



# Adopted FY2024 Operating Budget and FY2024-FY2028 Capital Improvement Program

For the Fiscal Year Ending June 30, 2024



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Board of Directors



**Jewel Edson**  
Council Member, City of Solana Beach  
**Board Chair**  
**Chair of Executive Committee**  
Member of SANDAG Board of Directors  
Member of SANDAG Transportation Committee  
(1st Alternate)  
Vice-Chair of LOSSAN Corridor Board of Directors  
Member of LOSSAN Corridor Executive Committee



**Priya Bhat-Patel**  
Council Member, City of Carlsbad  
**Board Vice-Chair**  
**Vice-Chair of Executive Committee**  
**Chair of Performance, Administration, and Finance Committee**  
Member of SANDAG Transportation Committee  
Member of SANDAG Board of Directors  
(1st Alternate)



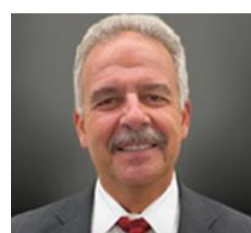
**Dave Druker**  
Council Member, City of Del Mar  
**Member of Performance, Administration, and Finance Committee**



**Kellie Hinze**  
Council Member, City of Encinitas  
**Member of Performance, Administration, and Finance Committee**  
Member of LOSSAN Corridor Board of Directors  
(Alternate)



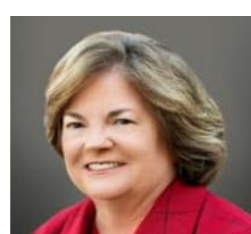
**Dane White**  
Mayor, City of Escondido  
**Member of Marketing, Service Planning, and Business Development Committee**



**Peter Weiss**  
Council Member, City of Oceanside  
**Member of Performance, Administration, and Finance Committee**



**Jim Desmond**  
District 5 Supervisor,  
County of San Diego  
**Vice-Chair of Marketing, Service Planning, and Business Development Committee**



**Sharon Jenkins**  
Mayor Pro Tem, City of San Marcos  
**Vice-Chair of Performance, Administration, and Finance Committee**  
**Member of Executive Committee**  
Member of SANDAG Regional Planning Committee  
(Alternate)



**Corinna Contreras**  
Council Member, City of Vista  
**Chair of Marketing, Service Planning, and Business Development Committee**  
**Member of Executive Committee**  
Member of SANDAG Board of Directors  
(2nd Alternate)  
Member of SANDAG Transportation Committee  
(2nd Alternate)



**Kent Lee**  
Council Member, City of San Diego  
**Non-Voting Advisory Member**



**Matthew O. Tucker**  
Executive Director  
North County Transit District

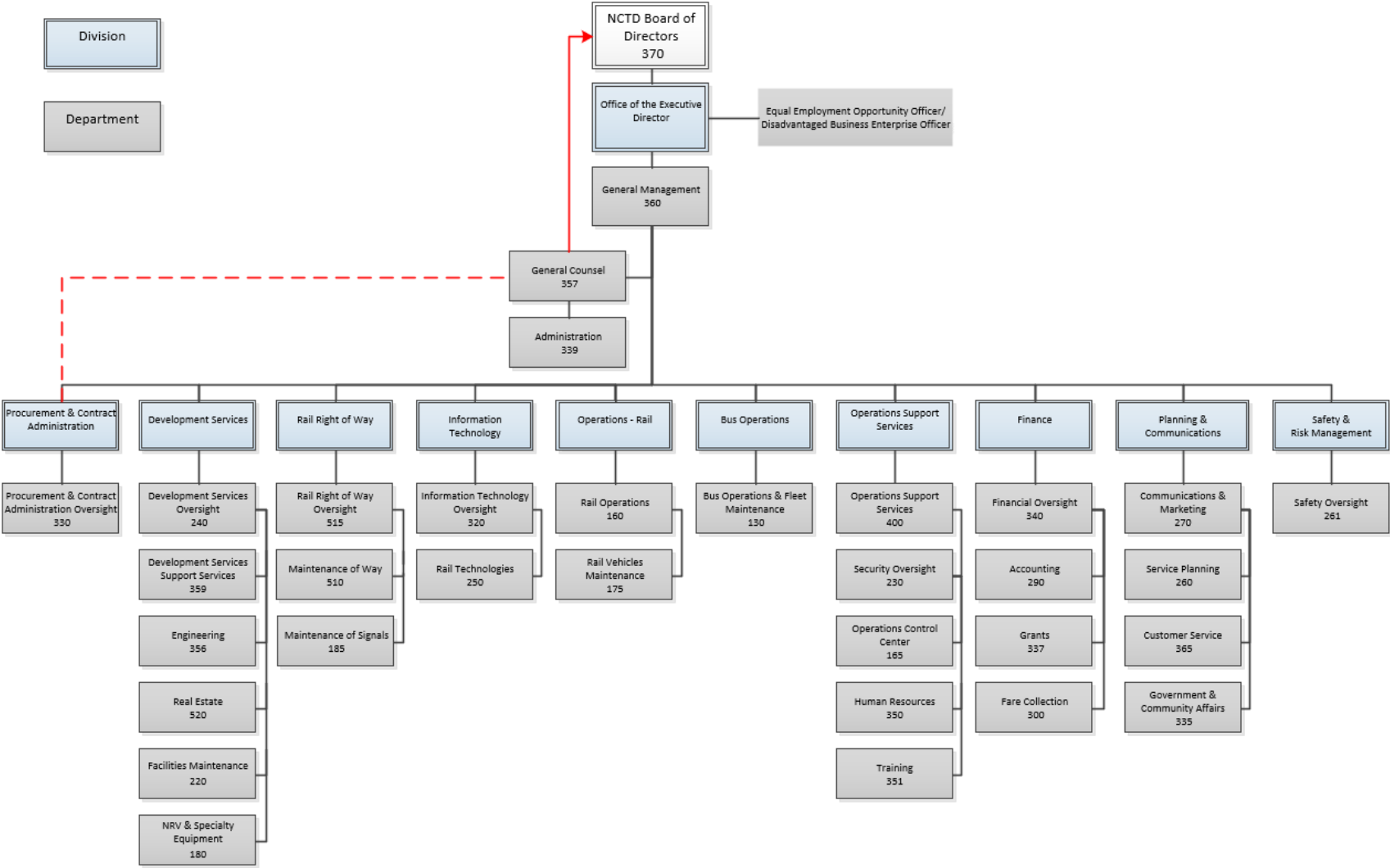


**Lori A. Winfree**  
General Counsel  
North County Transit District



**Suheil Rodriguez**  
Clerk of the Board  
North County Transit District

Organizational Chart



## **Message from the Executive Director**

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May 31, 2023

On behalf of the Board of Directors (Board) and staff of the North County Transit District (“NCTD” or “District”), I am pleased to present the Fiscal Year 2024 (FY2024) Operating Budget and the FY2024-FY2028 Capital Improvement Program. This document has been developed to support the key strategic priorities of NCTD and reflect both the changes in our operating environment from the previous fiscal years and the ways in which we anticipate the transportation demand in our service area will continue to evolve. The Operating Budget and Capital Improvement Program serve as the foundation for everything we do at NCTD, providing the framework for our enterprise-wide efforts.

The FY2024 Operating Budget and Capital Improvement Program continue NCTD’s focus on increasing customer ridership by implementing improvements to the BREEZE bus network to improve speed and reliability, improvements to COASTER and SPRINTER lines to enhance service frequencies, implementation of micro-transit service and build out of the mobility-as-a-service program (known as NCTD+) to support improved first and last mile connections, and upgrading technologies and infrastructure to improve the customer riding experience.

Slowing revenue growth in the coming years will heighten the importance of continually improving NCTD’s operational efficiency and reducing expenses. The Federal Transit Administration formula funding that NCTD receives is expected to increase by 1.8 percent. The District’s share of Transportation Development Act (TDA) and TransNet funding is projected to increase by 1 percent. These modest increases of these key revenues sources, which account for 57% of FY2024 operating revenues, emphasize the need to focus on cost containment and the efficient use of available funding.

The FY2024 Operating Budget also anticipates potential impacts of macroeconomic forces on NCTD’s operating environment. Inflation remains a significant challenge at all levels of government, business, and personal economies. Inflation closed out 2022 with a 6.5% annual reading, as measured by the U.S. Bureau of Labor Statistics. Although inflation appears to be easing (inflation rate was 4.9% in April 2023), it remains well above the 2.0% Federal Reserve (Fed) target. Inflation and the Fed actions taken to reduce inflation, place downward pressure on consumer spending, potentially impacting sales tax revenue, a significant source of funding for the District. Additionally, a constrained labor market continues to impact NCTD’s budget and operations. According to the U.S. Bureau of Labor Statistics, the unemployment rate for April 2023 was 3.4 percent, continuing a historically low level of unemployment. The tight labor market not only places upward pressure on payroll costs, but the ongoing bus operator shortage continues to constrain NCTD’s ability to restore service frequencies that were reduced in April 2022. Despite these headwinds, the Five-Year Plan remains balanced and funds critical investments that support District goals.

To support increased revenues, the FY2024 Operating Budget continues significant investments in real estate development activities and the naming rights program that was initiated in Fiscal Year 2023 (FY2023). In addition, the completion of the Market Analysis and Ridership Growth Strategy in FY2023 charts a five-year path to expand revenue through ridership growth.

The FY2024 Capital Improvement Program shows continued growth and NCTD’s progress toward addressing state-of-good-repair along with advancing key projects such as the COASTER Convention Center Platform, Del Mar Bluffs stabilization, the San Dieguito Bridge replacement, and significant investments in infrastructure to support the transition to zero emissions bus operations.

The FY2024 Operating Budget also furthers significant changes in NCTD's service delivery model. The Board approved insourcing of rail operations and maintenance along with insourcing maintenance-of-way, maintenance of signals, and facilities maintenance. The personnel headcount contained in this budget is significantly increased as employees transfer from contracted to direct employment and administrative staff are added to provide the required support. We will also be preparing for the resumption of direct operations for BREEZE, LIFT, and FLEX, which is included as part of the Five-Year Plan, effective on July 1, 2026.

In FY2023, NCTD substantially completed an update of its Strategic Plan as well as a comprehensive Market Analysis and Ridership Growth Strategy project. The FY2024 Operating Budget and the Capital Improvement Plan complete or advance key priorities identified through these planning efforts. They also leverage the ongoing work of the Business Systems and Process Improvement Project, which will identify ways to improve the quality of NCTD's operations enterprise-wide, identifying specific metrics by which to measure and track quality.

All the above efforts provide the strategic framework that guides NCTD's capital and service investments, as well as NCTD's Operating Budget. The Five-Year Plan furthers the District's Vision and Mission and aligns with the Strategic Pillars, which were updated and identified as part of the Strategic Plan Update process. They include:

#### Mission

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

#### Vision

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

#### Strategic Pillars

- Operational Excellence
- Organizational Effectiveness
- Community Engagement
- Quality Customer Experience

#### **Areas of Focus**

Each year, NCTD staff, its Board of Directors, customers, and key stakeholders identify Areas of Focus for the District. NCTD aligns its key business activities and initiatives with these identified objectives to ensure that budget, personnel, and business activities support the strategic direction and goals of the District. Below are the strategic areas of focus for FY2024:

- Organizational Realignment and Improvement
- Plan for Economic Slowdown or Recession
- Grow Ridership and Improve Service Quality
- Advance Expense Optimization and Productivity Improvements
- Diversify Revenue Sources



- Fund and Successfully Implement State-of-Good-Repair and Priority Capital Needs
- Expand Outreach Efforts and Strategic Partnerships

### **Strategic Initiatives**

NCTD's operating expenditures and capital investments are intended to directly support the Areas of Focus. This is accomplished through Strategic Business Initiatives in the individual focus areas. Progress on these initiatives is reported to the Board of Directors on a quarterly basis. Below is a summary of the Business Initiatives for FY2024 in the respective focus areas:

- Organizational Realignment and Improvement
  - Implement organizational changes that will support goals established for the direct operations of all services
  - Implement the foundational elements required to establish a strong Training and Organizational Development Department
  - Implement new business systems and eliminate redundant systems and labor-intensive processes
  - Foster stronger culture of collaboration, administrative excellence, and enhanced understanding of safety and risk management
  - Establish District-wide Quality Plan and Key Performance Indicators Program
- Plan for Economic Slowdown or Recession
  - Ensure budget includes a solid contingency plan
- Grow Ridership and Improve Service Quality
  - Advance projects that can be implemented quickly to enhance the customer riding experience
  - Improve SPRINTER fleet reliability and availability
  - Implement a micro-transit service pilot program
  - Enhance safety and security resources on revenue vehicles and at facilities
- Advance Expense Optimization and Productivity Improvements
  - Closely scrutinize all new agreements to fully understand long-term impacts
  - Identify areas where expenses can be reduced
  - Leverage current and future technology investments
  - Seek partnerships to reduce costs while simultaneously improving services
  - Advance implementation of business system and process improvements
- Diversify Revenue Sources
  - Continue to advance strategic redevelopment projects
  - Implement naming rights agreements
- Fund and Successfully Implement State-of-Good-Repair and Priority Capital Needs
  - Secure funding for key San Diego Subdivision and Escondido Subdivision improvements
  - Develop funding strategy to implement priority projects from BREEZE Speed and Reliability Study

- Advance the delivery of projects and improve project reporting
- Expand Outreach Efforts and Strategic Partnerships
  - Enhance proactive communications with key stakeholders
  - Enhance collaboration with public agencies to support mutually beneficial goals

A complete description of NCTD's key strategies and other organizational goals are included within this budget document. NCTD's Strategic Plan, which includes the District's updated Mission, Vision, Organizational Values, and the FY2024-FY2033 Service Implementation Plan, are also included. The Budget and supporting documents are the blueprint for NCTD to achieve this Five-Year Plan.

