20,338,759	20,338,759	20,338,759	20,338,759	101,693,795
Federal Transit Administration (FTA) Section 5339	1,926,889	1,926,889	1,926,889	1,926,889	1,926,889	9,634,445
Federal Transit Administration (FTA) Section 5311	641,568	641,568	641,568	641,568	641,568	3,207,840
<b>State Formula Grants</b>						
State Transit Assistance (STA)	10,786,883	10,786,883	10,786,883	10,786,883	10,786,883	53,934,415
State Transit Assistance - State of Good Repair	2,113,840	2,113,840	2,113,840	2,113,840	2,113,840	10,569,200
State Rail Assistance (SRA)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
Low Carbon Transit Operations Program (LCTOP)	1,995,555	-	-	-	-	1,995,555
<b>Local Formula Grants</b>						
Transportation Development Act (TDA) 4.0	52,821,210	53,952,000	55,093,000	56,232,000	57,332,000	275,430,210
Transportation Development Act (TDA) 4.5	2,770,875	2,830,000	2,890,000	2,950,000	3,008,000	14,448,875
TransNet - Transit Services (Senior and Disabled)	506,000	520,000	533,000	547,000	561,000	2,667,000
TransNet - Transit Services	19,072,000	19,595,000	20,106,000	20,622,000	21,148,000	100,543,000
TransNet - New Major Corridor Transit Operations	7,632,937	7,861,925	8,097,783	8,340,716	8,590,937	40,524,298
<b>Competitive Grants</b>						
Federal Transit Administration (FTA) Low No	17,099,482	-	-	-	-	17,099,482
Federal Consolidated Rail Infrastructure and Safety						
Improvements (CRISI) Program	600,000	-	-	-	-	600,000
Caltrans	325,000	-	-	-	-	325,000
California Public Utilities Commission	88,683	88,683	88,683	88,683	88,683	443,415
<b>One-Time Funds</b>						
Federal Highway Administration - Congestion Mitigation						
and Air Quality Improvement (CMAQ) Program	1,233,240	1,233,240	1,233,240	-	-	3,699,720
Zero-Emission Transit Capital Program (ZETCP)	3,467,415	-	-	-	-	3,467,415
<b>Prior Years Carryover:</b>						
Transportation Development Act (TDA) 4.0 (Capital)	14,968,377	612,835	-	-	-	15,581,212
SB125 Transit and Intercity Rail Capital Program	10,186,286	9,054,425	-	-	-	19,240,711
<b>Total Grants Revenue</b>	<b>\$ 200,884,830</b>	<b>\$ 163,865,878</b>	<b>\$ 156,159,476</b>	<b>\$ 156,898,169</b>	<b>\$ 158,846,390</b>	<b>\$ 836,654,743</b>
<b>Allocations</b>						
Capital Improvement Program	\$ 49,190,885	\$ 7,813,025	\$ -	\$ -	\$ -	\$ 57,003,910
Minimum Capital District Goal *	-	7,186,975	15,000,000	15,000,000	15,000,000	52,186,975
Preventive Maintenance	46,283,603	47,672,111	49,102,274	50,575,342	52,092,602	245,725,932
Available for Operating Expenses	105,410,342	101,193,767	92,057,202	91,322,827	91,753,788	481,737,926
<b>Total Allocations</b>	<b>\$ 200,884,830</b>	<b>\$ 163,865,878</b>	<b>\$ 156,159,476</b>	<b>\$ 156,898,169</b>	<b>\$ 158,846,390</b>	<b>\$ 836,654,743</b>

*NOTE: Grant revenues subject to change based on FTA actual apportionments, state allocations of funding, and revised estimates from SANDAG and the State Controller's Office*

## **FY2027-FY2031 Capital Improvement Program (CIP)**

### **FY2027-FY2031 Unconstrained Capital Needs**

Each year, North County Transit - San Diego Railroad (NCTD) prepares and submits an update of its baseline five-year Capital Improvement Program (CIP) by ranking ongoing and new capital investments according to internally established criteria as described on page 24. NCTD staff also continually review previously approved capital projects to ensure that they are advancing as planned, reallocate funding from projects that have anticipated savings or are no longer being pursued for various reasons, and review capital projects spending regularly to ensure that funds are being spent according to the projects budgets.

The FY2027-FY2031 unconstrained CIP identifies needs of \$155.7 million for FY2027 and \$667.8 million for the five-year period for primarily state of good repair projects that NCTD implements. In addition, for capacity enhancing projects implemented by SANDAG under the TransNet Program, total unconstrained needs total \$1.9 billion. NCTD's Board of Directors approves the CIP for projects that are funded and implemented by NCTD. Following is a summary of the major capital needs of NCTD-managed projects for the next five years:

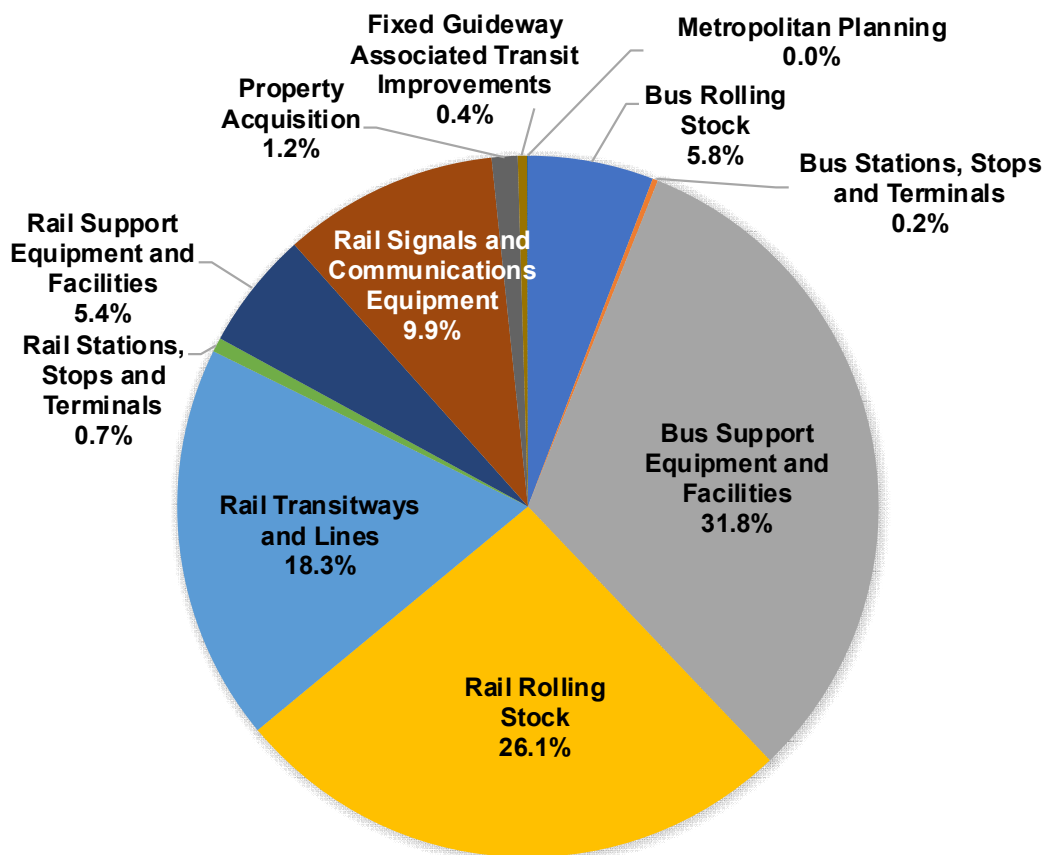
- \$157.5 million for SPRINTER fleet replacements
- \$102.6 million for train station improvements
- \$90.6 million for Control Point Songs double track design and construction
- \$77.8 million for BREEZE East and West operations and maintenance facilities master plan improvements
- \$66.4 million for Positive Train Control and rail signals
- \$38.7 million for BREEZE fleet replacements
- \$24.9 million for bus maintenance facilities improvements
- \$20.8 million for rail right-of-way replacements
- \$15.6 million for SPRINTER equipment and facility improvements
- \$12.5 million for bridge repairs and replacements
- \$11.8 million for COASTER equipment and facility improvements
- \$10.2 million for software
- \$8.5 million for COASTER fleet overhauls
- \$87.3 million for SPRINTER fleet overhauls
- \$8 million for property aquisition
- \$2.7 million for wayfinding
- \$2.2 million for COASTER image recoders
- \$2.0 million for Buena Creek grade separation
- \$1.6 million for bus stop improvements
- \$1.4 million for fare collection
- \$1.3 million for information technology
- \$1.2 million for non-revenue vehicles

Table 21 and Figure 18 show the unconstrained capital needs by FTA scope for the next five fiscal years.

Table 21. FY2027-FY2031 Unconstrained Capital Needs

FTA Scope Description	FY2027	FY2028	FY2029	FY2030	FY2031	5-Year
Bus Rolling Stock	\$ 19,734,360	\$ 19,010,000	\$ -	\$ -	\$ -	\$ 38,744,360
Bus Stations, Stops and Terminals	1,250,000	350,000	-	-	-	1,600,000
Bus Support Equipment and Facilities	10,945,000	125,392,000	26,755,000	49,535,000	-	212,627,000
Rail Rolling Stock	33,270,000	67,627,500	69,547,500	4,000,000	-	174,445,000
Rail Transitways and Lines	11,440,025	10,460,025	46,000,025	38,639,654	15,639,654	122,179,383
Rail Stations, Stops and Terminals	4,310,000	75,000	-	-	-	4,385,000
Rail Support Equipment and Facilities	18,936,500	15,218,000	2,230,000	-	-	36,384,500
Rail Signals and Communications Equipment	47,470,000	16,850,000	1,050,000	1,000,000	-	66,370,000
Property Acquisition	8,000,000	-	-	-	-	8,000,000
Fixed Guideway Associated Transit Improvements	-	2,765,900	-	-	-	2,765,900
Metropolitan Planning	299,822	-	-	-	-	299,822
<b>Total Unconstrained CIP</b>	<b>\$ 155,655,707</b>	<b>\$ 257,748,425</b>	<b>\$ 145,582,525</b>	<b>\$ 93,174,654</b>	<b>\$ 15,639,654</b>	<b>\$ 667,800,965</b>

Figure 18. FY2027-FY2031 Unconstrained Capital Needs by FTA Scope



**FY2027-FY2031 Constrained Capital Improvement Program**

NCTD is required to financially constrain the Capital Improvement Program (CIP) based on funding availability. NCTD develops a Discretionary Grants Program Strategy to seek discretionary grant awards to augment its capital funding. The award of discretionary grants is critical as current dedicated funding sources are insufficient to meet NCTD’s annual requirements for capital investment.