In conclusion, I am confident that the FY2024 Operating Budget and the FY2024-FY2028 Capital Improvement Program respond to changes in NCTD's operating environment. NCTD staff will continue to work to ensure that opportunities for improvement and efficiencies are captured and that dollars are wisely invested. The entire District team looks forward to successfully executing this budget and exceeding the expectations and needs of our customers and key stakeholders.

Sincerely,

A handwritten signature in blue ink that reads "Matt O. Tucker" with a long horizontal line extending to the right.

Matthew O. Tucker  
Executive Director

## **Overview of North County Transit District**

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North County Transit District's services are a vital part of San Diego's regional transportation network. NCTD has projected that it will move approximately 6.8 million passengers by the end of Fiscal Year 2023 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

### **Mission**

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

### **Vision**

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

We will achieve our Mission and Vision with:

- Operational Excellence
- Organizational Effectiveness
- Community Engagement
- Quality Customer Experience

## 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.

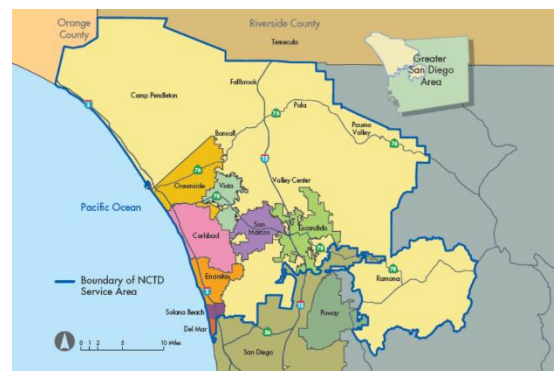


In 1992, NCTD was designated by the San Diego Association of Governments (SANDAG) as the lead agency for providing commuter rail service in San Diego County. Rail services between Oceanside and San Diego (called the COASTER) began in February 1995. On January 1, 2003, a state law was enacted (Senate 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.

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, and SPRINTER hybrid rail 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 959,439 (SANDAG Data Surfer 2021 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 30 routes in the North County service area, from early morning to late at night, seven days a week. Of the active fleet of 152 buses, 145 are compressed natural gas (CNG) vehicles.

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



### **LIFT ADA Paratransit**

NCTD has a fleet of 42 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.

Persons who are certified to use LIFT and obtain an NCTD paratransit photo ID can ride the BREEZE buses, COASTER commuter rail, and SPRINTER free of charge. A personal care attendant (PCA) that accompanies a LIFT customer can also travel fare free on BREEZE and SPRINTER services. LIFT is provided to areas that are within  $\frac{3}{4}$  of a mile of an NCTD BREEZE bus route and/or SPRINTER rail station. LIFT provides curb-to-curb service for customers; however, assistance is available beyond the curb (for example to a front door) as necessitated by a rider’s disability.



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

FLEX has two different service models: deviated fixed-route and point-deviated fixed-route. Deviated fixed-route service has a set schedule and route but can deviate from the route up to  $\frac{3}{4}$  of a mile for scheduled pick-ups or drop-offs. This service model includes FLEX 392 and FLEX 395 which connection portions of Camp Pendleton and Oceanside. Point-deviated fixed-route service also has a set schedule and route but only allows scheduled deviations to specific points along the route. FLEX 371 is the only point-deviated fixed-route. It connects Escondido and Ramona and allows passengers to schedule pick-ups or drop-offs at the San Diego Zoo Safari Park.



The FLEX fleet is comprised of 12 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 that allow passengers to use a transit card for seamless travel.

### **COASTER Commuter Rail**

The COASTER provides 41 directional miles of commuter rail service seven days a week, north and south paralleling the busy Interstate 5 corridor between Oceanside and San Diego, including trains for special events and for every Padres baseball game. The total trip duration is about one hour. Eight stations provide service points along the route, and travelers can connect to the MTS trolley and buses at both the San Diego Old Town and Santa Fe stations in downtown San Diego, and the MTS Sorrento Valley COASTER



Connection at the Sorrento Valley station. Passengers can connect with Metrolink and Amtrak train service north to Orange County and Los Angeles from NCTD's Oceanside Transit Center. NCTD and Amtrak have an agreement (Rail to Rail) to accept certain tickets and passes issued from each agency to be used on its trains at no additional cost for the passenger (with some blackout periods) for stops at Oceanside Transit Center, Solana Beach, Old Town, and Santa Fe Depot. This agreement increases the number of trains available to riders throughout the day.

Current COASTER service is provided with seven locomotives and 28 bi-level passenger coaches. In February 2021, NCTD placed into service five new, state-of-the-art Siemens locomotives and several renovated COASTER passenger cars. The new Siemens Tier-4 locomotives are among the cleanest passenger locomotives in the nation and reduce emissions by nearly 90% compared to the Tier-0 locomotives previously used by NCTD. On September 27, 2019, SANDAG's Board of Directors allocated \$58.8 million to NCTD for the purchase of two additional capacity enhancement train sets to provide more frequent COASTER commuter rail service. The first phase for increased COASTER service started on October 25, 2021, where service was increased to 30 weekday daily trips, 32 Friday daily trips, and 20 weekend daily trips. The increase in service allows commuters and recreational travelers an affordable and more flexible transportation option and helps reduce congestion along the Interstate-5 corridor. Just as important, the increased service supports regional goals to reduce vehicle miles traveled and greenhouse gas emissions. The first phase of increased service is fully funded through TransNet 8.1% funds. The second phase of increased service is contingent upon the provision of operating funds from SANDAG and/or other sources.

### **SPRINTER Hybrid Rail**

The SPRINTER hybrid rail extends 22 miles, roughly paralleling State Route 78, and provides connections at Oceanside, Vista, San Marcos, and Escondido by serving 15 stations along the corridor. SPRINTER service is operated with twelve diesel multiple units (DMUs). Passenger service runs seven days a week from 4:03 AM to 9:26 PM with Friday and Saturday service extended to 12:26 AM. Weekday service runs every 30 minutes and weekend trains run 30-minute frequencies during peak travel times and hourly service during non-peak times from 10:03 AM to 6:03 PM.



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

### **NCTD+ Microtransit Services**

On January 6, 2022, the first NCTD+ pilot program was launched with Lyft, Uber, and Tripshot. The one-year pilot program provided discounted first and last mile connections for commuters using the Sorrento Valley and Carlsbad Poinsettia COASTER stations. The pilot provides riders up to a \$7.50 credit toward trips to and from the Sorrento Valley or Carlsbad Poinsettia COASTER stations within defined geographic zones. On January 7, 2023, NCTD launched a second NCTD+ pilot program providing discounted first and last mile connections for riders using the Vista Transit Center. These pilot programs are part of the District's broader mobility-as-a-service program (NCTD+). These pilot programs will inform microtransit planning and pilots that will take place in FY2024 to prepare for microtransit implementation in FY2025.

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

NCTD contracts the responsibility for bus operations and vehicle maintenance to MV Transportation (MV). NCTD's BREEZE, FLEX, and LIFT service have an FY2024 budget of 292 vehicle operators and 70 mechanics that work under its contractor.

MV operates and maintains buses, vans, and numerous other transit support vehicles. To maintain this fleet, mechanics work 24 hours a day, seven days a week at two locations: the West Division facility in Oceanside and the East Division in Escondido. These bus yards include fueling stations for Compressed Natural Gas (CNG) and gasoline, maintenance and administration buildings, parking areas for buses, service vehicles, and bus operators' vehicles. Inside the maintenance buildings there are bus repair bays, pits for general servicing, bus lifts, hoists, forklifts, engine repair benches, a body shop, a parts inventory storeroom, and a paint shop. Maintenance continues around the clock to keep the buses in a state of good repair and keep road calls and service interruptions to a minimum. In addition to servicing and repairing the bus fleet, the maintenance contractors also maintain a fleet of service vehicles, administrative automobiles, forklifts, and ride-on sweepers.



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

Effective on June 26, 2022, NCTD assumed the direct responsibility from a contractor for COASTER and SPRINTER rail operations and vehicle maintenance. COASTER rail equipment is maintained by NCTD staff at NCTD's Stuart Mesa facility located on the Camp Pendleton Marine Corps Base.

The SPRINTER operations facility is in the City of Escondido. The Stuart Mesa facility houses massive and specialized equipment, primarily booms, cranes, and lifts to assist with replacement of heavy parts. Dedicated contract 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 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 two administration buildings in Oceanside, two bus maintenance buildings located in Oceanside and Escondido, three transit centers, eight multi-modal train stations along the coastal railroad, 15 train stations along the inland railroad, two train maintenance facilities, and significant adjacent land and parking lots. To support bus and rail operations, facilities maintenance also includes maintenance of equipment such as the CNG filling stations, vehicle lifts, and bus and train washes.

NCTD contracts with a contractor, MV Transportation, for the maintenance of its bus operations facilities. Effective June 25, 2023, NCTD will assume the direct responsibility from the current rail contractor, Alstom, for the janitorial and structural maintenance of rail operations facilities, administration 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.

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

## **Rail Maintenance-of-Way (MOW)**

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



Effective June 25, 2023, NCTD will assume the direct responsibility from the current rail contractor, Alstom, for maintaining both railroad tracks, including the MTS portion. NCTD will also have the responsibility for numerous railroad bridges, railroad bed, sidings, grade crossings, turnouts, culverts and signals, land alongside the track, and NCTD property located within the right-of-way. Specialty equipment is used to maintain the railroad right-of-way including, but not limited to, clearing vegetation away from the tracks and replacing rail ties. Track maintenance equipment and personnel are housed in a facility located in Oceanside.

## **Maintenance of Signals (MOS)**

Effective June 25, 2023, NCTD will assume the direct responsibility from the current rail contractor, Alstom, for all signal and communications on all NCTD-owned and controlled railroad right of way, including the San Diego Subdivision from the County Line (Milepost [MP] 207.4) to San Diego (MP 267.51) and the Escondido Subdivision between Escondido Junction in Oceanside (MP 0) to the end of track in Escondido (MP 21.31).



## **Safety and Security**



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. Video security cameras at the COASTER and SPRINTER stations are monitored by NCTD staff who contact the Sheriff in case of incidents.

## **Transit Services and Contracted Providers**

Effective on June 26, 2022, NCTD de-scoped rail operations and maintenance of equipment services from Agreement No. 16043 with Alstom (formerly Bombardier Transportation (Holdings) USA, Inc.) and brought these functions in-house to support increased efficiency and effectiveness of service delivery. The base period of Agreement No. 16043 with Alstom ends on June 30, 2023, and effective on June 25, 2023, NCTD will insource maintenance-of-way and maintenance of signals, with some activities re-procured and contracted under specialty contracts.

Agreement No. 16068 with Alstom for maintenance of operational equipment, janitorial services, and rail stations and facilities maintenance also ends on June 30, 2023. Effective on June 25, 2023, NCTD will insource certain facilities maintenance functions and continue contracting specialty services such as tree inspections and trimming, bridge inspections and repairs, graffiti removal, and hazardous waste clean-up.

The FY2024 Budget reflects the organizational changes as result of these insourcing activities with the creation of the new Division of Rail Right-of-Way (ROW) and the new departments of Rail ROW Oversight, Non-Revenue Vehicles and Specialty Equipment, Development Services Support Services, and Training.

During FY2024, NCTD will continue contracting its BREEZE, LIFT, and FLEX services to MV Transportation (MV). The contract includes employing and managing bus operators, bus dispatching, vehicle maintenance, and facilities maintenance. Managing and operating LIFT ADA paratransit service includes taking customer reservations, responding to complaints, scheduling, dispatching, maintaining telephone recordings and records, maintaining a current ADA paratransit buffer map, and maintaining all necessary records and data needed to assess its performance against contractual requirements and those required for Federal reporting. The contract with MV had an initial contract value at time of award of \$304,620,005 for a base period of seven (7) years, which will end on June 30, 2024.

On December 15, 2022, NCTD staff provided a business justification and recommendation for the resumption of direct management of the operations and maintenance for BREEZE, LIFT, and FLEX services. The Board authorized the phased resumption of direct operations and maintenance responsibility for BREEZE, LIFT, and FLEX services by July 1, 2027, to include executing a contract modification with MV Transportation, Inc. that will allow up to three (3), one (1)-year extensions, and advancing procurements for the provision of certain specialty services and contracts for parts and supplies. The authorization was subject to the Executive Director presenting and the North County Transit District's Board of Directors adopting a balanced five (5)-year fiscal forecast at least one (1) fiscal year prior to the transition. The cost impact of insourcing bus operations and maintenance is included in the 5-Year Plan with a target of FY2027 for the completion of insourcing.

## 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:

Fiscal Year Ending June 30,	Principal	Estimated Interest and Support Costs <sup>(1)</sup>	Total Payments
2024	1,350,000	695,240	2,045,240
2025	1,400,000	646,100	2,046,100
2026	1,450,000	595,140	2,045,140
2027	1,500,000	542,360	2,042,360
2028	1,550,000	487,760	2,037,760
2029-2033	8,300,000	1,567,020	9,867,020
2034-2035	3,550,000	194,740	3,744,740
Total	<u>\$ 19,100,000</u>	<u>\$ 4,728,360</u>	<u>\$ 23,828,360</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 for the purchase of two additional train sets to provide more frequent COASTER commuter rail service. Funding from SANDAG was programmed for FY2021 through FY2024, with most of the funding programmed for FY2023 and FY2024.

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 provides for advanced funding. The agreement provides up to \$46 million in a revolving amount and repayment of the principal amount commences within five years of the receipt of the proceeds and is due within ten years from the first receipt. Interest is payable monthly and is deducted from NCTD's monthly TransNet distributions.

### 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 2019.

## **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. According to the State of California Department of Finance, the County's population estimate was 3.32 million as of January 1, 2021. San Diego County is the second largest county by population in California and the fifth largest county by population in the nation, as measured by the U.S. Census Bureau based on 2020 population estimates. SANDAG has estimated that San Diego County's population will grow to approximately 3.7 million by 2050.

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 reached 1.2 million in 2020, with a slight decline in 2021, which represents about one-third of San Diego County's total population and just over 3% of California's residents. In the past, much of the population growth in North County came from births and the formation of families; however, currently, the majority of North County's population growth is from an aging population that is living longer and staying in the region. North County's population continues to grow considerably older, with those aged 65 years and over increased by 35% since 2015, while the population aged 64 and younger decreased by approximately 2%. Most of the population growth is driven by people aged 55 and over and the younger population has decreased since 2015.

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

North County is more than half of the entire San Diego County territory. The area enjoys a wide variety of educational institutions, open spaces, beaches, lakes, parks, walking trails, mountain and canyon trails, nature preserves, and historic landmarks. North County's median household income of \$101,000 is about \$12,000 higher than the rest of San Diego County. This higher median income has created demand for more goods and services; however, it has also caused a higher cost of living, stressing the budgets of the region's less affluent households.

### **Economic Environment**

In 2020, San Diego County accounted for more than \$207.7 billion (7.8%) of California's Gross Domestic Product (GDP), based on data from the Bureau of Economic Analysis (BEA). The San Diego region includes the largest concentration of U.S. military in the world, making the military presence an important driver of the region's economy. Overall, San Diego has a diversified economy and is a hub for the life sciences/biomedical and technology-oriented industries and a popular travel destination. The region's quality of life attracts a well-educated, talented workforce, and well-off retirees which contribute to local consumer spending. The San Diego region fares well in industries like healthcare, education, and government. These sectors are population-driven (rising in tandem with population) and together account for nearly 27% of the San Diego region's economy.

Pre-COVID-19, the visitor industry was the San Diego region's second largest export industry and employed 199,800 residents in fields directly related to the hospitality industry, including lodging, food service, attractions, and transportation. Although not all jobs have been recovered since the beginning of the pandemic, employment in the leisure and hospitality industry showed an increase to an annual average of 161,600 in 2021. The unemployment rate in the region dropped to 2.7% in May 2022 before increasing to 3.3% (not seasonally adjusted) in November 2022, as more individuals joined civilian labor

force. The number of people employed in North County is recovering more slowly than the rest of San Diego County and California. While the rest of San Diego County and California have fully recouped the jobs lost in 2020, North County is still 2.8% below its 2017 employment levels.

Following the reopening of the economy in 2021, supply chain disruptions and greater consumer demand for goods have caused higher inflation. The U.S. economy was sustained by trillions of dollars of liquidity provided by multiple relief packages passed by Congress. According to the Board of Governors of the Federal Reserve System (Fed) on notes published on July 15, 2022, the fiscal stimulus boosted the consumption of goods without any noticeable impact on production, increasing excess demand pressures in the good markets, which contributed to price tensions and high inflation. The Fed's analysis estimates that the U.S. relief packages added about 2.5 percentage points to inflation.

San Diego County's 12-month inflation measured just 1.7% in January 2021, then soared to 6.6% by November 2021 and 8.3% by May 2022 (a 41-year high) before easing to 6.7% in November 2022. The first quarter of calendar year 2023 saw an improvement in the measured annual inflation of 5.0% compared to 6.5% as of December 31, 2022, as measured by the U.S. Bureau of Labor Statistics. Continued reductions in energy and food costs were more than offset by increases in shelter and automotive costs.

In March 2022, the Fed raised its federal funds benchmark rate by 25 basis points, which brought the rate into a range of 0.25% - 0.5%. The rate hike marked the first time since 2018 that the Fed had increased rates. Since March 2022, and most recently in May 2023, the Fed has raised its federal funds benchmark rate ten times in increments of 25 to 75 basis points. Together, these increases account for an increase of 500 basis points, with the current benchmark rate in the range of 5.00% to 5.25%. While these monetary policy moves have been successful in slowing the month-over-month pace of inflation, the Fed will continue to monitor the continued level of inflation, along with the banking sector health when evaluating future potential rate hikes. The Fed has shared that more potential rate adjustments may be needed to reach a level where spending constriction occurs, wage growth moderates, and prices begin to normalize.

In FY2021 and FY2022, the combined effects of inflation and increased consumer spending resulted in higher regional sales tax revenues and, in turn, record TransNet and TDA collections. But by the start of FY2023, economic conditions shifted: pandemic relief payments dried out, stimulus was spent, inflation entrenched. Consumer spending, particularly on discretionary goods and services, have slowed.

The San Diego region is one of the least affordable areas in the country and ranks as the second most expensive among the most populous metro areas. According to the San Diego Regional Economic Development Corporation (EDC), the median home price in San Diego was \$850,000 in December 2022. San Diego County's relatively high debt-to-income ratio is a cause for concern. On average, households in San Diego County have over \$2 of debt for every dollar of annual income. Housing availability is also relatively low for renters. About 38% of North County's housing units are occupied by renters and almost 47% of these renters spend 35% or more of their income on housing. High housing costs can make living in a region unsustainable for some and contribute to hiring and retention issues for employers. High housing costs also leaves less disposable income for daily expenses and renters are prone to economic distress.

In an article published on April 12, 2023, the Conference Board forecasts that economic weakness will intensify and spread more broadly throughout the U.S. economy over the coming months with a recession to begin in mid-2023. They forecast that 2023 Real GDP growth will be 0.7% year-over-year. They also expect the recession to last three quarters and that inflation will remain above the Fed's two percent target until at least 2024. SANDAG is projecting sales tax revenues to increase overall by 1% in FY2024.

## State of Public Transit

A 2018 report prepared by the Southern California Association of Governments, *Falling Transit Ridership: California and Southern California*, analyzed the decline of transit use in the last ten years. The study examined patterns of transit service and patronage over time and across the region and considered an array of explanations for falling transit use: declining transit service levels, eroding transit service quality, rising fares, falling fuel prices, the growth of Lyft and Uber, the migration of frequent transit users to outlying neighborhoods with less transit service, and rising vehicle ownership. While all of these factors probably play some role, the study concluded that the most significant factor is increased motor vehicle access, particularly among low-income households that have traditionally supplied the region with its most frequent and reliable transit users.

It is important to note that transit ridership nationwide peaked in 2015 and declined thereafter. It is reasonable to discern that as employment rates improved, combined with low interest rates, more people were able to buy automobiles. California Assembly Bill 60 (AB 60), which provided drivers licenses to undocumented residents, also became effective in January 2015. Sufficient information exists to infer that some low-income workers transitioned from public transportation to automobile ownership to gain access to jobs or to reduce commute times. A long-studied and growing body of research indicates that commute time has emerged as one of the single strongest factors in upward social mobility. Based on census data, low-income workers experience longer commutes and are more impacted by the spatial mismatch between where jobs are located and where low-income workers live.

Furthermore, public transit ridership was devastated by the lockdowns and social distancing implemented to mitigate the impacts of COVID-19. The pandemic greatly affected North County commute patterns and led to a greater adoption of remote and hybrid employment schedules. Work from home has increased by 84% in the last six years. In 2022, approximately 14% of North County workers worked from home.

Commuter rail systems nationwide reported to the National Transit Database that ridership declined an average of 79% from September 2019 to September 2020. Because a commuter rail system is generally designed to transport a large number of people from outlying areas to and within urban centers, pandemic-related restrictions, among other factors, significantly affected these services. It is important to recognize that commuter rail provides a number of economic and quality-of-life benefits, particularly for communities in less urbanized areas. Commuter rail can increase mobility and transportation options, as well as access to employment and essential services for individuals who live in the service area and provide for opportunities for transit-oriented developments and increased business investments. However, due to considerable infrastructure and operational costs, commuter rail is more expensive to provide compared to some other transit modes.

North County residents who continue to commute to a work location spend an average of 27 minutes per commute. Nearly 80% of commuters work higher paying jobs in management, business, science, or art occupations. Most workers (72%) still drive alone to work and less than 15% of workers in North County carpool, walk, or use public transportation.

NCTD recognizes the importance of demographics and how behavior may be dramatically different in terms of customer willingness to return to our transit systems post COVID-19. For example, 49% of non-COASTER riders in a 2019 intercept survey reported household income under \$45,000, and 27% with a household income under \$15,000. The same survey indicated that 54% of COASTER riders reported household income above \$75,000, with 20% having a household income between \$100,000 and \$150,000. Similarly, transit dependency appears to track closely with income levels. For respondents with household income under \$15,000, 34% indicated that they would not have made their trip if transit had not been available, followed by 26% stating they would be driven by someone else. Conversely, for riders with household incomes greater than \$100,000, 66% of respondents indicated they would drive alone, followed by 12% stating they would take a taxi, Uber, or Lyft.

Traditionally, public transportation has not sufficiently met the needs of low-income workers that have long commutes or work during off-peak periods. This challenge remains and is part of the overall discussion about improving future land use and creating housing that meets the needs of all income earners. Public transportation will be key in the future as the region increases density and works to close the spatial mismatch between jobs and housing. The cost of owning an automobile is expensive from both an individual and societal perspective. The State of California has recognized the expense and environmental impacts by enacting mandates to create a future that is less dependent upon single-occupant automobile travel (reductions in vehicle miles traveled or VMT) and recognizes the need to stem the tide of greenhouse gas emissions. NCTD believes that future technologies like zero-emission and autonomous vehicles will assist in those efforts. Public transportation and freight rail will continue to play a vital role in supporting the multi-modal and defense needs of the country.

SANDAG's 2021 Regional Plan is a 30-year plan that considers how the San Diego region will grow and where people will live and move around the region. The transportation system in the 2021 Regional Plan and its phasing by 2025, 2035 and 2050 are designed to address social equity, congestion, and state/federal mandates. The 2021 Regional Plan charts a course for Complete Corridors that will make travel along them safer and more efficient, while offering more alternatives to driving alone – including more transit options, more rideshare options, and more opportunities for biking, walking, and other forms of active transportation. More information on the 2021 Regional Plan is described in the following section.



## Coordination with Regional Metropolitan Planning Organization

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On January 1, 2003, Senate Bill 1703 (SB 1703) consolidated all the roles and responsibilities of SANDAG with many of the transit functions of the Metropolitan Transit Development Board (now MTS) and the North San Diego County Transit Development Board (now NCTD). The consolidation allowed SANDAG to assume transit planning, funding allocation, project development, and eventually construction in the San Diego region in addition to its ongoing transportation responsibilities and other regional roles. Pursuant to SB 1703, responsibility for planning and construction of NCTD major projects of regional significance was transferred to SANDAG.