Projects that are approved with an identified funding source are included in the Capital Improvement Program (CIP). The FY2027 CIP is \$49.2 million, which is \$34.2 million above NCTD target of \$15 million for capital investment, and \$36.8 million above the \$86 million funded in FY2026. The list of projects funded in the FY2027 CIP are listed in Table 23.

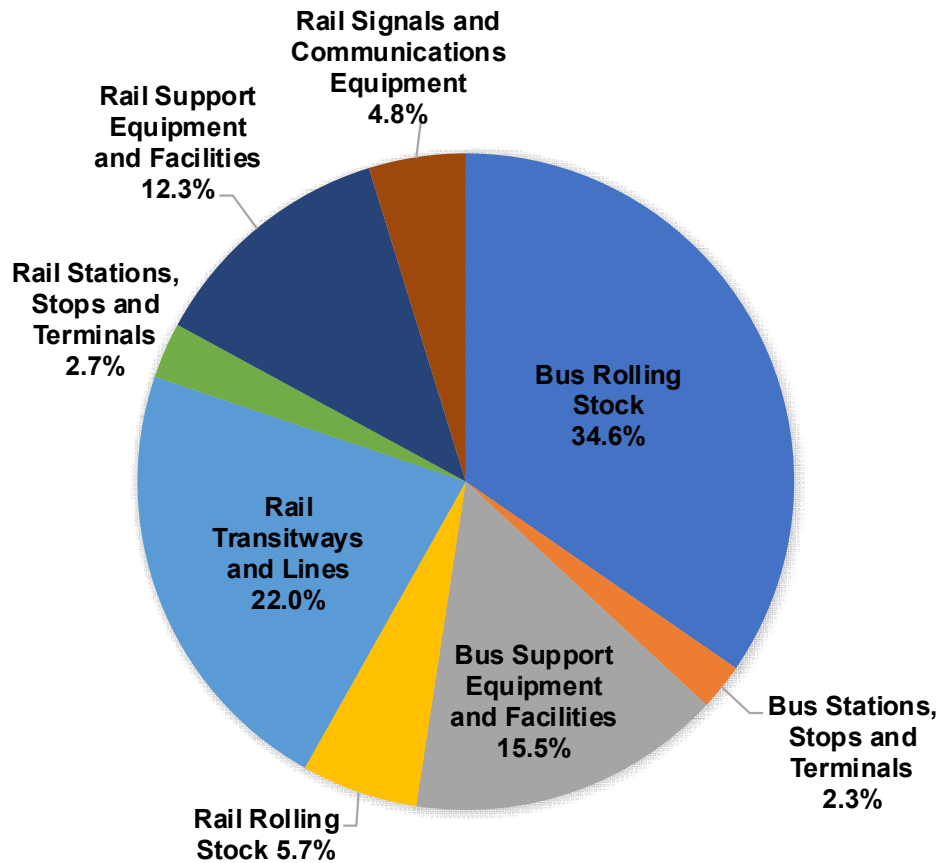
Due to lack of state funding, NCTD has stopped the initiatives related to the development and eventual acquisition of zero-emissions (ZE) motive power for its rail operations. These efforts were designed to coincide with California Executive Order N-79-20 and pending regulations from the California Air Resources Board (CARB) which would require NCTD to transition to ZE rail operations by 2035. The SPRINTER fleet, which will reach the end of its useful life in 2033, is projected to cost between \$120 million and \$229 million depending on technology (hydrogen or electric). Additional costs for SPRINTER facilities and stations modifications to support a zero- emission fleet will be significant. No funding has yet been identified for a pilot program, future fleet replacement, or infrastructure modifications and the projected costs are not included in the unconstrained CIP calculations.

Table 22 and Figure 19 summarize the adopted capital projects by Federal Transit Administration (FTA) scope for FY2027 and FY2028. Based on current and projected formula-based funding, NCTD will not be able to fund its minimum Capital Improvement Program beginning in FY2028, therefore, there is no constrained CIP from FY2029 through FY2031. Future capital needs will require funding from competitive and discretionary grants and additional federal and state financial support.

*Table 22. FY2027-FY2031 Constrained CIP*

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

Figure 19. FY2027-FY2031 Constrained CIP by FTA Scope



**FY2027-FY2031 Unfunded Capital Needs**

Projects that are not constrained are unfunded. Below is a list of major unfunded FY2027-FY2031 capital needs:

- \$157.5 million for SPRINTER fleet replacement
- \$101.7 million for train station improvements
- \$90.6 million for Control Point Songs double track design and construction
- \$77.8 million for BREEZE East and West operations and maintenance facilities master plan improvements
- \$63.7 million for PTC and rail signals
- \$19 million for BREEZE fleet replacements
- \$18.4 million for bus maintenance facilities improvements
- \$15.6 million for SPRINTER equipment and facility improvements
- \$11.2 million for bridge repairs and replacements
- \$9.5 million for rail right-of-way replacements
- \$8.7 million for software
- \$8.5 million for COASTER fleet overhauls

- \$8 million for property acquisition
- \$7.4 million for COASTER equipment and facility improvements
- \$5.1 million for SPRINTER fleet overhauls
- \$2.7 million for wayfinding
- \$2 million for Buena Creek grade separation
- \$1.2 million for non-revenue vehicles

Following is a summary of the major unfunded capacity enhancement projects to be implemented by SANDAG (excluding the San Diego LOSSAN Rail Realignment):

- \$254.2 million for Sorrento to Miramar Phase 2
- \$100.9 million for Eastbrook to Shell double-track
- \$32.5 million for San Dieguito Double Track
- \$25.2 million for Carlsbad Village Trench Environmental
- \$23 million for Rose Canyon Bridge Replacements
- \$15.6 million for Del Mar Bluffs Access Improvements
- \$8.8 million for Del Mar Bluffs 5 Continuation
- \$2.8 million for Bridge 257.2 Replacement

### **List of Adopted Projects**

Following is a detailed listing of all adopted projects for the FY2027-FY2028 CIP. FY2028 is subject to change and will require specific approval of the Board upon adoption of the FY2028 annual operating budget. No projects are listed for FY2029-FY2031 due to lack of funding. Future capital needs will require funding from competitive and discretionary grants and additional federal and state financial support.

Table 23. FY2027 Constrained CIP Projects

Scope and Project Name	FY2027 CIP	% of Total
<b>111 Bus Rolling Stock</b>	<b>\$ 19,734,360</b>	<b>40.1%</b>
BREEZE Fleet Replacement (CNG Buses)	19,734,360	
<b>113 Bus Stations, Stops, and Terminals</b>	<b>\$ 950,000</b>	<b>1.9%</b>
Bus Stops Improvements Phase II (Construction)	950,000	
<b>114 Bus Support Equipment and Facilities</b>	<b>\$ 8,020,000</b>	<b>16.3%</b>
BREEZE East and West Pavement (Construction)	1,000,000	
BREEZE East and West Electrical Upgrades (Construction)	935,000	
Trapeze Enterprise Asset Management for Bus Modes	750,000	
HASTUS Daily Modules	750,000	
BREEZE West Elevator Modernization	650,000	
Fire Alarm System (Construction)	550,000	
Standby Power Systems Refresh	510,000	
BREEZE West In-Ground Lift Replacements	500,000	
Utility Carts Purchase	400,000	
BREEZE East In-Ground Lift Replacements	375,000	
BREEZE East Body Shop Gas Detection (Design)	300,000	
Portable Bus Lift Replacements	250,000	
BREEZE West Storeroom Fire Suppression System (Design)	250,000	
Network Upgrades	175,000	
BREEZE West Unleaded Dispensers	145,000	
BREEZE Lifts	135,000	
BREEZE West Veeder-Root Replacement	115,000	
Server Upgrade	100,000	
BREEZE West Medium Duty Lift Razor Replacements	70,000	
BREEZE West Hydrogen Fueling Station (Design)	30,000	
BREEZE West Hydrogen Sensors (Construction)	30,000	
<b>121 Rail Rolling Stock</b>	<b>\$ 3,270,000</b>	<b>6.6%</b>
SPRINTER Powerpack Component Overhaul	2,260,000	
SPRINTER Transmission Overhaul	580,000	
SPRINTER Air Compressor Overhaul	290,000	
SPRINTER Generator Overhaul	140,000	
<b>122 Rail Transitways and Lines</b>	<b>\$ 7,060,025</b>	<b>14.4%</b>
Control Point Ash Turnout (Construction)	4,000,025	
Bridge 209.9 (Construction)	900,000	
Control Point Longboard Drainage (Construction)	750,000	
Grand Avenue and Carlsbad Village Drive Grade Crossing Safety	750,000	
Bridge 207.6 Bearing (Construction)	410,000	
Milepost 256.5 Drainage (Design)	250,000	

Table 23. FY2027 Constrained CIP Projects (continued)

Scope and Project Name	FY2027 CIP	% of Total
<b>123 Rail Stations, Stops and Terminals</b>	<b>\$ 1,560,000</b>	<b>3.2%</b>
Ticket Vending Machines	670,000	
Escondido Transit Center Wood Structures Improvements	500,000	
Solana Beach Glass Canopies (Design)	240,000	
Solana Beach Station Storefront Improvements (Construction)	150,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>\$ 5,876,500</b>	<b>11.9%</b>
COASTER Image Recorders	2,250,000	
COASTER Train Wash (Construction)	1,900,000	
Rail Onboard Validators	320,000	
COASTER Fuel Dispensing System (Construction)	300,000	
Wayside Power Cabinets (Construction)	281,000	
COASTER Operations Warehouse Improvements	220,000	
COASTER Train Wash (Design)	165,000	
COASTER Turntables (Construction)	157,000	
COASTER Pits Structural Repairs	100,000	
COASTER Lift Station Upgrades (Design)	95,000	
COASTER Turntables (Design)	50,000	
COASTER Fuel Dispensing System (Design)	38,500	
<b>126 Rail Signals and Communications Equipment</b>	<b>\$ 2,720,000</b>	<b>5.5%</b>
Positive Train Control Communications System Refresh	2,000,000	
Positive Train Control Wireless Crossing	720,000	
<b>TOTAL FY2027 CIP</b>	<b>\$ 49,190,885</b>	<b>100.0%</b>