SANDAG Board Policy No. 18 - *Transit Service Planning and Implementation* outlines the framework for transit service planning and roles and responsibilities for project development planning. This policy allows the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals as incorporated into the Regional Plan (the combined Regional Comprehensive Plan (RCP) and the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), the TransNet Ordinance, the Coordinated Plan (the Regional Short-Range Transit Plan and Coordinated Public-Transit-Human Services Transportation Plan), or any other regional planning or legislative documents concerning regional projects.

SANDAG responsibilities for planning and project development include:

- Prepare long-range transit plans and corridor studies consistent with Regional Planning Documents and prepare, no less often than every two years, the 5-Year Coordinated Plan;
- Conduct regional and subarea planning studies as prioritized in the Regional Planning Documents;
- Develop proposals and service plans for new services or for service adjustments with regional significance, with active participation from the transit agencies, in response to changes in regional travel demand, to address regional service gaps and deficiencies, and to implement plans and programs identified in Regional Planning Documents;
- Plan, locate, and design transit infrastructure and facilities (stations, priority treatments, supporting facilities, etc.) for regionally significant transit projects and services identified in Regional Planning Documents with active participation from the transit agencies;
- Coordinate with transit agencies to provide community outreach and conduct market research;
- Develop and update, as required, with input from the transit agencies, the Coordinated Transportation Plan for San Diego County as required by legislation. SANDAG also manages the competitive process for granting FTA funds available as a result of production of a Coordinated Transportation Plan;
- Prepare Environmental Justice and Title VI compliance reports for fare and service changes; and
- Adopt the regional fare policy.

As a transit agency, NCTD responsibilities include:

- Implement and operate service, including scheduling, run-cutting, operations, contract services, service management, and labor contract administration;
- Develop service and schedule adjustments to ensure system optimization and respond to immediate operational issues;
- Conduct local transit studies and analyses within the transit agency's service area in response to changes in local travel demand, to address service gaps and deficiencies, to develop service

reductions/efficiencies, to address operating budget deficits, and to address goals and implement plans developed in the Coordinated Plan;

- Develop proposals for new and revised services to be included in the Regional Service Implementation Plan;
- Develop a public input process and hold required public hearings for service changes. The transit agencies should ensure that the public input process for public hearings on service changes would be conducted in a manner to facilitate public input from the affected area;
- Provide community outreach and conduct market research, in coordination with SANDAG;
- Conduct bus stop location planning;
- Provide input on long- and short-range transit plans, and regional performance monitoring;
- Actively participate in the development of service plans for service adjustments with regional significance, in response to changes in regional travel demand, to address regional service gaps and deficiencies and to implement plans and programs identified in Regional Planning Documents;
- Actively participate in the planning, location, and design of transit infrastructure and facilities (stations, priority treatments, supporting facilities, etc.) for regionally significant transit projects and services identified in Regional Planning Documents; and
- Develop transit vehicle specifications, with active participation from SANDAG, for vehicles for all service types, including local bus, shuttles, bus rapid transit, rail, and others.

### Regional Transportation Plan (RTP)

Every four years, SANDAG prepares and updates a Regional Plan in collaboration with the 18 cities and County of San Diego along with regional, state, and federal partners. The SANDAG Board of Directors adopted the 2021 Regional Plan on December 10, 2021, which provides the blueprint for how the San Diego region will grow through 2050 and beyond. The Regional Plan is updated every four years and combines three planning documents that SANDAG must complete per state and federal laws. The Regional Transportation Plan, Sustainable Communities Strategy, and Regional Comprehensive Plan.

The 2021 Regional Plan includes the implementation of five key transportation strategies referred to as the 5 Big Moves, which include:

- *Complete Corridors*: Smart, connected routes that provide a variety of travel choices and a balance of dedicated, safe space for everyone, including freight vehicles and people who walk, bike, drive, ride transit, and use Flexible Fleets.
- *Transit Leap*: A complete network of fast, high-capacity, high-frequency transit services that connect major residential areas with employment centers and attractions throughout the San Diego region.
- *Mobility Hubs*: Places of connectivity where an integrated suite of mobility services, amenities, and supporting technologies converge to better connect high-frequency transit to an individual's origin of destination.
- *Flexible Fleets*: Shared mobility services such as on-demand rideshare, bikeshare, or scooter share that provide a last-mile connection or fulfill a complete trip.
- *Next Operating System (OS)*: The "brain" of the entire transportation system which collectively analyze information from sources like passenger vehicles, delivery trucks, e-bikes, and scooters to improve how transportation is planned, operated, and experienced.

The 2021 Regional Plan has identified eleven major corridors of travel in the San Diego region, as well as improvements for each corridor, which includes the Interstate 5 North Coast Corridor and the North County Corridor.

### Interstate 5 (I-5) North Coast Corridor

The I-5 North Coast Corridor provides people with vital connections to the San Diego metropolitan area, beach communities from Oceanside to Imperial Beach, dynamic academic and research communities at UC San Diego and the Torrey Pines Mesa, high tech employment centers in Sorrento Valley and in North County, numerous family attractions along the coast, coastal neighborhoods from La Jolla to Oceanside, and Orange County and beyond to the north. The LOSSAN Rail Corridor, which stretches 351 miles from San Diego north, includes NCTD's COASTER and SPRINTER service, along with Amtrak passenger trains and goods movement on the Union Pacific and BNSF railways. Recreation and commuting along the Coastal Rail Trail provides quality access for active transportation users. The 2021 Regional Plan focuses on highway capacity improvements on facilities that move more people, not just cars. The projects detailed in the 2021 Regional Plan will improve reliability and capacity along the rail corridor, increase facilities for walking and biking, and protect and enhance environmental resources.

### North County Corridor

The North County Corridor stretches from the region's North County beaches to its inland valleys and covers the cities of Oceanside, Vista, Carlsbad, San Marcos, and Escondido. It also includes unincorporated areas of San Diego County. Major transportation infrastructure in this area includes the SPRINTER hybrid rail between the Oceanside and Escondido transit centers; major local arterials, such as Palomar Airport Road, which connect residential neighborhoods with centers of employment and major highways including State Route 78 (SR 78) between I-5 and Interstate 15 (I-15); and western portions of SR 76. This corridor also includes the Inland Rail Trail bike path between Oceanside and Escondido. New mobility hubs situated along this corridor, and served by flexible fleets, will be vital for offering travelers numerous mobility options for the shorter trips they frequently take in this part of the region.

The 2021 Regional Plan approach to the North County Corridor is to greatly expand transit offerings, while enhancing existing SPRINTER service. Numerous Rapid routes and an extension of the SPRINTER hybrid rail will provide access to North County employment, activity centers, and mobility hubs.

### Regional Transit Capital Improvement Program

The Regional Transit Capital Improvement Program (CIP) is a rolling 5-Year Plan, which outlines current transit needs and planned investments in transit capital, rehabilitation, and replacement projects. The program is updated annually and is designed to meet ongoing transit operational and infrastructure needs in a responsive and efficient manner.

As the Metropolitan Planning Organization (MPO) for the San Diego region, SANDAG is the designated recipient for Federal Transit Administration (FTA) formula funds and is responsible for approving the grant applications for the San Diego region and programming the FTA Regional Transportation Improvement Program (RTIP). The RTIP is fiscally constrained, meaning that sufficient revenue is committed or reasonably assumed to be available from local, state, and/or federal sources for each phase of the project that is included in the RTIP.

Three FTA formula programs: Section 5307 Urbanized Area Formula Program, Section 5337 State of Good Repair Program, and Section 5339 Bus and Bus Facilities Program, are the primary source of funding for the transit agency CIP and generally provide 80 percent of the cost of eligible activities. Additional state and local funding sources supplement the FTA programs. NCTD reviews and prioritizes its capital projects to ensure that operationally critical projects are funded. The NCTD Board of Directors

approved the constrained FY2024-FY2028 CIP on January 19, 2023. The FY2024-FY2028 was subsequently revised and is scheduled to be approved by the Board on June 15, 2023.

**NCTD Capital Improvement Program**

The Capital Improvement Program (CIP) is a financial plan of adopted capital projects. The CIP is designed to meet NCTD’s ongoing operational and infrastructure needs in a responsive and efficient manner. NCTD Board Policy No. 29 - *Capitalization and Asset Management*, and Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contain guidelines for defining a capital asset, generally described as an asset that has a unit cost of \$5,000 or more with an expected life of more than one year. To aid in developing the CIP, NCTD Project Managers are directed to clearly identify projects that represent the ongoing operational and infrastructure needs that are in line with NCTD’s business plan, and proactively identify projects that can mitigate any potential service and safety issue.

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

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

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

Criteria	Description
Project Benefits	What are the benefits provided by the execution of the project?
TAM Plan Consistency	Is the project included in the Transit Asset Management Plan?
Useful Life	Has the asset that is been replaced reached or about to reach the end of its useful life?
Previously Funded by Contract	Is this a previously funded project and is NCTD obligated under contract?
Safety and Security	Does the project help ensure the safety and security of our employees and customers?
Mandated by Regulation	Is the project required to meet legal obligations set forth by the state and/or federal government?
Social Equity	Does the project use public transit to address social equity by serving low-income or minority communities?
Climate Change	Is the project relevant in addressing climate change?

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

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

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

## Strategic Framework

The FY2024 Budget was developed to support strategic investments that can be implemented over a five-year period to foster increased ridership and customer revenues and address state of good repair and capital priority needs.

The Strategic Framework is guided by three projects initiated in FY2023: 1) the Strategic Plan Update which defines the District's Mission, Vision and Values, and guides the overall strategy; 2) the Market Analysis and Ridership Growth Strategy, which identifies specific strategies and initiatives to grow ridership in the coming five years, and 3) the Business Systems and Process Improvements Project, which identifies business process and system improvements that will enhance NCTD operations, drive quality, and establish metrics for measuring progress. The FY2024 Budget and Capital Improvement Program completes or advances the strategies and priorities identified through these strategic initiatives.



The 5-Year Budget is aligned with Strategic Pillars identified as part of the Strategic Plan Update. The Strategic Pillars provide the foundation an enterprise-wide commitment to quality. They include:

- Operational Excellence
- Organizational Effectiveness
- Community Engagement
- Quality Customer Experience

## Strategic Areas of Focus

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

The Strategic Areas of Focus for FY2024 include:

- **Realign and Improve Organization Structure** – Aligning organizational structure, processes, policy, and priorities with the Strategic Pillars identified as part of the Strategic Plan Update.
- **Plan for Economic Slowdown or Recession** – Mitigating the impact of inflation and optimizing NCTD's available resources by actively managing expenses, prioritizing revenue growth opportunities, and improving efficiency District-wide.
- **Grow Ridership and Improve Service Quality** – Implementing ridership growth strategies identified in the Deloitte Market Analysis by focusing on District-wide service frequency and quality as well as targeted campaigns and solutions for identified market segments with the high potential for ridership growth.
- **Advance Expense Optimization and Productivity Improvements** – Implementing policy, procedural, and technological solutions to optimize organizational productivity and overall organizational effectiveness.

- **Diversify Revenue Sources** – Generating consistent streams of revenue for NCTD by furthering transit-oriented development on District property, sale of naming rights, and other strategic revenue growth opportunities.
- **Fund and Successfully Implement State-of-Good-Repair and Priority Capital Needs** – Continuing success in seeking discretionary funding for NCTD capital improvement priorities and key State-of-Good-Repair projects while actively managing and funding timely replacement of capital assets.
- **Expand Outreach Efforts and Strategic Partnerships** – Enhancing proactive communications, collaboration, and partnerships with key stakeholders and public agencies to support mutually beneficial goals

### Strategic Business Initiatives

NCTD's operating expenditures and capital investments are intended to directly support the Areas of Focus. This is accomplished through Strategic Business Initiatives in the individual focus areas. Progress on these initiatives is reported to the Board of Directors on a quarterly basis. Below is a summary of the Business Initiatives for FY2024 in the respective focus areas:

#### **Organizational Realignment and Improvement**

- Implement organizational changes that will support goals established for the direct operations of all services.
- This project continues the multiyear effort by NCTD to establish direct operations. It includes the finalization of rail operations, maintenance, and right-of-way direct operations and planning for direct operations of BREEZE, LIFT, FLEX, and NCTD+ Microtransit services.
- Implement the foundational elements required to establish a strong Training and Organizational Development Department.
- Direct operation of services increase the need to establish a robust Training and Organization Development Department. This project includes the roll-out of a District-wide training software platform as well as creating curricula, training plans, and staffing for the Department.
- Implement new business systems and eliminate redundant systems and labor-intensive processes.
- A wholistic approach to technology procurement, focusing on Enterprise Resource Planning and Human Resources platforms. This project seeks to create organization efficiencies via implementation of new software to eliminate multiple independent systems that require redundant or labor-intensive processes.
- Foster a stronger culture of collaboration, administrative excellence, and enhanced understanding of safety and risk management.
- To achieve District-wide organizational excellence, cultivation of a corporate culture founded on collaboration, trust, and fair consideration of novel ideas will be instilled as part of on-boarding and employee continuing education. District staff shall also have additional training in safety and risk management.
- Establish a District-wide Quality Plan and Key Performance Indicators Program.
- This project will implement a District-wide Quality Plan designed to ensure that all services NCTD provides surpass customer requirements and expectations. Progress towards attainment of the

Quality Plan goals would be continually monitored and benchmarked through measurable key performance indicators.