Table 24. FY2028 Constrained CIP Projects

Description	FY2028 CIP	% of Total
<b>113 Bus Stations, Stops, and Terminals</b>	<b>\$ 350,000</b>	<b>4.5%</b>
Bus Stops Improvements Phase II (Construction)	350,000	
<b>114 Bus Support Equipment and Facilities</b>	<b>\$ 825,000</b>	<b>10.6%</b>
BREEZE East and West Pavement (Construction)	825,000	
<b>122 Rail Transitways and Lines</b>	<b>\$ 5,500,025</b>	<b>70.4%</b>
Control Point Longboard Drainage (Construction)	750,000	
Control Point Ash Turnout (Construction)	4,000,025	
Grand Avenue and Carlsbad Village Drive Grade Crossing Safety	750,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>\$ 1,138,000</b>	<b>14.6%</b>
COASTER Turntables (Construction)	261,000	
COASTER Pits Structural Repairs	295,000	
COASTER Fuel Dispensing System (Construction)	107,000	
COASTER Train Wash (Construction)	475,000	
<b>TOTAL FY2028 CIP</b>	<b>\$ 7,813,025</b>	<b>100.0%</b>

**5-Year Service Implementation Plan (SIP)**

The Service Implementation Plan includes a five-year outlook that is updated annually with each budget cycle. This planning horizon allows NCTD to align projected funding with capital needs and future operating projections. The FY2027 Service Implementation Plan was developed within the context of continued fiscal uncertainty and constrained operating resources. As a result, NCTD’s focus over the five-year planning horizon is on maintaining existing service levels, monitoring system performance, and identifying cost-effective service adjustments that improve customer access and better align the network with evolving travel patterns. The key objectives of the FY2027 SIP are:

Objective	Strategy
Service Levels	Maintain existing service levels across all modes within constrained funding conditions
Service Optimization	Evaluate cost-effective service adjustments that improve access and better align service with travel demand
Financial Sustainability	Prioritize operational and capital decisions that support long-term financial stability
NCTD+ Expansion	Implement future NCTD+ zones only if operationally feasible and externally funded
COASTER Connectivity	Complete the Convention Center Platform project to enhance regional connectivity and special event access
Ridership Growth	Support steady, sustainable ridership growth through reliable service and customer-focused improvements

**Five-Year Outlook**

Figure 20 and Table 25 illustrate systemwide current and projected ridership and service levels from FY2025 through FY2031. Because no major service expansions are currently planned, ridership growth over the five-year outlook is projected to remain modest and generally align with typical year-over-year transit growth trends. The only potential service expansion currently identified is the implementation of the Fallbrook-Pala NCTD+ zone in FY2028, which remains contingent upon receipt of SANDAG Flexible Fleets funding.

In addition, NCTD anticipates completion of the COASTER Convention Center Platform in FY2029, which is expected to result in modest increases in ridership and operating mileage without increasing the total number of scheduled COASTER trips. For demand-responsive services such as LIFT and NCTD+, projected operating statistics fluctuate in proportion to ridership demand due to the nature of those service models. Tables 26 through 31 detail projected modal ridership and operating statistics from FY2027 through FY2031.

Figure 20. Systemwide Actual & Projected Ridership and Service Levels, FY2025-FY2031

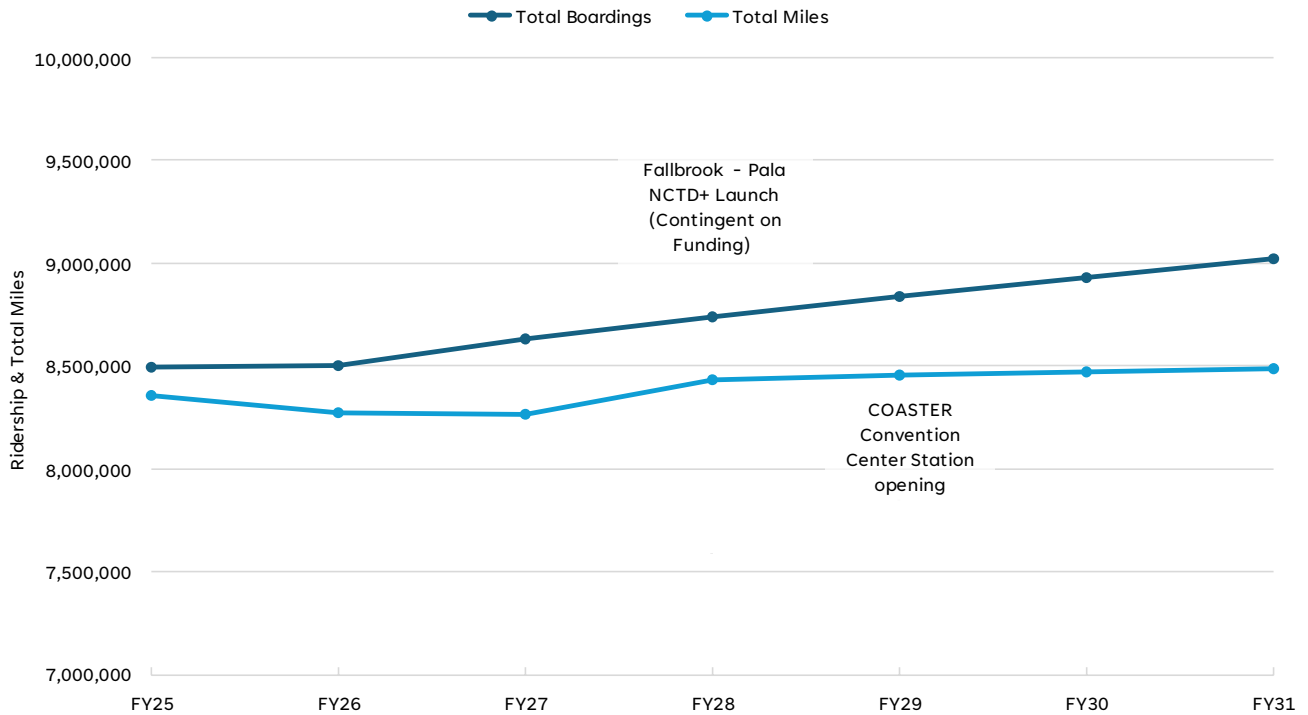


Table 25. Systemwide FY2025-FY2031 Ridership and Service Levels

Fiscal Year	Ridership	Revenue Miles	Total Miles	Revenue Hours	Total Hours
FY2025	8,496,098	7,347,890	8,407,535	554,498	605,195
FY2026	8,503,892	7,253,143	8,272,093	548,153	593,515
FY2027	8,629,730	7,152,727	8,262,725	539,857	589,674
FY2028	8,738,279	7,296,067	8,433,939	553,840	610,220
FY2029	8,841,751	7,319,018	8,458,793	554,960	611,516
FY2030	8,930,167	7,330,625	8,471,829	555,730	612,438
FY2031	9,019,468	7,342,350	8,484,997	556,508	613,368
FY2032	9,234,173	7,350,071	8,487,152	567,594	604,435
FY2033	9,641,584	7,588,056	8,736,208	575,550	612,851
FY2034	10,336,978	7,969,159	9,120,307	593,231	630,595
FY2035	10,440,348	7,980,568	9,133,142	594,111	631,428
FY2036	10,544,751	7,992,094	9,146,111	595,000	632,269

*Table 26. BREEZE FY2027-FY2031 Ridership and Service Levels*

<b>BREEZE</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	5,603,693	5,659,730	5,716,327	5,773,490	5,831,225
<b>Total Revenue Miles</b>	4,875,785	4,875,785	4,875,785	4,875,785	4,875,785
<b>Total Miles</b>	5,755,046	5,755,046	5,755,046	5,755,046	5,755,046
<b>Total Revenue Hours</b>	421,175	421,175	421,175	421,175	421,175
<b>Total Hours</b>	457,592	457,592	457,592	457,592	457,592

*Table 27. LIFT FY2027-FY2031 Ridership and Service Levels*

<b>LIFT</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	115,147	116,575	117,741	118,918	120,107
<b>Total Revenue Miles</b>	871,853	882,665	891,494	900,406	909,408
<b>Total Miles</b>	939,038	950,684	960,192	969,791	979,487
<b>Total Revenue Hours</b>	49,558	50,173	50,674	51,181	51,693
<b>Total Hours</b>	54,044	54,714	55,261	55,814	56,372

*Table 28. FLEX FY2027-FY2031 Ridership and Service Levels*

<b>FLEX</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	111,682	115,064	116,806	117,974	119,154
<b>Total Revenue Miles</b>	344,416	344,416	344,416	344,416	344,416
<b>Total Miles</b>	441,931	441,931	441,931	441,931	441,931
<b>Total Revenue Hours</b>	20,104	20,104	20,104	20,104	20,104
<b>Total Hours</b>	24,023	24,023	24,023	24,023	24,023

*Table 29. COASTER FY2027-FY2031 Ridership and Service Levels*

<b>COASTER</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	1,080,628	1,091,434	1,117,846	1,129,024	1,140,314
<b>Total Revenue Miles</b>	407,220	407,220	418,670	418,670	418,670
<b>Total Miles</b>	424,586	424,586	436,525	436,525	436,525
<b>Total Revenue Hours</b>	12,737	12,737	13,095	13,095	13,095
<b>Total Hours</b>	13,645	13,645	14,029	14,029	14,029

*Table 30. SPRINTER FY2027-FY2031 Ridership and Service Levels*

<b>SPRINTER</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	1,671,683	1,688,400	1,705,284	1,722,337	1,739,560
<b>Total Revenue Miles</b>	518,926	518,926	518,926	518,926	518,926
<b>Total Miles</b>	521,147	521,147	521,147	521,147	521,147
<b>Total Revenue Hours</b>	23,588	23,588	23,588	23,588	23,588
<b>Total Hours</b>	23,742	23,742	23,742	23,742	23,742

*Table 31. NCTD FY2027-FY2031 Ridership and Service Levels \**

<b>NCTD+</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
<b>Total Ridership</b>	46,897	67,076	67,747	68,424	69,108
<b>Total Revenue Miles</b>	134,527	267,055	269,727	272,422	275,145
<b>Total Miles</b>	180,977	340,545	343,952	347,389	350,861
<b>Total Revenue Hours</b>	12,695	26,063	26,324	26,587	26,853
<b>Total Hours</b>	16,628	36,504	36,869	37,238	37,610

*\* Projected increases in FY2028–FY2031 service levels, revenue miles, revenue hours, and ridership are contingent upon securing external funding for additional NCTD+ zones.*

**10-Year Long Range Planning**

This section highlights the long-term implications of operating revenues and expenditures needed to support core functions and to achieve NCTD initiatives. This section provides three forecasts for the next ten fiscal years through FY2036, with revenue and expense assumptions primarily driven by low, medium, and high grant revenue forecasts. FY2027 through FY2031 remain the same under the three scenarios in alignment with the 5-Year Plan (assumptions are described on pages 94-95). The high and low ranges for FY2032 through FY2036 are determined by beginning with the prior year midpoint, applying the estimated growth rate for the current year, and then adding and subtracting the confidence interval range from the midpoint. In addition to evaluating mid-range grant revenue forecasts, NCTD performs sensitivity analysis using low-range grant revenue forecasts to develop contingency strategies to address expense structure and service levels should these conditions occur. For years six through ten, all scenarios assume a minimum investment of \$15 million into NCTD annual capital program. Under all scenarios (low, medium, high), in the absence of additional funding, beginning in FY2029, NCTD will be required to reduce services and capital investments will require full funding from competitive and discretionary grants.

**Mid-Range Forecast**

This scenario represents the more likely scenario based on historical trends. FTA revenues from FY2027 to FY2031 are based on FY2027 FTA apportionments. The federal transportation bill passed in the Bipartisan Infrastructure Law (as enacted in the Infrastructure Investment and Jobs Act (IIJA)) increased funding each year through FY2027; FY2028 through FY2036 are outside of the last year of the IIJA, however, the forecast assumes a continuation of the program through FY2036. TDA and TransNet revenues from FY2027 to FY2031 are based on SANDAG's forecasts and anticipated to grow by 3% thereafter. State Transit Assistance and State Rail Assistance funds are assumed to remain similar to FY2027 levels. The passenger fares forecast is based on the 5-Year Service Implementation Plan and projections provided by the Service Planning department. Other revenues are projected to increase by 3% annually. Payroll expenses are forecast to grow by 2%, other operating expenses are forecast to grow by 3% annually, and capital expenditures remain at \$15 million annually. Under the mid-range forecast scenario, the total 10-Year projected net operating and capital deficit totals \$222.2 million.

*Table 32. 10-Year Outlook - Mid-Range Grant Revenue Forecast*

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 13,651,575	\$ 15,168,231	\$ 15,727,979	\$ 15,897,877	\$ 16,050,156
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	4,026,440	4,147,233	4,271,650	4,399,800	4,531,794
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	13,448,025	13,851,466	14,267,010	14,695,020	15,135,871
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	51,217,047	51,217,047	51,217,047	51,217,047	51,217,047
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406	16,989,406
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	93,359,135	96,159,909	99,044,707	102,016,049	105,076,530
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>192,691,628</b>	<b>197,533,292</b>	<b>201,517,799</b>	<b>205,215,199</b>	<b>209,000,804</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	49,190,885	7,813,025	-	-	-	-	-	-	-	-
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	205,376,207	210,468,123	215,691,409	221,049,580	226,546,245
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>220,376,207</b>	<b>225,468,123</b>	<b>230,691,409</b>	<b>236,049,580</b>	<b>241,546,245</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(27,684,579)	(27,934,831)	(29,173,610)	(30,834,381)	(32,545,441)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	-	-	-	-	-
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (27,684,579)</b>	<b>\$ (27,934,831)</b>	<b>\$ (29,173,610)</b>	<b>\$ (30,834,381)</b>	<b>\$ (32,545,441)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	4,280,762	4,451,603	4,937,095	4,997,562	5,041,221	4,745,224	4,689,704	4,246,382	4,107,159	3,869,482
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000	1,750,000	1,800,000	-
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 6,445,224</b>	<b>\$ 6,439,704</b>	<b>\$ 5,996,382</b>	<b>\$ 5,907,159</b>	<b>\$ 3,869,482</b>

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

**Low-Range Forecast**

NCTD prepared the low-range forecast utilizing internal cost containment initiatives. The forecast for FY2027-FY2031 remains the same as the mid-range scenario; however, both payroll expenses and other operating expenses are forecast to grow at a rate of 2% beginning in FY2032. FTA, TDA, and TransNet revenues from FY2027 through FY2031 are based on SANDAG's forecasts and are anticipated to grow by 2% thereafter. State Transit Assistance and State Rail Assistance funds are assumed to remain similar to FY2027 levels. The passenger fares forecast is based on the 5-Year Service Implementation Plan and projections provided by the Service Planning department. Other revenues are projected to increase by 3% annually. Under the low-range forecast scenario, the total 10-Year projected net operating and capital deficit totals \$216.5 million.

*Table 33. 10-Year Outlook - Low-Range Grant Revenue Forecast*

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 13,651,575	\$ 15,168,231	\$ 15,727,979	\$ 15,897,877	\$ 16,050,156
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	4,026,440	4,147,233	4,271,650	4,399,800	4,531,794
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	13,448,025	13,851,466	14,267,010	14,695,020	15,135,871
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	51,217,047	51,217,047	51,217,047	51,217,047	51,217,047
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	16,900,723	16,900,723	16,900,723	16,900,723	16,900,723
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	92,452,736	94,301,790	96,187,825	98,111,582	100,073,814
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>191,696,546</b>	<b>195,586,490</b>	<b>198,572,234</b>	<b>201,222,049</b>	<b>203,909,405</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	49,190,885	7,813,025	-	-	-	-	-	-	-	-
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	203,387,216	207,454,960	211,604,060	215,836,140	220,152,863
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>218,387,216</b>	<b>222,454,960</b>	<b>226,604,060</b>	<b>230,836,140</b>	<b>235,152,863</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(26,690,670)	(26,868,470)	(28,031,826)	(29,614,091)	(31,243,458)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	-	-	-	-	-
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (26,690,670)</b>	<b>\$ (26,868,470)</b>	<b>\$ (28,031,826)</b>	<b>\$ (29,614,091)</b>	<b>\$ (31,243,458)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	4,280,762	4,451,603	4,937,095	4,997,562	5,041,221	4,745,224	4,689,704	4,246,382	4,107,159	3,869,482
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000	1,750,000	1,800,000	-
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 6,445,224</b>	<b>\$ 6,439,704</b>	<b>\$ 5,996,382</b>	<b>\$ 5,907,159</b>	<b>\$ 3,869,482</b>

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

**High-Range Forecast**

The forecast for FY2027-FY2031 remains the same as the mid-range scenario. Beginning in FY2032, the high-range forecast assumes a 5% growth for TDA and TransNet revenues and 4% for STA revenues. Operating expenses remain at the same level as the mid-range forecast. Under the low-range forecast scenario, the total 10-Year projected net operating and capital deficit totals \$181.7 million.

*Table 34. 10-Year Outlook - High-Range Grant Revenue Forecast*

	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 12,763,545	\$ 12,923,546	\$ 13,133,258	\$ 13,278,069	\$ 13,423,088	\$ 13,651,575	\$ 15,168,231	\$ 15,727,979	\$ 15,897,877	\$ 16,050,156
Non-Transportation Revenues	4,557,736	4,009,168	3,803,105	3,853,204	3,909,165	4,026,440	4,147,233	4,271,650	4,399,800	4,531,794
Auxiliary Revenues	11,600,386	11,948,397	12,306,848	12,676,053	13,056,335	13,448,025	13,851,466	14,267,010	14,695,020	15,135,871
Federal Grants	70,189,769	52,490,287	52,490,287	51,257,047	51,257,047	51,217,047	51,217,047	51,217,047	51,217,047	51,217,047
State Grants *	32,963,662	26,043,831	16,989,406	16,989,406	16,989,406	17,576,752	18,279,822	19,011,015	19,771,455	20,562,313
Local Grants	83,037,787	84,998,692	86,964,768	88,941,658	90,894,836	95,171,934	99,930,531	104,927,058	110,173,411	115,662,081
	<b>215,112,885</b>	<b>192,413,921</b>	<b>185,687,672</b>	<b>186,995,437</b>	<b>189,529,877</b>	<b>195,091,773</b>	<b>202,594,330</b>	<b>209,421,759</b>	<b>216,154,610</b>	<b>223,179,262</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	49,190,885	7,813,025	-	-	-	-	-	-	-	-
Minimum Capital District Goal	-	7,186,975	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Operating Budget	180,890,377	185,342,931	189,909,879	194,594,268	199,399,231	205,376,207	210,468,123	215,691,409	221,049,580	226,546,245
	<b>230,081,262</b>	<b>200,342,931</b>	<b>204,909,879</b>	<b>209,594,268</b>	<b>214,399,231</b>	<b>220,376,207</b>	<b>225,468,123</b>	<b>230,691,409</b>	<b>236,049,580</b>	<b>241,546,245</b>
Deficit	(14,968,377)	(7,929,010)	(19,222,207)	(22,598,831)	(24,869,354)	(25,284,434)	(22,873,793)	(21,269,650)	(19,894,970)	(18,366,983)
Capital Funds Prior Carryover	14,968,377	612,835	-	-	-	-	-	-	-	-
<b>Net Deficit</b>	<b>\$ -</b>	<b>\$ (7,316,175)</b>	<b>\$ (19,222,207)</b>	<b>\$ (22,598,831)</b>	<b>\$ (24,869,354)</b>	<b>\$ (25,284,434)</b>	<b>\$ (22,873,793)</b>	<b>\$ (21,269,650)</b>	<b>\$ (19,894,970)</b>	<b>\$ (18,366,983)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	4,280,762	4,451,603	4,937,095	4,997,562	5,041,221	4,745,224	4,689,704	4,246,382	4,107,159	3,869,482
SPRINTER Debt Principal Payments	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000	1,750,000	1,800,000	-
<b>Funded from Net Assets</b>	<b>\$ 5,780,762</b>	<b>\$ 6,001,603</b>	<b>\$ 6,537,095</b>	<b>\$ 6,597,562</b>	<b>\$ 6,691,221</b>	<b>\$ 6,445,224</b>	<b>\$ 6,439,704</b>	<b>\$ 5,996,382</b>	<b>\$ 5,907,159</b>	<b>\$ 3,869,482</b>