### **Plan for Economic Slowdown or Recession**

- Ensure that the budget includes a solid contingency plan.
- The NCTD budget will consider multiple scenarios for economic climate and drivers that impact revenues and align expenditures to ensure a balanced budget through the five-year plan.

### **Grow Ridership and Improve Service Quality**

- Advance projects that can be implemented quickly to enhance the customer riding experience.
- Multiple projects are planned in FY2024 aimed at improving the customer experience including real time information via text message, installation of additional ticket vending machines and validators, installation of additional bus stop amenities such as real time information screens, lighting, and seating.
- Improve SPRINTER fleet reliability and availability.
- NCTD conducted a preliminary study that determined that by adding approximately 9.5 miles of additional double track along the SPRINTER corridor, NCTD could improve service levels to support 15-minute frequencies. A preliminary design is underway for these projects and discretionary funding is being pursued for multiple sections of the corridor.
- Implement a micro-transit service pilot program.
- A contract for NCTD's Microtransit software platform was approved in April 2023. This project will establish NCTD Microtransit service areas in strategic locations across the District providing critical first-mile and last-mile connections as well as service options in traditionally underserved markets.
- Enhance safety and security resources on revenue vehicles and at facilities.
- A safety and security study is currently underway. This project will focus on prioritizing and implementing study recommendations as well as a continuation of on-boarding new Code Compliance Officers.

### **Advance Expense Optimization and Productivity Improvements**

- Closely scrutinize all new agreements to fully understand long-term impacts.
- Continue reviewing outstanding contracts and contract renewals to ensure full long-term impacts are captured in five-year plans and forecasts.
- Identify areas where expenses can be reduced.
- As part of the budget process for FY2024, NCTD identified areas where expenses can be reduced through optimization of processes, procedures, and technology. This process will continue in the development of next year's FY2025 Operating Budget.
- Leverage current and future technology investments.
- NCTD will continue to invest in technological solutions to optimize expenses and increase productivity. This includes projects such as NCTD's electronic parking management software that will automatically issue parking permits and track compliance, reducing manual processes by security personnel.
- Seek partnerships to reduce costs while simultaneously improving services.



- NCTD will engage with community partners to identify and implement mutually beneficial programs that further the NCTD mission and add value to the North County region.
- Advance implementation of business system and process improvements.
- NCTD will review business system procedures to streamline approvals, reduce redundancies, and where possible, automate processes to increase efficiency. This project seeks to improve data integrity, streamline reporting flows, and increase timeliness and access to business intelligence across the District.

### **Diversify Revenue Sources**

- Continue to advance strategic redevelopment projects.
- NCTD is advancing several strategic transit-oriented development projects that will create revenue for the District as well as generate ridership. Projects in progress include Oceanside Transit Center, Carlsbad Village Station, Carlsbad Poinsettia Station, and Escondido Transit Center. These projects will deliver stable, long-term revenue to the District through ground leases while also increasing revenues from passenger fares through the projected increase in ridership.
- Implement naming rights agreements.
- The District continues to refine strategies and seek opportunities for naming rights agreements of NCTD assets with its vendor, Superlative. The initiative is intended to generate revenue for the District by maximizing the value of its assets.

### **Fund and Successfully Implement State-of-Good-Repair and Priority Capital Needs**

- Secure funding for key San Diego Subdivision and Escondido Subdivision improvements.
- NCTD will continue to seek discretionary and competitive grant opportunities to secure funding for the San Diego and Escondido rail subdivisions to support state of good repair and service enhancements on COASTER and SPRINTER. The unfunded capital needs for projects on these two corridors is over \$1 billion. NCTD is seeking funding for immediate needs, such as the San Dieguito Double Track project. NCTD is also seeking funding to advance critical projects through the design phase to shovel-ready status, including the SPRINTER Corridor Service Improvement Project and CP SONGS Double Track.
- Develop funding strategy to implement priority projects from BREEZE Speed and Reliability Study.
- NCTD received funding from Caltrans to complete a phased infrastructure and technology implementation plan that will support improved BREEZE bus speed and reliability for ten high-priority BREEZE corridors. The completion of this plan and phased implementation will support NCTD's ambitious five-year plan to increase frequency on its core BREEZE bus network to provide fast, frequent, and reliable service on its highest ridership routes. Through FY2024, a funding strategy for the phased implementation of priority projects will be developed.
- Advance the delivery of projects and improve project reporting.
- NCTD will leverage technology to improve project reporting both for internal and external audiences. Dashboard and interactive maps can provide accountability and transparency on the status of project delivery District-wide.

**Expand Outreach Efforts and Strategic Partnerships**

- Enhance proactive communications with key stakeholders.
- NCTD Government Affairs will develop and implement strategies to increase the competitiveness of NCTD's funding applications, expand involvement with industry, and enhance proactive engagement with key stakeholders.
- Enhance collaboration with public agencies to support mutually beneficial goals.
- NCTD will reduce barriers and seek collaboration with public, educational, and social service agencies to support mutually beneficial goals. One partnership that will continue to be developed in FY2024 is a collaboration with Palomar College to create a pipeline for a local transit-ready workforce through apprenticeship, internship, and collaborative training programs.

**Divisional Goals**

In addition to the Strategic Business Initiatives, the Areas of Focus are support by a series of metrics across all NCTD divisions that set specific benchmarks to measure progress toward meeting the objectives articulated in the Areas of Focus. The table below describes the Divisional Goals for FY2024.

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Operational Excellence	District-Wide	Ridership	The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination	Re-baseline customer ridership post COVID-19	Transit Operations Performance Report
Operational Excellence	District-Wide	Fare Revenue	All income received directly from passengers, paid either in cash or through pre-paid tickets, passes, etc.	Analyze the impacts of the Youth Opportunity Pass Program and begin to re-baseline customer revenue projections post COVID-19	Quarterly Financial Report
Organizational Effectiveness	District-Wide	Cost Management	San Diego Area Consumer Price Index (CPI)	Contain costs within San Diego Area CPI	Monthly Departmental Budget to Actual Reports
Organizational Effectiveness	District-Wide	On-Time Delivery of Capital Improvement Projects	Measurement from Project Online baseline schedule for projects completed within FY2024. On time delivery shall exclude delays outside of the Project Managers control, (i.e., funding availability, procurement issues, unforeseen conditions) and concludes when work is completed.	Monitor procurement schedules, project implementation schedules, and project budgets	Quarterly Capital Projects Report
Quality Customer Experience	Planning and Communications	Average Call Response Time	Average speed to answer a customer phone call	≤ 30 seconds	Quarterly Customer Service Report

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Quality Customer Experience	Planning and Communications	Call Abandonment Rate	Rate at which a customer phone call is abandoned prior to being answered as a percentage of the number of phone calls	≤ 6%	Quarterly Customer Service Report
Quality Customer Experience	Planning and Communications	Percentage of Cases Researched in less than 9 Days	Measures the time from when a customer concern is received and researched by the subject matter expert. Performance is dependent on operating divisions.	≥ 90%	Quarterly Customer Service Report
Quality Customer Experience	Planning and Communications	Percentage of Cases Closed in less than 14 Days	Measures the time from when a customer concern is received, researched by the subject matter expert, a response provided, and the case is closed. Performance is dependent on operating divisions. Excludes claims, civil rights cases, and ADA determinations.	≥ 95%	Quarterly Customer Service Report
Quality Customer Experience	Bus Operations	Customer Complaints BREEZE	Per contract with MV Transportation, the maximum is 17 per 100,000 boardings	Meet contractual standard	Transit Operations Performance Report
Quality Customer Experience	Bus Operations	Customer Complaints LIFT	Per contract with MV Transportation, the maximum is 1.5 per 1,000 boardings	Meet contractual standard	Transit Operations Performance Report
Quality Customer Experience	Bus Operations	Customer Complaints FLEX	Per contract with MV Transportation, the maximum is 0.5 per 1000 boardings	Meet contractual standard	Transit Operations Performance Report
Operational Excellence	Bus Operations	On-Time Performance BREEZE	On-time performance is calculated using arrival times at time points with the Swiftly system. A bus is considered on time if it arrives at a time point no more than 5 minutes 59 seconds after the scheduled time.	≥ 88%	Transit Operations Performance Report

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Operational Excellence	Bus Operations	On-Time Performance LIFT	On-time performance is calculated using arrival times at time points with the Trapeze system. A bus is considered on time if it arrives in the 30-minute pickup window.	≥ 92%	Transit Operations Performance Report
Operational Excellence	Bus Operations	On-Time Performance FLEX	On-time performance is calculated using arrival times at time points with the Swiftly system. A bus is considered on time if it arrives at a time point no more than 5 minutes 59 seconds after the scheduled time or if it arrives in the 30-minute pickup window.	≥ 95%	Transit Operations Performance Report
Operational Excellence	Bus Operations	Mean Distance Between Mechanical Failure BREEZE	Any trip that cannot be completed or started due to a mechanical issue is considered a mechanical failure. Mean distance between mechanical failure is calculated by dividing the total miles traveled by the number of mechanical failures.	≤ 1 failure per 14,000 miles	Transit Operations Performance Report
Operational Excellence	Bus Operations	Mean Distance Between Mechanical Failure LIFT and FLEX Combined	Any trip that cannot be completed or started due to a mechanical issue is considered a mechanical failure. Mean distance between mechanical failure is calculated by dividing the total miles traveled by the number of mechanical failures.	≤ 1 failure per 55,000 miles	Transit Operations Performance Report
Operational Excellence	Bus Operations	% of Scheduled Service Provided - BREEZE	Service reliability standard is calculated on the basis of total minutes provided divided by the number of total scheduled minutes	≥ 99.98%	Transit Operations Performance Report
Operational Excellence	Bus Operations	LIFT Missed Trips	Trips that are requested, confirmed, and scheduled, but do not take place because the vehicle arrived before the pick-up window, the vehicle did not wait the required time within the pick-up window, the vehicle arrived after the end of the pick-up window, or the vehicle did not arrive.	0 Missed Trips	Transit Operations Performance Report

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Quality Customer Experience	Operations - Rail	Customer Complaints COASTER	Maximum of 7 per 100,000 boardings	Meet standard	Transit Operations Performance Report
Quality Customer Experience	Operations - Rail	Customer Complaints SPRINTER	Maximum of 5 per 100,000 boardings	Meet standard	Transit Operations Performance Report
Operational Excellence	Operations - Rail	On-Time Performance - COASTER	On-time performance is calculated based on the scheduled run time from Oceanside to Santa Fe Depot. A train is considered on time if it arrives at the terminal location no more than 5 minutes and 59 seconds after the scheduled arrival time.	≥ 95%	Transit Operations Performance Report
Operational Excellence	Operations - Rail	On-Time Performance - SPRINTER	On-time performance is calculated based on the scheduled run time from Oceanside to Escondido. A train is considered on time if it arrives at the terminal location no more than 5 minutes and 59 seconds after the scheduled arrival time.	≥ 95%	Transit Operations Performance Report
Operational Excellence	Operations - Rail	Mean Distance Between Mechanical Failure COASTER	Any trip that cannot be completed or started due to a mechanical issue is considered a mechanical failure. Mean distance between mechanical failure is calculated by dividing the total miles traveled by the number of mechanical failures.	≤ 1 failure per 22,847 miles	Transit Operations Performance Report
Operational Excellence	Operations - Rail	Mean Distance Between Mechanical Failure SPRINTER	Any trip that cannot be completed or started due to a mechanical issue is considered a mechanical failure. Mean distance between mechanical failure is calculated by dividing the total miles traveled by the number of mechanical failures.	≤ 1 failure per 36,044 miles	Transit Operations Performance Report