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

**Appendices**

**Passenger Fare Rates**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>BREEZE Fixed Route</b>										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Senior/Disabled/Medicare	1.25	1.25	1.25	1.25	1.25	1.25	0.75	0.75	0.75	0.75
Youth	1.25	1.25	1.25	1.25	1.25	2.50	1.75	1.75	1.75	1.75
Regional Day Pass										
Adult	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*	*
Senior/Disabled/Medicare	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Youth	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Premium Day Pass										
Adult	12.00	12.00	12.00	12.00	12.00	12.00	12.00	*	*	*
Senior/Disabled/Medicare	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*
Youth	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*
COASTER Regional Day Pass										
Adult	15.00	15.00	15.00	15.00	15.00	15.00	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
SPRINTER/BREEZE Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	59.00	59.00	59.00	59.00	*	*	59.00	59.00	59.00	59.00
Senior/Disabled/Medicare	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Youth	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Regional Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00
Senior/Disabled/Medicare	23.00	23.00	23.00	23.00	23.00	23.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	23.00	23.00	23.00	36.00	36.00	36.00	36.00
Regional Premium Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Senior/Disabled/Medicare	32.00	32.00	32.00	32.00	32.00	32.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	32.00	32.00	32.00	50.00	50.00	50.00	50.00
Day Pass										
Adult	*	*	*	*	*	*	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	*	*	*	*	*	*	2.25	2.25	2.25	2.25
Youth	*	*	*	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	*	12.00	12.00	12.00	12.00
Regional 14 Day Pass	*	*	*	*	*	*	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	*	*	*	60.00	60.00	60.00	60.00
College Monthly Pass	(b)	(b)	(b)	(b)	(b)	(b)	49.00	49.00	49.00	49.00
<b>LIFT ADA/Paratransit</b>										
One-way Fare	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50
<b>FLEX On Demand Bus Service</b>										
One-way Fare										
Adult	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Senior/Disabled/Medicare	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Youth	2.50	2.50	2.50	2.50	2.50	2.50	5.00	5.00	5.00	5.00

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>COASTER Commuter Train Service</b>										
ZONE 1										
One-way Fare										
Adult	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Senior/Disabled/Medicare	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00
Youth	2.50	2.50	2.50	2.50	2.50	2.50	4.00	4.00	4.00	4.00
Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	140.00	140.00	140.00	140.00	140.00	140.00	120.00	120.00	120.00	120.00
ZONE 2										
One-way Fare										
Adult	5.75	5.75	5.75	5.75	5.75	5.75	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	2.75	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50	2.50
Youth	2.75	2.75	2.75	2.75	2.75	2.75	5.00	5.00	5.00	5.00
Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	161.00	161.00	161.00	161.00	161.00	161.00	150.00	150.00	150.00	150.00
ZONE 3										
One-way Fare										
Adult	6.50	6.50	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50
Senior/Disabled/Medicare	3.25	3.25	3.25	3.25	3.25	3.25	2.75	2.75	2.75	2.75
Youth	3.25	3.25	3.25	3.25	3.25	3.25	5.50	5.50	5.50	5.50
Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	182.00	182.00	182.00	182.00	182.00	182.00	165.00	165.00	165.00	165.00
Senior/Disabled/Medicare (all zones)	58.00	58.00	58.00	58.00	58.00	58.00	41.25	41.25	41.25	41.25
Youth (all zones)	58.00	58.00	58.00	58.00	58.00	58.00	82.50	82.50	82.50	82.50
COASTER Regional Day Pass										
Adult	15.00	15.00	15.00	15.00	15.00	15.00	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
COASTER Day 10-Pass Multi-Pack										
Adult	75.00	75.00	75.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare	37.50	37.50	37.50	*	*	*	*	*	*	*
Youth	37.50	37.50	37.50	*	*	*	*	*	*	*
COASTER Day 5-Pass Multi-Pack										
Adult	45.00	45.00	45.00	*	*	*	*	*	*	*
Senior/Disabled/Medicare	22.50	22.50	22.50	*	*	*	*	*	*	*
Youth	22.50	22.50	22.50	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	*	12.00	12.00	12.00	12.00
<b>SPRINTER Hybrid Rail Train Service</b>										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Senior/Disabled/Medicare	1.25	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00
Youth	1.25	1.25	1.25	1.25	1.25	2.50	2.00	2.00	2.00	2.00
Regional Day Pass										
Adult	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*	*
Senior/Disabled/Medicare	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Youth	3.00	3.00	3.00	3.00	3.00	3.00	*	*	*	*
Premium Day Pass										
Adult	12.00	12.00	12.00	12.00	12.00	12.00	12.00	*	*	*
Senior/Disabled/Medicare	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*
Youth	6.00	6.00	6.00	6.00	6.00	6.00	6.00	*	*	*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>SPRINTER Hybrid Rail Train Service (continued)</b>										
COASTER Regional Day Pass										
Adult	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	*	*	*	*
Senior/Disabled/Medicare	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
Youth	7.50	7.50	7.50	7.50	7.50	7.50	*	*	*	*
SPRINTER/BREEZE Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	59.00	59.00	59.00	59.00	*	*	59.00	59.00	59.00	59.00
Senior/Disabled/Medicare	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Youth	19.00	19.00	19.00	19.00	*	*	59.00	59.00	59.00	59.00
Regional Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00
Senior/Disabled/Medicare	23.00	23.00	23.00	23.00	23.00	23.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	23.00	23.00	23.00	36.00	36.00	36.00	36.00
Regional Premium Monthly Calendar or Rolling 30-Day Pass (a)										
Adult	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Senior/Disabled/Medicare	32.00	32.00	32.00	32.00	32.00	32.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	32.00	32.00	32.00	50.00	50.00	50.00	50.00
Day Pass										
Adult	*	*	*	*	*	*	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	*	*	*	*	*	*	2.25	2.25	2.25	2.25
Youth	*	*	*	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	*	*	*	12.00	12.00	12.00	12.00
Regional 14 Day Pass	*	*	*	*	*	*	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	*	*	*	60.00	60.00	60.00	60.00
College Monthly Pass	(b)	(b)	(b)	(b)	(b)	(b)	49.00	49.00	49.00	49.00

**NCTD+ On Demand Microtransit**

One-way Fare										
Anywhere in service zone	\$ 3.00	\$ 3.00	*	*	*	*	*	*	*	*
To/from SPRINTER stations	1.50	1.50	*	*	*	*	*	*	*	*
Additional riders	1.50	1.50	*	*	*	*	*	*	*	*

**Fare Capping (Pay As You Go) (c)**

Regional Daily Cap										
Adult	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	3.00	3.00	3.00	3.00	*	*	*	*	*	*
Regional Monthly Cap										
Adult	72.00	72.00	72.00	72.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	23.00	23.00	23.00	23.00	*	*	*	*	*	*
Premium Daily Cap										
Adult	12.00	12.00	12.00	12.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	6.00	6.00	6.00	6.00	*	*	*	*	*	*
Premium Monthly Cap										
Adult	100.00	100.00	100.00	100.00	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	32.00	32.00	32.00	32.00	*	*	*	*	*	*

(a) Effective September 1, 2022, rolling 30-day passes are no longer available for sale.

(b) College Monthly Passes no longer have prescribed rates and are negotiated between the college/university and MTS.

(c) Effective September 1, 2022 with the implementation of PRONTO, customers have the option to "pay-as-you-go" and reach daily and monthly caps of fares.

\* Fare product not offered

NOTE: The SANDAG Board of Directors approves the region's Comprehensive Fare Ordinance encompassing fares charged on all public transit vehicles in San Diego County operated by Metropolitan Transit System (MTS) and the North County Transit District (NCTD).

Source: NCTD Rider's Guide

Operating Statistics

	<b>FY2025 Actual</b>	<b>FY2026 Budget</b>	<b>FY2026 Forecast</b>	<b>FY2027 Budget</b>
<b>PASSENGER BOARDINGS</b>				
BREEZE	5,458,166	5,735,171	5,543,623	5,603,693
LIFT	111,204	118,861	113,610	115,147
FLEX	100,309	130,517	110,017	111,682
COASTER	927,557	919,746	1,037,616	1,080,628
SPRINTER	1,876,403	1,998,260	1,652,666	1,671,683
NCTD+	22,459	77,514	46,360	46,897
	<b>8,496,098</b>	<b>8,980,069</b>	<b>8,503,892</b>	<b>8,629,730</b>
<b>TOTAL MILES</b>				
BREEZE	5,866,238	5,759,795	5,812,044	5,755,046
LIFT	1,019,494	1,282,687	890,147	939,038
FLEX	473,179	466,507	454,565	441,931
COASTER	422,669	426,825	422,056	424,586
SPRINTER	504,792	521,083	514,299	521,147
NCTD+	121,163	312,883	178,983	180,977
	<b>8,407,535</b>	<b>8,769,780</b>	<b>8,272,093</b>	<b>8,262,725</b>
<b>REVENUE MILES</b>				
BREEZE	5,050,027	5,062,584	5,009,050	4,875,785
LIFT	938,401	1,186,922	826,398	871,853
FLEX	381,383	373,196	362,496	344,416
COASTER	397,260	401,139	403,087	407,220
SPRINTER	501,642	518,850	518,835	518,926
NCTD+	79,177	230,635	133,277	134,527
	<b>7,347,890</b>	<b>7,773,326</b>	<b>7,253,143</b>	<b>7,152,727</b>
<b>PASSENGER MILES</b>				
BREEZE	25,748,282	35,976,154	34,774,593	35,151,406
LIFT	1,616,489	1,974,162	1,886,948	1,912,477
FLEX	910,325	818,720	690,126	700,570
COASTER	25,716,924	25,508,236	28,777,242	29,970,137
SPRINTER	12,659,004	14,887,037	12,312,362	12,454,038
NCTD+	7,238	155,028	92,720	93,794
	<b>66,658,262</b>	<b>79,319,337</b>	<b>78,533,991</b>	<b>80,282,422</b>
<b>REVENUE HOURS</b>				
BREEZE	430,969	429,066	428,537	421,175
LIFT	54,739	66,037	46,971	49,558
FLEX	26,562	26,542	24,207	20,104
COASTER	12,199	12,302	12,577	12,737
SPRINTER	22,808	23,585	23,308	23,588
NCTD+	7,221	23,546	12,553	12,695
	<b>554,498</b>	<b>581,078</b>	<b>548,153</b>	<b>539,857</b>

	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Budget
<b>PASSENGER FARES</b>				
BREEZE	\$ 5,249,437	\$ 6,033,114	\$ 5,640,466	\$ 5,779,582
LIFT	754,128	594,305	748,838	575,735
FLEX	192,428	310,769	310,556	398,631
COASTER	4,144,971	4,240,722	4,598,812	4,874,715
SPRINTER	1,313,507	1,252,430	1,150,773	1,099,887
NCTD+	15,496	60,958	44,258	34,995
	<b>\$ 11,669,967</b>	<b>\$ 12,492,298</b>	<b>\$ 12,493,703</b>	<b>\$ 12,763,545</b>
<b>COST BY MODE *</b>				
BREEZE	\$ 66,838,267	\$ 62,864,934	\$ 62,556,883	\$ 62,841,215
LIFT	14,874,828	14,025,323	13,905,394	14,574,682
FLEX	4,901,784	7,279,846	6,842,705	7,809,218
COASTER	40,046,845	44,464,340	42,843,256	44,931,670
SPRINTER	35,556,715	35,832,702	33,711,079	36,796,207
NCTD+	476,484	1,766,782	1,723,901	2,670,028
	<b>\$ 162,694,923</b>	<b>\$ 166,233,927</b>	<b>\$ 161,583,218</b>	<b>\$ 169,623,020</b>
<b>PASSENGERS PER REVENUE MILE</b>				
BREEZE	1.08	1.13	1.11	1.15
LIFT	0.12	0.10	0.14	0.13
FLEX	0.26	0.35	0.30	0.32
COASTER	2.33	2.29	2.57	2.65
SPRINTER	3.74	3.85	3.19	3.22
NCTD+	0.28	0.34	0.35	0.35
	<b>1.16</b>	<b>1.16</b>	<b>1.17</b>	<b>1.21</b>
<b>PASSENGERS PER REVENUE HOUR</b>				
BREEZE	12.66	13.37	12.94	13.30
LIFT	2.03	1.80	2.42	2.32
FLEX	3.78	4.92	4.54	5.56
COASTER	76.04	74.76	82.50	84.84
SPRINTER	82.27	84.73	70.90	70.87
NCTD+	3.11	3.29	3.69	3.69
	<b>15.32</b>	<b>15.45</b>	<b>15.51</b>	<b>15.99</b>
<b>FARE REVENUE PER PASSENGER</b>				
BREEZE	\$ 0.96	\$ 1.05	\$ 1.02	\$ 1.03
LIFT	6.78	5.00	6.59	5.00
FLEX	1.92	2.38	2.82	3.57
COASTER	4.47	4.61	4.43	4.51
SPRINTER	0.70	0.63	0.70	0.66
NCTD+	0.69	0.79	0.95	0.75
	<b>\$ 1.37</b>	<b>\$ 1.39</b>	<b>\$ 1.47</b>	<b>\$ 1.48</b>

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

	FY2025 Actual	FY2026 Budget	FY2026 Forecast	FY2027 Budget
<b>COST PER PASSENGER</b>				
BREEZE	\$ 12.25	\$ 10.96	\$ 11.28	\$ 11.21
LIFT	133.76	118.00	122.40	126.57
FLEX	48.87	55.78	62.20	69.92
COASTER	43.17	48.34	41.29	41.58
SPRINTER	18.95	17.93	20.40	22.01
NCTD+	21.22	22.79	37.18	56.93
	<b>\$ 19.15</b>	<b>\$ 18.51</b>	<b>\$ 19.00</b>	<b>\$ 19.66</b>
<b>FAREBOX RECOVERY RATIO</b>				
BREEZE	7.9%	9.6%	9.0%	9.2%
LIFT	5.1%	4.2%	5.4%	4.0%
FLEX	3.9%	4.3%	4.5%	5.1%
COASTER	10.4%	9.5%	10.7%	10.8%
SPRINTER	3.7%	3.5%	3.4%	3.0%
NCTD+	3.3%	3.5%	2.6%	1.3%
	<b>7.2%</b>	<b>7.5%</b>	<b>7.7%</b>	<b>7.5%</b>
<b>COST PER PASSENGER MILE</b>				
BREEZE	\$ 2.60	\$ 1.75	\$ 1.80	\$ 1.79
LIFT	9.20	7.10	7.37	7.62
FLEX	5.38	8.89	9.92	11.15
COASTER	1.56	1.74	1.49	1.50
SPRINTER	2.81	2.41	2.74	2.95
NCTD+	65.83	11.40	18.59	28.47
	<b>\$ 2.44</b>	<b>\$ 2.10</b>	<b>\$ 2.06</b>	<b>\$ 2.11</b>
<b>COST PER REVENUE MILE</b>				
BREEZE	\$ 13.24	\$ 12.42	\$ 12.49	\$ 12.89
LIFT	15.85	11.82	16.83	16.72
FLEX	12.85	19.51	18.88	22.67
COASTER	100.81	110.85	106.29	110.34
SPRINTER	70.88	69.06	64.97	70.91
NCTD+	6.02	7.66	12.93	19.85
	<b>\$ 22.14</b>	<b>\$ 21.39</b>	<b>\$ 22.28</b>	<b>\$ 23.71</b>
<b>COST PER REVENUE HOUR</b>				
BREEZE	\$ 155.09	\$ 146.52	\$ 145.98	\$ 149.20
LIFT	271.74	212.39	296.04	294.09
FLEX	184.54	274.28	282.68	388.44
COASTER	3,282.80	3,614.40	3,406.39	3,527.65
SPRINTER	1,558.96	1,519.30	1,446.30	1,559.95
NCTD+	65.99	75.04	137.33	210.32
	<b>\$ 293.41</b>	<b>\$ 286.08</b>	<b>\$ 294.78</b>	<b>\$ 314.20</b>

**North San Diego County Community Profile**

City	Population									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carlsbad	112,046	112,799	113,321	113,994	113,986	115,029	115,889	115,997	116,455	116,652
Del Mar	4,272	4,278	4,286	4,289	4,288	3,951	3,951	3,924	3,939	3,948
Encinitas	61,921	62,225	62,347	62,394	62,296	61,506	61,713	61,570	61,716	61,851
Escondido	150,218	150,480	150,798	151,068	151,311	151,289	151,389	150,778	151,256	151,386
Oceanside	175,429	175,826	176,145	176,569	177,365	173,283	173,685	172,991	173,253	173,569
San Marcos	92,595	93,582	94,081	95,032	96,865	94,287	93,561	94,286	95,514	97,261
Solana Beach	13,578	13,736	13,774	13,866	13,876	12,931	12,936	12,848	12,919	13,054
Vista	98,075	99,395	102,136	102,498	102,277	98,690	99,752	100,650	101,121	101,740

Source: SANDAG Open Data Portal, by Jurisdiction, <https://opendata.sandag.org/>

City	Total Households									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carlsbad	42,823	43,077	43,302	43,628	43,835	44,353	44,771	45,138	45,222	45,389
Del Mar	2,062	2,063	2,068	2,073	2,083	1,963	1,962	1,962	1,976	1,982
Encinitas	24,389	24,489	24,551	24,607	24,687	24,325	24,363	24,627	24,772	24,882
Escondido	46,227	46,245	46,370	46,524	46,805	47,291	47,447	47,711	48,349	48,419
Oceanside	60,539	60,626	60,771	61,011	61,583	62,363	62,884	63,319	63,765	63,984
San Marcos	28,998	29,313	29,479	29,812	30,533	31,065	31,268	31,413	31,904	31,956
Solana Beach	5,801	5,863	5,883	5,931	5,964	5,589	5,594	5,595	5,625	5,642
Vista	29,810	30,230	31,096	31,236	31,312	31,328	31,702	32,463	32,625	32,811

Source: SANDAG Open Data Portal, by Jurisdiction, <https://opendata.sandag.org/>

City	Median Household Income									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Carlsbad	\$ 92,463	\$ 98,413	\$102,722	\$107,172	\$110,478	\$112,933	\$119,302	\$134,139	\$139,326	\$142,748
Del Mar	Unavailable	Unavailable	\$122,563	\$110,966	\$129,063	\$161,705	\$157,708	\$185,335	\$192,845	\$199,152
Encinitas	\$ 93,586	\$ 98,887	\$103,842	\$113,175	\$116,022	\$120,488	\$132,276	\$142,506	\$150,471	\$162,229
Escondido	\$ 54,284	\$ 53,241	\$ 58,834	\$ 62,319	\$ 64,038	\$ 65,326	\$ 70,115	\$ 77,554	\$ 84,477	\$ 91,967
Oceanside	\$ 57,656	\$ 58,699	\$ 61,778	\$ 68,652	\$ 72,697	\$ 75,411	\$ 80,837	\$ 86,701	\$ 93,724	\$ 97,737
San Marcos	\$ 56,395	\$ 61,153	\$ 70,417	\$ 76,619	\$ 78,797	\$ 86,408	\$ 90,620	\$ 99,413	\$105,286	\$109,377
Solana Beach	Unavailable	Unavailable	\$103,864	\$105,821	\$108,118	\$106,904	\$113,903	\$137,647	\$150,820	\$152,167
Vista	\$ 51,345	\$ 55,331	\$ 59,833	\$ 65,696	\$ 72,125	\$ 73,163	\$ 79,196	\$ 88,715	\$ 91,854	\$ 94,975