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Operational Excellence	Operations - Rail	% of Scheduled Service Provided - COASTER	Service reliability standard is calculated on the basis of revenue trips completed divided by the number of total scheduled revenue trips	≥ 98%	Transit Operations Performance Report
Operational Excellence	Operations - Rail	% of Scheduled Service Provided - SPRINTER	Service reliability standard is calculated on the basis of revenue trips completed divided by the number of total scheduled revenue trips	≥ 98%	Transit Operations Performance Report
Operational Excellence/ Community Engagement	Operations Support Services	Part 1 Crimes	Number of Part 1 crimes as defined by the Federal Bureau of Investigation Uniform Crime Reporting requirements (murder, forcible rape, aggravated assault, robbery, motor vehicle theft, burglary, larceny/theft, arson). Reduction through Transit Enforcement Services Unit (TESU) focused deployment/response.	Reduction from FY2023	Quarterly Security Report
Operational Excellence	Operations Support Services	Employee and Contractor Assaults	Number of physical assaults perpetrated upon NCTD direct and/or contractor employees. Reduction through improved de-escalation training and improved reporting.	Reduction from FY2023	Quarterly Security Report
Quality Customer Experience	Operations Support Services	Customer Assaults	Number of physical assaults perpetrated upon customers through high visibility law enforcement, Code Compliance Inspectors, and contracted security presence on board modes and at stations/transit centers, in conjunction with Control Center Technicians virtual patrols	Reduction from FY2023	Quarterly Security Report
Organizational Effectiveness	Operations Support Services	Average Time to Complete Recruitment	Timely hiring of qualified applicants for open positions	> 80% of recruitments completed within 90 days (from posting to offer acceptance)	Quarterly Report to Executive Director

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Organizational Effectiveness	Operations Support Services	Voluntary Turnover Rate	Retention of highly qualified workforce	≤ 15 %	Quarterly Report to Executive Director
Operational Excellence	Safety and Risk Management	Preventable Accidents BREEZE	A preventable accident is defined as an event that involves a loss of life, serious injury to a person, collision, runaway train, or derailment of a rail vehicle that could have been averted but for an act, or failure to act, by the vehicle operator or engineer	≤ 1 accident per 100,000 miles	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Preventable Accidents LIFT	A preventable accident is defined as an event that involves a loss of life, serious injury to a person, collision, runaway train, or derailment of a rail vehicle that could have been averted but for an act, or failure to act, by the vehicle operator or engineer	≤ 1 accident per 100,000 miles	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Preventable Accidents COASTER	A preventable accident is defined as an event that involves a loss of life, serious injury to a person, collision, runaway train, or derailment of a rail vehicle that could have been averted but for an act, or failure to act, by the vehicle operator or engineer	Zero	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Preventable Accidents SPRINTER	A preventable accident is defined as an event that involves a loss of life, serious injury to a person, collision, runaway train, or derailment of a rail vehicle that could have been averted but for an act, or failure to act, by the vehicle operator or engineer	Zero	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Near-Misses COASTER	Any interaction with an object, vehicle, or trespasser on or near the right-of-way which causes the engineer or operator to adjust the controls of the rail vehicle to include braking or slowing down	Reduction from FY2023	Quarterly Safety Report



<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Operational Excellence	Safety and Risk Management	Near-Misses SPRINTER	Any interaction with an object, vehicle, or trespasser on or near the right-of-way which causes the engineer or operator to adjust the controls of the rail vehicle to include braking or slowing down	Reduction from FY2023	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Workplace Injuries	Compare workplace injures per 100 employees (in labor classifications) between FY2024 and FY2023	> 5% Reduction	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Lost time due to Workplace Injuries	Compare lost time hours per 100 employees to total group hours between FY2024 and FY2023	> 5% Reduction	Quarterly Safety Report
Operational Excellence	Safety and Risk Management	Quality Assessment of Incident and Accident Investigations	Compare percentage of deficient audited investigation reports between FY2024 and FY2023	> 5% Reduction	Quarterly Safety Report
Organizational Effectiveness	Finance	Timely Payment of Invoices	Invoices should be paid based on contractor/vendor terms. NCTD standard is Net 30.	Pay within terms	Accounts Payable Aging
Organizational Effectiveness	Finance	Monthly Financial Close	Accrual basis monthly financial transactions to be recorded within 20 business days after the last day of the calendar month	20 business days	Finance Closing Schedule
Organizational Effectiveness	Procurement and Contract Administration	Procurement Savings	Compare cumulative dollar value of all procurements thus far in FY2024 to cumulative dollar value of savings achieved due to PCA involvement on those procurements	≥ 2% savings	Quarterly PCA Report to Board
Organizational Effectiveness	Procurement and Contract Administration	Speedier Processing of Procurements	Compare average processing time for procurements under \$150,000 in FY2024 with average processing time for FY2023	≥ 5% faster than FY2023	Quarterly PCA Report to Board

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Organizational Effectiveness	Procurement and Contract Administration	Increased Number of Transactions Completed	Compare average number of transactions per Contract Officer processed in FY2024 to average number of completed transactions per Contract Officer in FY2023	≥ 5% increase in number of transactions compared to FY2023	Quarterly PCA Report to Board
Organizational Effectiveness	Information Technology	Critical Business Systems Uptime	Percentage of time that NCTD critical business systems are available for use (24/7)	≥ 99.90%	Quarterly Technology Report
Quality Customer Experience	Information Technology	TVM Systems Customer Availability	Percentage of time that NCTD ticket vending machines (TVMs) are fully functional and available to customers during transit hours (7 Days, 5:00 AM - 9:00 PM)	≥ 98%	Transit Operations Performance Report
Organizational Effectiveness	Information Technology	Core Business Network Uptime	Percentage of time that major NCTD remote facilities can be reached from GAO (24/7)	≥ 99.9%	Quarterly Technology Report
Organizational Effectiveness	Information Technology	IT Help Desk Response Times	Percentage of IT Help Desk Tickets that are responded to within 30 minutes during work hours (M-F, 7:00 AM - 6:00 PM)	100%	Quarterly Technology Report
Quality Customer Experience	Development Services	Customer Complaints Facilities	Respond to cleanliness complaints within one business day, issue work order to janitorial contractor to address within contractual timeframes, coordinate with other responsible entity, or address immediate issues with NCTD staff	Meet contractual standard	Transit Operations Performance Report
Organizational Effectiveness	Development Services	Average Time to Process Right of Entry Request	Processing Time = Agreement Execution Date - Complete Submittal Received Date (Initial submittal received date will also be tracked, but not measured in this goal)	< 4 weeks	Quarterly Report to DSD Chief

<b>Strategic Area</b>	<b>Primary Division Lead for Goal</b>	<b>Metric Name</b>	<b>Definition/Calculation Methodology</b>	<b>FY2024 Goal</b>	<b>Performance Report</b>
Organizational Effectiveness	Development Services	On-Time Delivery of Capital Improvement Projects	Measurement from Project Online baseline schedule for NCTD Capital projects. On time delivery shall exclude delays outside of the Project Manager's control, (i.e., funding availability, procurement issues, unforeseen conditions) and concludes when work is completed.	Meet Baseline Schedule	Quarterly Report to DSD Chief
Operational Excellence	Development Services	Zero delays caused by track defect	On-time performance is calculated based on the scheduled run time. Delays are categorized monthly by Rail Operations and would include any track outages for track defect issues.	Zero minutes delayed	Train Operations Performance Report
Organizational Effectiveness	Office of General Counsel	Quality Assessment of Federal Contract Compliance	Baseline deficient audited federal contracts for FY2024	Reduce deficiencies in federal contract solicitation and award documentation	Quarterly Report to Executive Director

**Government Finance Officers Association Distinguished Budget Award**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
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California**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the North San Diego County Transit District, California, for its annual budget for the fiscal year beginning July 1, 2022. In order to receive the budget award, a governmental unit has to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well a budget serves as a policy document, financial plan, operations guide, and communications device. This award is valid for a period of one year only.

## **Budget Development Policy**

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

## **Ongoing Operations**

NCTD funds ongoing operations with current revenues in a changing environment in which safety, compliance, and effectiveness are paramount.

## **Balanced Budget**

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

## **Basis of Accounting**

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

## **Finance Division Role**

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

## **Conservative Estimates of Revenues**

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

## **Expenses**

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

## **Capital Improvement Program**

NCTD adopts an annual Capital Improvement Program (CIP) based on need and in accordance with the long-term capital program. The District CIP has received scrutiny for cost, value, and priority to the District, and relevant details for each item have been reviewed for conformance to CIP requirements. Projects are funded only when revenues are already committed, or where budget savings or one-time

revenues can pay for such items, and for which consideration has been given to all funding sources and grants where applicable.

Capital project expense differs from operating expense as capital expenses ordinarily result in the addition of a capital asset. NCTD Board Policy No. 29 - *Capitalization and Asset Management*, and Administrative Policy FIN-5054 - *Capital Assets Recordkeeping*, contain guidelines for defining a capital asset, generally described as an asset that has a unit cost of \$5,000 or more with an expected life of more than one year. Once funding for a capital project is secured, the Grants department sets up each project with an expense and funding source budget.

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

### **Intergovernmental Relations**

NCTD maintains constructive relations with other government bodies that encourage shared use of facilities, joint purchases, and shared cost-of-service delivery to the end that transit services, connections, and accessibility will be improved. The NCTD Board of Directors adopted the calendar year 2023 Legislative Agenda on October 20, 2022. The priorities for calendar year 2023 include supporting legislative plans and proposals that provide increased funding to support NCTD’s state of good repair and capacity enhancing needs, seeking discretionary grants to support identified capital and planning needs, and maintaining NCTD’s enabling legislation.

### **Debt**

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

### **Fund Balance**

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

The FY2024 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 fifteen (15) percent 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 Executive Director may transfer funds between divisions but may not exceed the total appropriated amount for NCTD.

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

### Budget Monitoring and Controls

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

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

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

## **Budget Process**

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

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

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

1. Classification and Compensation Schedule
2. Cost Recovery Fee Schedule
3. Service Implementation Plan
4. Allocation of Federal, State, and Local Funds
5. Preventive Maintenance Funding Plan

The proposed budget is typically first reviewed at the policy level by the Performance, Administration, and Finance (PAF) Committee of the Board to ensure the appropriateness of programs and expenses and to ensure that they meet District goals and objectives for the upcoming budget year. After final review and budget adjustments based on policy direction and final revenue and expense estimates, the Executive Director and Chief Financial Officer present the draft operating budget to the NCTD Board for consideration and review in the month of May.

## **Stakeholders**

Responsibilities are assigned as follows:

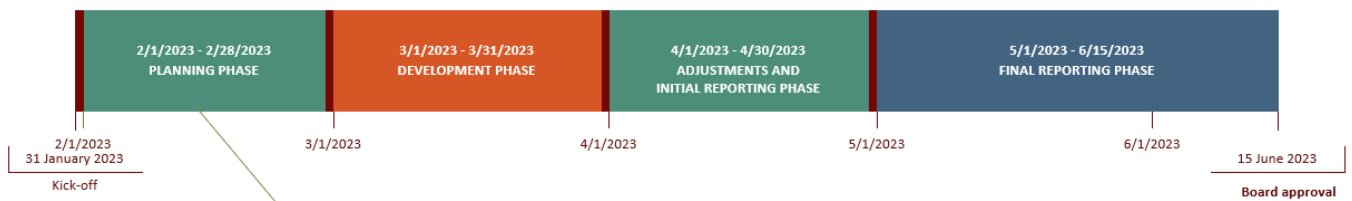
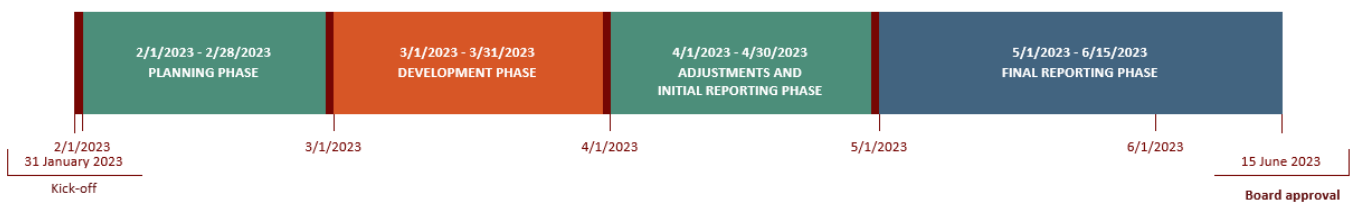
- The Chief Financial Officer (CFO) has the overall responsibility for planning, coordinating, analyzing, preparing, and issuing the budget, drafts the overall budget document, and presents the budget to the NCTD PAF Committee and the Board of Directors.
- The Capital Program Manager oversees the Capital Improvement Program and leads the Capital Project Steering Committee (CPSC).
- The Chief of Planning and Communications and the Director of Service Planning are responsible for overseeing the development of the Service Implementation Plan (SIP) for the upcoming year comprised of service levels and ridership forecasts by mode of transportation.
- Division Chiefs are responsible for preparing and submitting their Division budgets in accordance with the budget instructions.