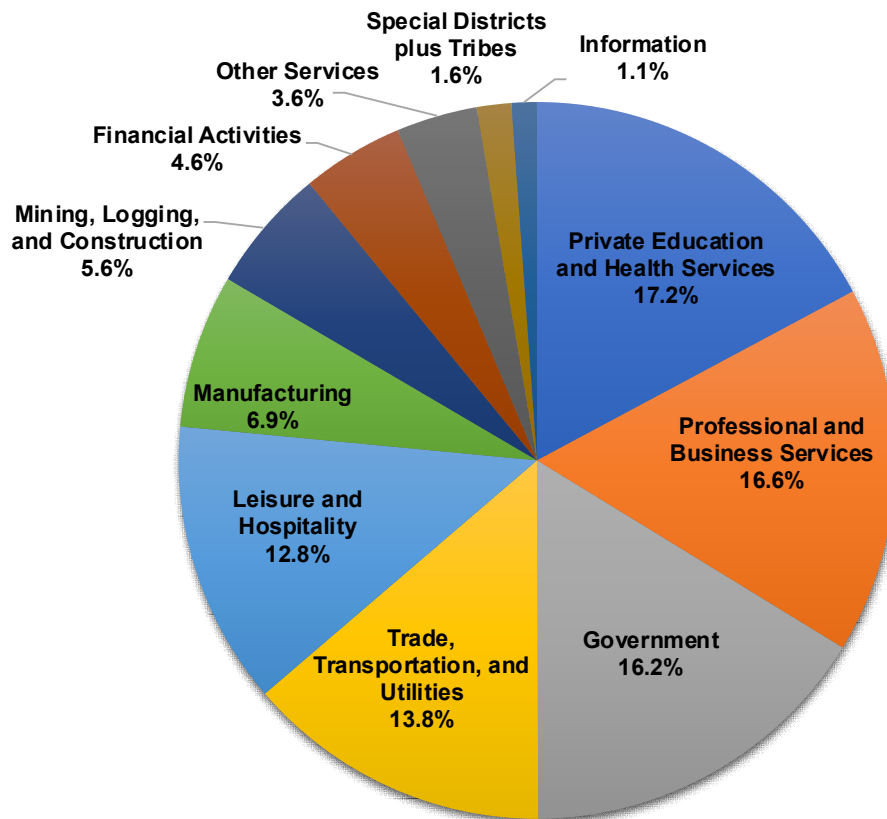
Source: U.S. Census Bureau (American Community Survey)

**San Diego County Employment by Industry**

INDUSTRY	Percentage of Total Employment					
	2020	2021	2022	2023	2024	2025
Private Education and Health Services	14.9%	14.8%	14.7%	15.6%	16.5%	17.2%
Professional and Business Services	17.6%	18.1%	18.1%	17.5%	16.8%	16.6%
Government	16.8%	16.2%	15.8%	15.8%	16.2%	16.2%
Trade, Transportation, and Utilities	14.7%	14.8%	14.3%	14.2%	14.0%	13.8%
Leisure and Hospitality	10.2%	11.0%	12.4%	12.7%	12.7%	12.8%
Manufacturing	8.1%	7.8%	7.5%	7.3%	7.1%	6.9%
Mining, Logging, and Construction	5.8%	5.7%	5.6%	5.7%	5.7%	5.6%
Financial Activities	5.3%	5.2%	4.9%	4.6%	4.6%	4.6%
Other Services	3.2%	3.2%	3.5%	3.6%	3.6%	3.6%
Special Districts plus Tribes	1.9%	1.8%	1.7%	1.6%	1.5%	1.6%
Information	1.6%	1.5%	1.4%	1.4%	1.3%	1.1%

Source: California Employment Development Department; <https://labormarketinfo.edd.ca.gov/data/employment-by-industry.html>

Figure 21. 2025 Percentage of Employment by Industry



**North San Diego County Major Employers**

2024				
Employer	Rank	Number of Employees	Percent of Total Employment	Source
Marine Corps Base, Camp Pendleton	1	70,000	4.25%	a
ViaSat	2	4,135	0.25%	b
San Marcos Unified School District	3	3,239	0.20%	c
Palomar Medical Center	4	2,906	0.18%	d
California State University San Marcos	5	2,873	0.17%	c
Vista Unified School District	6	2,568	0.16%	e
Legoland California LLC	7	2,300	0.14%	b
Escondido Union School District	8	2,077	0.13%	d
Thermo Fisher Scientific (Life Technologies)	9	1,982	0.12%	b
Palomar Community College	10	1,941	0.12%	c
Total San Diego County Labor Force		1,648,500		f

**Sources:**

- a *www.pendleton.marines.mil/Main-Menu/Introduction. Includes active duty personnel, reserve personnel, and civilian organizations.*
- b *City of Carlsbad, Annual Comprehensive Financial Report FY24*
- c *City of San Marcos, Annual Comprehensive Financial Report FY24*
- d *City of Escondido, Annual Comprehensive Financial Report FY24*
- e *City of Vista, Annual Comprehensive Financial Report FY24*
- f *State of California Employment Development Department:  
<https://www.labormarketinfo.edd.ca.gov/geography/msa/san-diego-carlsbad.html>*

**San Diego County Demographics and Economic Statistics**

Calendar Year	North San Diego County Population (a)	San Diego County Population (b)	California Population (c)	San Diego County Per Capita Personal Income (d)	California Per Capita Personal Income (e)	San Diego County Sales & Use Tax Revenues Distribution (f)	San Diego County Transportation Tax Revenues Distribution (g)	San Diego County Unemployment Rate (h)	California Unemployment Rate (h)	US Unemployment Rate (i)
2015	883,304	3,280,825	38,904,296	\$53,366	\$53,816	\$449,627,397	\$136,355,183	8.70%	6.20%	5.30%
2016	886,796	3,305,462	39,149,186	\$55,082	\$55,862	\$562,678,663	\$140,009,151	7.80%	5.50%	4.90%
2017	892,461	3,319,019	39,337,785	\$56,977	\$58,214	\$573,363,388	\$144,039,585	3.50%	4.80%	4.40%
2018	896,030	3,332,483	39,437,463	\$59,022	\$60,984	\$613,506,282	\$153,246,887	3.40%	4.30%	3.90%
2019	897,896	3,330,459	39,437,610	\$62,058	\$64,219	\$593,473,571	\$148,027,000	3.20%	4.00%	3.70%
2020	890,852	3,301,110	39,538,223	\$67,479	\$70,090	\$633,554,470	\$156,915,000	9.20%	10.10%	8.10%
2021	889,331	3,272,601	39,152,927	\$73,319	\$77,113	\$776,197,728	\$194,078,000	6.50%	7.30%	5.30%
2022	888,590	3,279,089	39,125,347	\$75,055	\$77,230	\$810,999,407	\$202,683,000	3.50%	4.30%	3.50%
2023	892,674	3,279,736	39,181,667	\$79,921	\$81,231	\$804,054,543	\$201,781,552	3.70%	4.70%	3.60%
2024	894,991	3,287,542	39,364,774	\$84,312	\$86,378	\$825,140,960	\$205,737,568	4.30%	5.30%	4.00%

a SANDAG Open Data Portal, North County East and West based on major statistical area; <https://opendata.sandag.org/>

b U.S. Census Bureau (series CASAND5POP)

c U.S. Census Bureau (series CAPOP)

d U.S. Department of Commerce Bureau of Economic Analysis (series PCPI06073)

e U.S. Department of Commerce Bureau of Economic Analysis (series CAPCPI)

f California State Board of Equalization Table 21A, <https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCityCounty>

g California State Board of Equalization Table 21B, [data;https://cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCountiesCountyTransTax](https://cdtfa.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCountiesCountyTransTax)

h California Employment Development Department Annual Averages, <https://labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>

i US Bureau of Labor Statistics; <https://www.bls.gov>

## **Glossary of Terms**

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**Accessible Service:** Transit vehicles equipped with wheelchair lifts.

**Accounting System:** The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis Accounting:** Financial records are based on economic rather than cash activity. Revenues are recognized when they are earned and realized, regardless of when actual payment is received. Expenses are recognized when incurred, regardless of when such expenses are paid.

**Activity Line Item (ALI):** An ALI is a code for project scope that is used by the Federal Transit Administration (FTA) to track and report on grant activities. FTA grants budgets are developed by listing the description, ALI, and dollar amount of the projects within the grant application.

**ADA:** Americans with Disabilities Act, enacted by Congress in 1990 and subsequent amendments.

**Amtrak:** The National Railroad Passenger Corporation, doing business as Amtrak, is the national passenger railroad company of the United States. It operates inter-city rail service in 46 of the 48 contiguous U.S. states.

**Annual Budget:** A budget applicable to a single fiscal year. NCTD's fiscal year begins on July 1 and ends on June 30.

**Annual Comprehensive Financial Report (ACFR):** The official financial report of a government agency that includes an audit opinion, management discussion and analysis, basic financial statements, notes disclosures, and supplementary schedules. Previously known as Comprehensive Annual Financial Report (CAFR).

**BNSF:** BNSF is a Class I rail carrier with operating rights over tracks owned or controlled by NCTD.

**Budget Calendar:** The schedule of key dates which NCTD follows in the preparation and adoption of the budget.

**Budget Document:** The official financial spending and resource plan submitted by the Chief Executive Officer, adopted by NCTD's Board of Directors, and made available to the public and other interested parties.

**Budget Message:** A general discussion of the budget that is included as a part of the budget document.

**Budget Year:** Fiscal year for which the budget is being considered.

**CalPERS:** The California Public Employees Retirement System (CalPERS) is an agency that manages pension and health benefits for California public employees, retirees, and their families. CalPERS is the nation's largest public pension fund.

**Caltrans:** The California Department of Transportation (Caltrans) is an executive department of the state of California. Caltrans manages the state's highway system, which includes the California Freeway and Expressway System, supports public transportation systems throughout the state, and provides funding and oversight for three state-supported Amtrak intercity rail routes.

**Capital Asset:** NCTD's Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contains guidelines for defining a capital asset, generally described as a unit of rolling stock, land, a facility, a unit of equipment, an element of infrastructure, and intellectual property (including software) that has an individual unit value of \$10,000 or greater, has an expected useful life of more than one year, and can be capitalized in accordance with Generally Accepted Accounting Principles.

**CARB:** The California Air Resources Board (CARB) is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change.

**CIP:** The Capital Improvement Program (CIP) is a multi-year plan of capital projects with estimated costs and funding resources.

**Cash Basis Accounting:** A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CNG:** Compressed Natural Gas (CNG) is a fuel gas compressed to less than 1% of the volume it occupies at standard atmospheric pressure. The majority of the BREEZE fleet utilizes CNG as its fuel source.

**Coach:** Bus used for public mass transit.

**Constrained CIP:** Projects that NCTD has committed funding to implement.

**Contract Services:** Services provided to NCTD under contract with vendors from the private sector or other public agencies.

**Contributed Capital:** Resources that are externally restricted for the acquisition or construction of capital assets. This category includes, but is not limited to, capital grants, residual equity transfers in, and contributions from developers.

**CPI:** The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas.

**DBE:** A Disadvantaged Business Enterprise (DBE) is a small for-profit business where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations.

**Deficit:** The excess of an entity's expenses over its revenues.

**Department:** A sub-section of operational activities within a division which provides specific services. Also known as Business Unit.

**Depreciation:** Allocation of the costs, less salvage value, of fixed assets, including equipment, buildings, and other structures, over their useful lives in a systematic and rational manner. Depreciation reflects the use of the asset(s) during specific operating periods to match costs with related revenues in measuring income or determining the costs of carrying out program activities.

**DMU:** Self-propelled diesel multiple unit used for light or hybrid rail transit. The SPRINTER service is provided by DMUs.

**DOT:** The U.S. Department of Transportation (DOT) was established by an act of Congress on October 15, 1966, that is responsible for helping maintain and develop the nation's transportation systems and infrastructure.

**EIR:** An Environmental Impact Report (EIR) is a detailed, written analysis of all the effects that a land development or construction project would have on the local environment, such as on the air quality, noise levels, population, traffic patterns, fire danger, endangered species, archeological artifacts, and community beauty. Many states require submission of such reports to local governments, with a process for public comment, before a development or project can be approved.

**Employee Benefits:** Benefits paid in full or partially by NCTD on behalf of its employees.

**Encumbrance:** Funds not yet expended but obligated or set aside in anticipation of expenditures to be paid.

**Enterprise Fund:** In governmental accounting, a fund that provides good or service to the public for a fee that makes the entity self-supporting. It follows GAAP as does a commercial enterprise.

**ETC:** The Escondido Transit Center (ETC) is a bus and train station located in Escondido, California.

**Expenditures:** Also known as expenses. Where financial records are kept on an accrual accounting basis, expenditures are recognized when goods are received, or services are rendered. Where financial records accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

**Farebox Recovery Ratio:** Measurement of total customer fare revenues received divided by total operating costs.

**Financial Forecast:** Estimates of future revenues and expenditures to help predict the future financial condition of NCTD.

**Fiscal Year (FY):** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. NCTD's fiscal year starts on July 1 and ends on June 30.

**Fixed Asset:** Also known as capital asset. Refer to definition above.

**FRA:** The Federal Railroad Administration (FRA) was created by the Department of Transportation Act of 1966. The purpose of the FRA is to promulgate and enforce rail safety regulations, administer railroad assistance programs, conduct research and development in support of improved railroad safety and national rail transportation policy, provide for the rehabilitation of Northeast Corridor rail passenger service, and consolidate government support of rail transportation activities.

**FTA:** The Federal Transit Administration (FTA) is an agency within the United States Department of Transportation (DOT) that provides financial and technical assistance to local public transportation systems.

**FTE:** Full-time equivalent. Employee positions are budgeted for the time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year, while a 0.5 FTE would work 1,040 hours per year.

**GAO:** General Administration Office. NCTD administrative office located at 810 Mission Avenue, Oceanside, CA 92054.

**Generally Accepted Accounting Principles (GAAP):** Uniform standards for financial accounting and reporting which govern the form and content of the basic financial statements of an entity.

**GFOA:** Government Finance Officers Association. GFOA is an association comprised of federal, state/provincial, and local finance officer members. GFOA's mission is to advance excellence in state and local government financial management. GFOA best practice guidance, consulting, networking opportunities, publications including books, e-books, and periodicals, recognition programs, research, and training opportunities for those in the profession.

**Headway:** The elapsed time between the arrival of transit vehicles traveling in the same direction on a given route, usually expressed in minutes.

**Hybrid Rail (YR):** Rail system primarily operating routes on the national system of railroads, but not operating with the characteristics of commuter rail. This service typically operates light rail-type vehicles as diesel multiple-unit trains (DMUs). These trains, if they do not meet Federal Railroad Administration standards, must operate with temporal separation from freight rail traffic.

**Intermodal:** Passengers on more than one type of transportation, such as from bus to rail.

**LOSSAN:** Los Angeles-San Diego-San Luis Obispo Corridor. LOSSAN is a 351-mile Corridor that travels through a six-county coastal region in Southern California and is the second busiest intercity passenger rail corridor in the United States and the busiest state-supported Amtrak route. The LOSSAN Corridor service includes 41 stations.

**Metrolink:** The regional commuter system connecting Los Angeles with Orange County, Riverside, San Bernardino, San Diego, and Ventura Counties. Service began in October 1991.

**Mode:** A particular form of transportation identified by the vehicle used, such as bus, rail, and paratransit.

**MOW:** Maintenance of the railway right-of-way.

**MTS:** San Diego Metropolitan Transit System.

**Multimodal:** Public transportation system which provides more than mode of transit service, such as bus, rail, ferry, or demand-response service.

**NCTD:** North County Transit - San Diego Railroad.

**Net Assets:** Net assets represent the residual interest in NCTD's assets after liabilities are deducted. In accordance with GASB statement No. 34, the equity section on the statement of net assets reports total net assets in three broad components: invested in capital assets, restricted; and unrestricted. Net assets invested in capital assets included capital assets net of accumulated depreciation and related debt. Net assets are restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net assets are unrestricted. When both restricted and unrestricted resources are available for use, it is NCTD's policy to use restricted resources first and then unrestricted resources as they are needed.

**Non-revenue Vehicles:** Vehicles that do not carry fare-paying passengers.

**Operating Budget:** The operating budget is the primary means by which most of the spending and service delivery activities of NCTD are controlled.

**OTC:** The Oceanside Transit Center (OTC) is a bus and train station located in Oceanside, California.

**Paratransit:** Paratransit refers to equivalent transportation service provided by vehicles accessible to mobility devices.

**PCA:** A Personal care attendant (PCA) is someone whose services or presence is required by the customer to meet his or her personal needs or to assist in traveling.

**Performance Objective:** Relates to employee's evaluation.

**Performance Results:** A summary of major accomplishments and objectives that are met.

**Personnel:** NCTD's employees.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically during a fiscal year.

**Revenue Vehicle Hours:** Total number of schedule hours that a vehicle is in service. Excludes hours spent traveling to and from storage facilities and during other non-service travel.

**Revenue Vehicle Miles:** Total number of miles traveled by a vehicle operating on rail or tracks, bus, van, trolley, ferry, cable car, or other vehicle use to provide public transportation for which a fare is collected. Excludes miles spent traveling to and from storage facilities and during other no-service travel.

**Revenue Vehicle:** Vehicle that carries fare-paying passengers.

**Ridership:** The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

**ROW:** Right-of-way; land purchase or reserved for a transit system's route, such as a bus lane, or a railway line.

**RTIP:** The Regional Transportation Improvement Program (RTIP) is a plan required for the region to qualify for federal funding.

**RTMS:** The Regional Transit Management System (RTMS) is a radio communication system that supports the fixed-route bus transit operations.

**SANDAG:** The San Diego Association of Governments (SANDAG) is the metropolitan planning agency for the County of San Diego and is the primary public planning, transportation, and research agency of the region.

**Service Area:** A measure of access to transit service in terms of population served and area coverage (square miles). The reporting transit agency determines the service area boundaries and population for most transit services using the definitions contained in the Americans with Disabilities Act of 1990 (ADA), i.e., a corridor surrounding the routes  $\frac{3}{4}$  of a mile on either side, or for rail, a series of circles of radius  $\frac{3}{4}$  mile centered on each station.

**Service Efficiency:** Cost savings that are generated due to more efficient scheduling of routes.

**Single Audit:** Previously known as the OMB Circular A-133 audit, is an organization-wide financial statement and federal awards' audit of a non-federal entity that expends \$750,000 or more in federal funds in one year.

**STIP:** The State Transportation Improvement Program (STIP) is a multi-year capital improvement program of transportation projects on and off the State Highway System.

**TCRP:** The Traffic Congestion Relief Program (TCRP) was created by California's legislature in 2000 to provide funding for transportation projects that improve traffic mobility and relieve congestion, connect transportation systems, and provide for better goods movement.

**TDA:** The Transportation Development Act (TDA) was enacted in 1971 by the California legislature to provide a major source of funding for public transportation. These funds are generated by a  $\frac{1}{4}$  of a percent sales tax collected in each region of the state and allocated to each county based on population, taxable sales, and transit performance.

**Temporary Employees:** Employees who work full or part-time but only for a limited period for the completion of a set task. These people are not entitled to receive any benefits and do not have any job security rights.

**TOPR:** The Transit Operations Performance Report (TOPR) is a monthly and quarterly report produced by NCTD staff that provides a report on key performance indicators.

**TransNet:** A funding source created by Proposition A, the  $\frac{1}{2}$  cent sales tax enacted in November 1987. A 40-year extension of TransNet was approved by voters in November 2004.

**TVM:** A ticket vending machine (TVM) is a vending machine that produces paper or electronic tickets, or recharges stored value on a transit card.

**Unconstrained CIP:** The total amount of funding needed to implement all approved projects.

**VTC:** The Vista Transit Center (OTC) is a bus and train station located in Vista, California.

**YOP:** The Youth Opportunity Pass (YOP) program grants unlimited free access to San Diego public transportation for all riders under the age of 18.