- Department Managers are responsible for preparing their departmental budgets in accordance with the budget instructions.
- The Chief Operations Officer - Operations Support Services and the Human Resources Director review staffing levels and review requests for increased staffing or salary adjustments.
- The CPSC is responsible for evaluating and ranking projects to ensure that the most critical projects are funded.
- Management Analysts coordinate the budget development process for their respective departments and divisions.
- The Executive Director, in close consultation with the Division Chiefs and the CFO, is responsible for making the final determination of the proposed budget to be submitted for approval to the Board of Directors.
- The Performance, Administration, and Finance (PAF) Committee of the Board reviews the appropriateness of programs and expenses and ensures that they meet NCTD goals and objectives for the upcoming budget year. The PAF Committee advances the budget for adoption by the Board of Directors.
- The public reviews the proposed budget during the public hearing period conducted fifteen (15) days prior to the budget submission to the Board of Directors for approval.
- The Board of Directors is responsible for adopting the annual operating budget and supplemental schedules, the annual CIP, and the 5-Year CIP.
- Finance staff uploads the approved budget into the NCTD Enterprise Resource Planning (ERP) system.

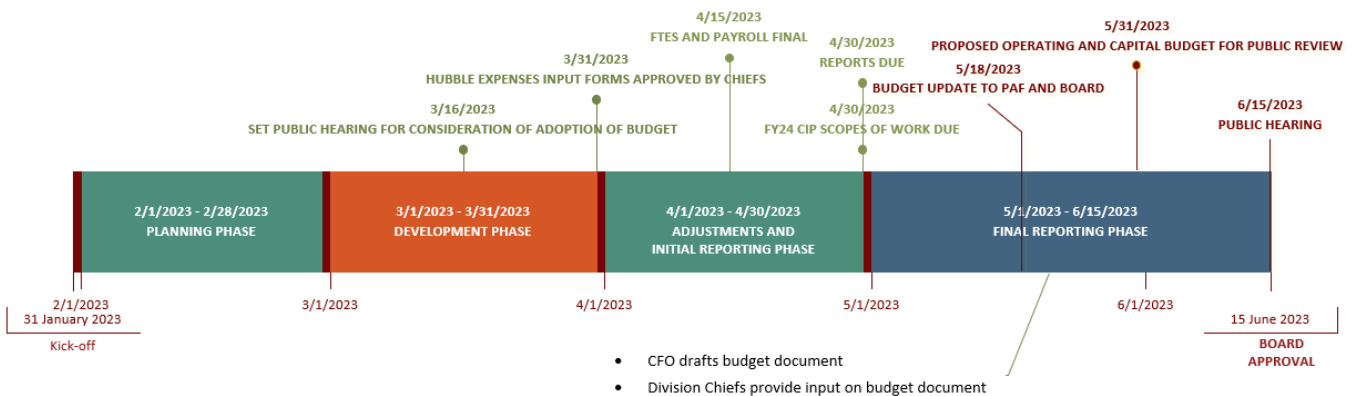
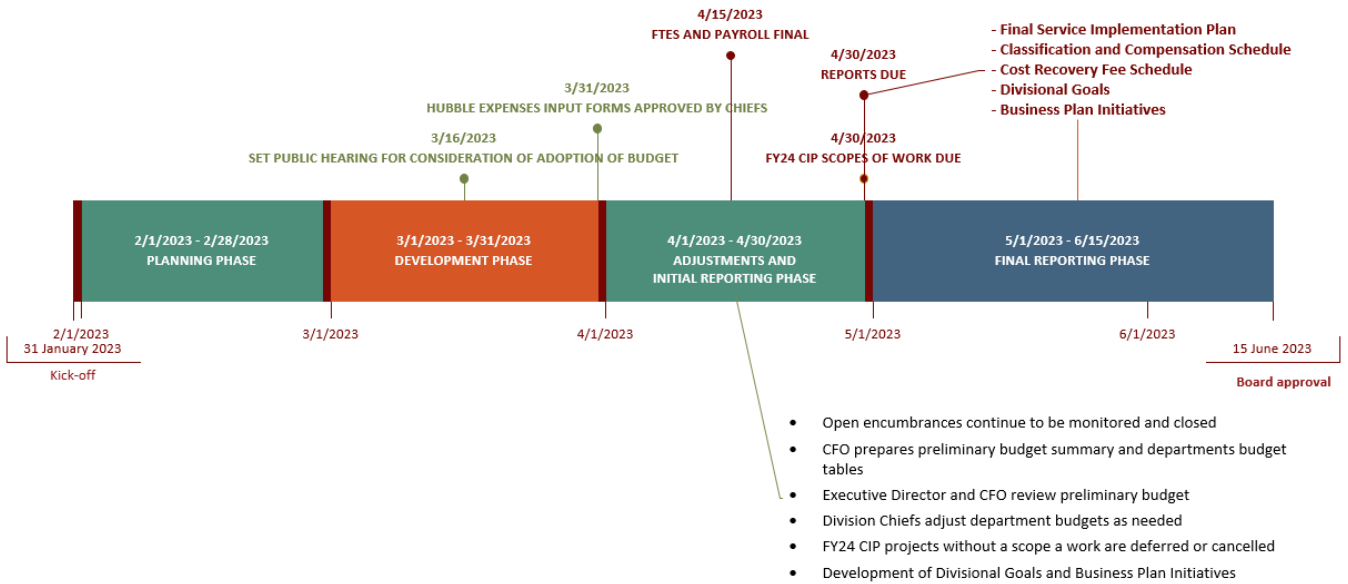
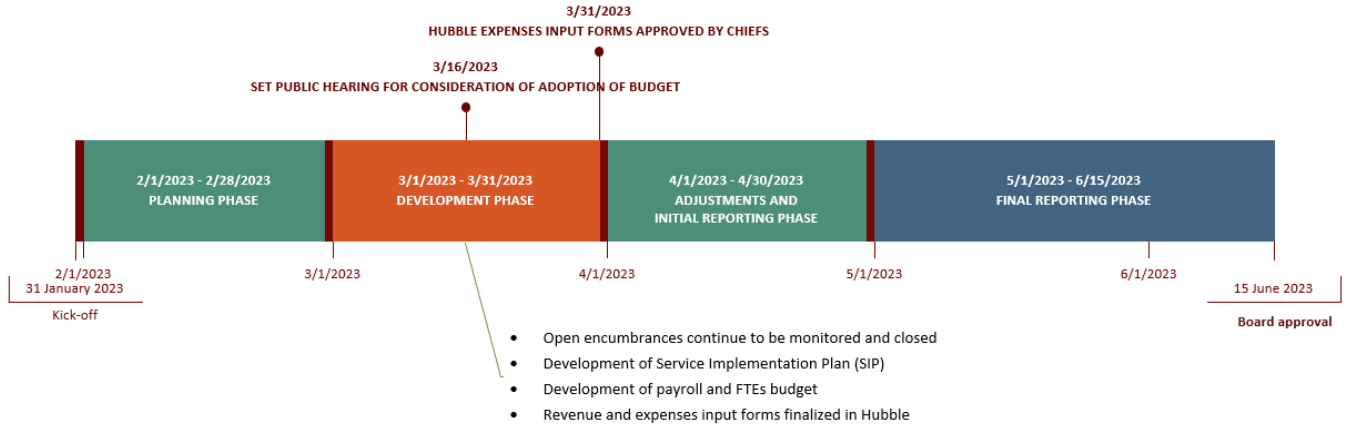
**Budget Calendar**

The District Fiscal Year begins on July 1 and ends on June 30. The timelines for the Fiscal Year 2024 Operating Budget are illustrated below:



- MAs and Department Managers monitor open encumbrances and coordinate with PCA for POs lines reductions or closeout
- Preliminary expenses entered in Hubble input forms

# Adopted FY2024 Operating Budget and FY2024-FY2028 Capital Improvement Program



Below is the detailed summary of actions taken during the development process of the Fiscal Year 2024 Operating Budget and FY2024-FY2028 Capital Improvement Program (CIP).

<b>Month(s)</b>	<b>Description of Action</b>
July 2022	The Capital Program Manager presented the kick-off meeting for the Capital Improvement Program where project managers and stakeholders received an overview of the CIP process, projects evaluation criteria, strategic priorities, roles and responsibilities, and timeline.
July 2022 - August 2022	Project managers updated and added project information, funding requests, and project delivery schedules in the District's project management software for consideration in the 5-Year CIP. Division Chiefs ranked projects within their divisions based on criticality (high, medium, low).
August 2022 - September 2022	Division Chiefs and the CPSC performed the initial review of funding requests for existing projects. District staff 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 2022	Capital projects were evaluated, ranked, and scored according to established criteria and prioritized on how well the respective project meets District goals and objectives. State of good repair, regulatory requirements, and safety and security were the highest priorities.
October 2022	The CFO calculated the preliminary revenue estimates to determine the funding availability for the constrained CIP.
November 2022 - December 2022	The CPSC proposed the list of projects eligible for advancement in the constrained CIP based on established criteria. The Executive Director approved the final constrained CIP based on the preliminary revenue estimates.
January 2023	NCTD Board approved the proposed FY2024-FY2028 Capital Improvement Program.
January 2023	The Federal Transit Administration (FTA) published the apportionments for Section 5307, 5337, and 5339 formula funds.
January 2023	The CFO launched the kick-off for the development of the FY2024 Operating Budget with a presentation that included budget goals and considerations, overview of the budget process, timelines and deadlines, and assigned responsibilities.
February 2023	The California State Controller Officer published the allocations for FY2024 for State Transit Assistance and State of Good Repair funds.
February 2023	SANDAG's Board approved the apportionments of Transportation Development Act (TDA), FTA, and Transnet Funds for FY2024, as well as SANDAG staff provided projections for the next four fiscal years to plan for capital projects and determine operating subsidies.
February 2023	The FY2024-FY2028 CIP was programmed in SANDAG's ProjectTrak system for inclusion in the Regional Transportation Improvement Program (RTIP).
February 2023 - March 2023	The Service Planning department developed and submitted the proposed service plan recommendation to the Executive Director for approval to be incorporated in the baseline budget assumption.

<b>Month(s)</b>	<b>Description of Action</b>
February 2023 - March 2023	Management Analysts collaborated with Division Chiefs and Department Managers with budget responsibilities to review prior year fiscal results and trends, base budget assumptions, and changes for their respective division/department. Open encumbrances were reviewed for rollovers to FY2024 due to timing of services and receipt of goods. Budget worksheets were created and entered in Hubble.
March 2023	The NCTD Executive Committee received a presentation from the Executive Director regarding the proposed FY2024 Budget guidance and strategic areas of focus.
March 2023	NCTD's Board set a public hearing date for June 15, 2023, for consideration of adoption of the proposed FY2024 Operating Budget and ratification of the FY2024-FY2028 Capital Improvement Plan and received the Executive Director's report on the proposed FY2024 budget guidance and strategic areas of focus.
April 2023	The NCTD Marketing, Service Planning, and Business Development (MSPBD) Committee received details of the proposed FY2024 Service Implementation Plan, which included ridership projections and revenue hour and revenue mile projections for all modes.
April 2023	The Chief Operations Officer - Operations Support Services completed the staffing plan in collaboration with Division Chiefs and incorporated the staff transition related to the insourcing of facilities maintenance, maintenance-of-way, and maintenance of signals. The proposed staffing plan recommendation was submitted to the Executive Director for approval to be incorporated in the baseline budget assumption.
April 2023	Constrained capital projects were re-evaluated, including considerations for funding needs and project readiness to determine whether these projects continued to be eligible for ratification by NCTD's Board.
May 2023	The NCTD Performance, Administration, and Finance (PAF) Committee received an overview of the Draft Proposed FY2024 Operating Budget, which included significant assumptions for revenues and expenses.
May 2023	The CFO presented the proposed FY2024 Operating Budget to the full Board along with the key assumptions used and primary drivers for revenues and expenses. Revisions to the constrained FY2024-FY2028 Capital Improvement Program were also presented to the Board.
May 2023	The FY2024 Operating Budget and FY2024-FY2028 Capital Improvement Plan documents were released for public review and comment.
June 2023	The Board received and considered public comment, closed the public hearing, adopted the Operating Budget and Capital Improvement Program, and approved the Service Implementation Plan, Employee Classification and Compensation Schedules, and Cost Recovery Fee Schedule.
June 2023	The approved budget was entered into the District financial system. NCTD staff will submit applications as needed to funding agencies.

## Service Implementation Plan

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The Service Implementation Plan (SIP) outlines North County Transit District's (NCTD, District) plans to provide multimodal transit services over the next ten (10) years. The SIP is a requirement under the Master Memorandum of Understanding (MOU) with SANDAG and is used to inform NCTD's annual operating budget.

The SIP development process consists of the compilation and review of historic service levels, ridership, and studies that outline capital and operating investments for the District. Planning coordinates with Finance, Bus Operations, Rail Operations, and the Executive Director 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.

The SIP is informed by the Executive Director's budget guidance to inform near-term initiatives and is supplemented by planning studies such as NCTD's Market Research and Analysis effort. This market research will serve as a key component of NCTD's efforts to increase ridership across the system. The project is near conclusion and includes the following work efforts that will provide NCTD with valuable quantitative and qualitative data that is necessary to make informed decisions:

- *Strategic Scenario Planning*: Develop key scenarios based on mobility trends and local market insights to support mobility innovation.
- *Human-Centered Design and Research*: Identify key profiles in the NCTD market and conduct human-centered research to support customers' needs and travel behaviors.
- *Modeling and Impact Analysis*: Rapidly and iteratively evaluate and test the impact of proposed NCTD initiatives, regional policies, and scenario dependencies.
- *Strategy, Roadmap, and Implementation Plan*: Define key initiatives and "no-regret" moves to support NCTD in executing its strategy over the next three to five years.

## FY2024 Service Levels

NCTD used 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 FY2024 will be balanced under the assumed worst-case scenario.

Ridership estimates for this year's SIP were based on observed mode-specific ridership trends. Year-over-year (YOY) ridership changes and anticipated service levels for each mode factored into projections. Other unique considerations, such as changing work-commutes, ongoing labor constraints, and evolving land use patterns, continue to influence the phasing of proposed service changes.

NCTD is continuing to explore and advance additional initiatives to attract new riders. The FY2024 service levels and ridership forecasts by mode are summarized in Table 2. All hours and miles are based upon scheduled daily service and applied to the number of weekdays, Saturdays, and Sundays in FY2024. In addition, efforts are made to plan and account for absolute work windows, holidays, and special events in service projections.

The FY2024 budget has been developed to support strategic investments that can be implemented over five and ten-year periods that will increase ridership, increase customer revenues, support the Zero Delay program, and address state of good repair and capital priority needs. NCTD's Zero Delay program promotes important initiatives such as improving service quality and frequency, modernizing revenue vehicles, enhancing the customer service experience, and supporting transit-oriented development. Key strategic service priorities that are relevant to the ten-year horizon of the Service Implementation Plan include:

- Implement 30-minute frequencies on the COASTER
- Implement 15-minute frequencies on the SPRINTER
- Implement improved BREEZE bus service frequencies
- Implement new first/last-mile services

### ***BREEZE***

NCTD began to experience operator staffing constraints in April 2021, which led to late services, missed trips, and service cancellations on NCTD's BREEZE service throughout FY2022. As result of the operator shortage, NCTD had to temporarily reduce frequencies on several BREEZE routes effective April 3, 2022. This change was considered temporary and was implemented to allow NCTD to communicate service cancellations in advance to its customers. NCTD has advanced various strategies to recruit and retain operators, including increased wages, sign-on bonuses, and performance-based incentives. In addition, it has been actively working with its service contractor, MV Transportation, to hire and retain operators to improve service reliability and restore service.

Phased restoration of BREEZE service began with the partial restoration of BREEZE 350 service in April 2023. For the purposes of the FY2024 SIP, NCTD is assuming the second phase of BREEZE service restoration will take effect in the second quarter of FY2024 (October service change) and full-service restoration will take place in the last quarter of FY2024. NCTD continues to work closely with MV Transportation to improve operator staffing levels in an effort to restore service. NCTD staff will provide updates to the Board at regular intervals on this progress.

In FY2023, NCTD reclassified school tripper deviations of BREEZE routes as Supplemental Routes and assigned them to a new 600-numbering series. These routes included: 304, 308, 309, 332, 334, and 445. The changes were made to improve communication with riders and parents and simplify internal operations and tracking functions. The change has been complemented by the region's on-going Youth Opportunity Pass pilot program, which provides free transit in San Diego County for youth ages 18 and under through June 30, 2024.

BREEZE ridership is expected to increase by 11.6% from FY2023 to FY2024, while service levels are expected to increase about 8% on average.

### ***LIFT***

LIFT ridership is projected to grow by 13.2% from FY2023 to FY2024. Because LIFT is a demand response service, any increase in ridership will result in an increase in hours and miles operated.

### ***FLEX Deviated Fixed Routes***

FLEX deviated fixed service has two different service models: deviated fixed-route and point-deviated fixed-route. Deviated fixed-route service has a set schedule and route but can deviate from the route up to  $\frac{3}{4}$  of a mile for scheduled pick-ups or drop-offs. This service model includes FLEX 392 and FLEX 395 which connection portions of Camp Pendleton and Oceanside. Point-deviated fixed-route service also has a set schedule and route but only allows scheduled deviations to specific points along the route. FLEX 371 is the only point-deviated fixed-route. It connects Escondido and Ramona and allows passengers to schedule pick-ups or drop-offs at the San Diego Zoo Safari Park.

In October 2020, NCTD proposed eliminating FLEX Routes 392 and 395 due to low performance. However, based on public feedback, NCTD staff recommended continued evaluation of alternative service delivery options. NCTD will continue to work with representatives from Camp Pendleton, relevant

stakeholders, and the public to develop an alternative plan to replace FLEX routes 392 and 395 with a service delivery model that meets the region’s needs.

NCTD is not proposing any changes to FLEX deviated fixed services in FY2024. Ridership, however, is projected to increase 24% compared to FY2023 projections.

**COASTER**

On October 25, 2021, the District increased weekday and weekend COASTER service to better serve leisure riders and commuters with flexible work schedules. In response to the expanded schedule and past ridership trends, NCTD anticipated ridership would increase 35.3% in FY2023. Although the traditional COASTER commuter market continues to be impacted by evolving work-commute patterns, NCTD has seen steady growth in daily ridership since the service expansion. Additionally, FY2023 ridership data continued to show more robust demand for COASTER service on weekends and for special events (i.e., Padres games and concerts).

Based upon FY2023 ridership, NCTD is projecting that ridership will increase by 16.8% from FY2023 to FY2024.

**SPRINTER**

SPRINTER provides direct service to Cal State San Marcos and Palomar College. As a result, NCTD anticipated that a return to in-person learning to both schools would help increase ridership by 21.6% in FY2023. However, SPRINTER ridership consistently underperformed monthly budgeted goals in FY2023. SPRINTER is projected to continue its trend of modest ridership gains in FY2024 and ridership is expected to increase by only 1.5% from FY2023 to FY2024

No SPRINTER service changes are proposed for FY2024. All hours and miles are based upon scheduled daily service and applied to the number of weekdays, Saturdays, and Sundays in FY2024.

Table 1 shows the projected ridership by mode for FY2024. Table 2 shows the projected operating statistics by mode for FY2024. Figure 1 shows a graphical perspective of NCTD boardings over the last ten fiscal years.

**Table 1. FY2024 Forecast - Ridership**

Mode	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (#)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (#)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
BREEZE	3,918,669	4,001,104	4,490,845	5,012,514	1,011,410	25.28%	●	521,669	11.62%	●
LIFT	72,376	102,132	90,569	102,503	371	0.36%	●	11,934	13.18%	●
FLEX *	25,332	127,103	37,194	46,135	(80,968)	-63.70%	●	8,941	24.04%	●
COASTER	588,409	804,219	798,327	932,822	128,603	15.99%	●	134,495	16.85%	●
SPRINTER	1,322,380	1,635,632	1,340,187	1,359,932	(275,700)	-16.86%	●	19,745	1.47%	●
	<b>5,927,166</b>	<b>6,670,190</b>	<b>6,757,122</b>	<b>7,453,906</b>	<b>783,716</b>	<b>11.75%</b>	●	<b>696,784</b>	<b>10.31%</b>	●

\* FY2023 Budget included micro-transit

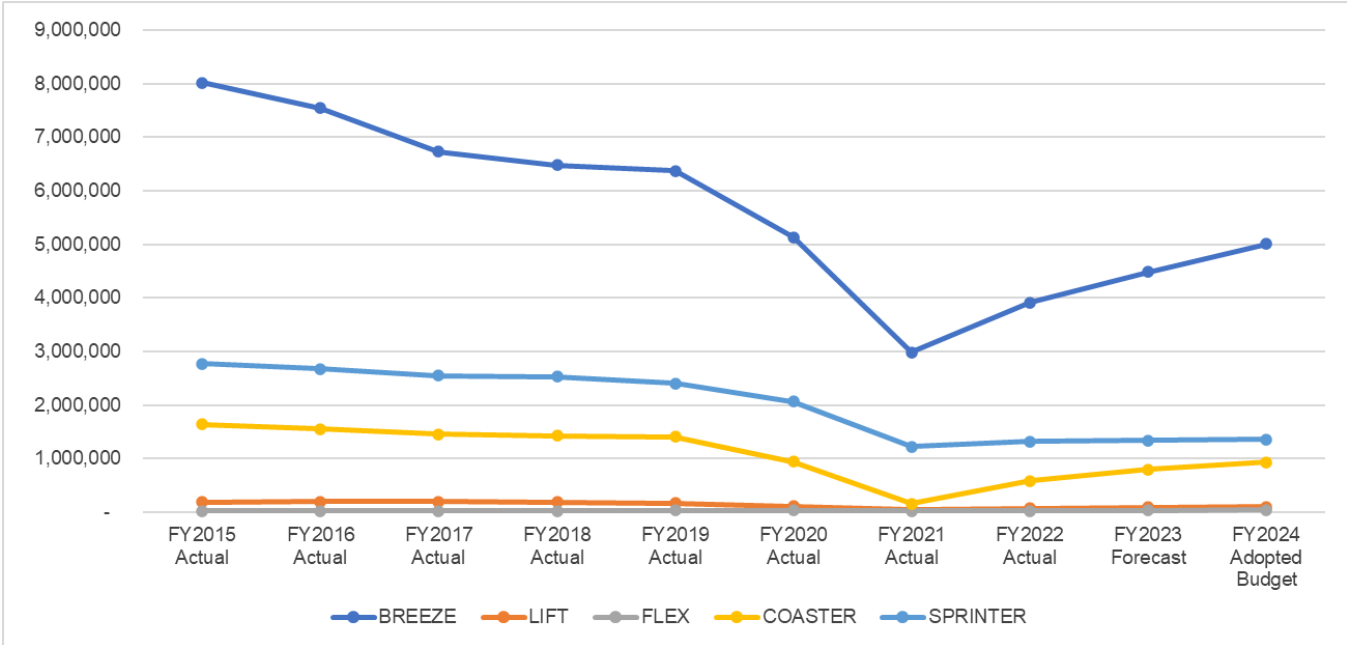
**Table 2. FY2024 Budget - Service Implementation Plan**

	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (%)	Increase/ (Decrease) from FY2023 Forecast (%)
<b>BREEZE</b>						
Revenue Miles	4,937,883	5,044,988	4,699,655	5,036,198	-0.2%	7.2%
Total Miles	5,523,685	5,691,100	5,318,400	5,753,111	1.1%	8.2%
Revenue Hours	404,761	410,066	377,633	407,664	-0.6%	8.0%
Total Hours	432,115	442,011	406,086	436,253	-1.3%	7.4%
Ridership	3,918,669	4,001,104	4,490,845	5,012,514	25%	11.6%
<b>LIFT</b>						
Revenue Miles	734,694	963,464	898,200	1,043,578	8.3%	16.2%
Total Miles	874,311	1,142,086	1,058,343	1,229,424	7.6%	16.2%
Revenue Hours	39,661	56,873	49,692	57,728	1.5%	16.2%
Total Hours	48,137	70,513	65,025	75,571	7.2%	16.2%
Ridership	72,376	102,132	90,569	102,503	0.4%	13.2%
<b>FLEX</b>						
Revenue Miles	315,831	739,852	317,597	313,014	-57.7%	-1.4%
Total Miles	328,136	805,510	329,124	326,729	-59.4%	-0.7%
Revenue Hours	16,893	49,687	16,980	16,937	-65.9%	-0.3%
Total Hours	17,675	52,997	17,763	17,723	-66.6%	-0.2%
Ridership	25,332	127,103	37,194	46,135	-63.7%	24.0%
<b>COASTER</b>						
Revenue Miles	363,121	418,234	402,315	402,943	-3.7%	0.2%
Total Miles	385,097	441,830	424,664	426,855	-3.4%	0.5%
Revenue Hours *	11,566	12,837	12,615	12,378	-3.6%	-1.9%
Total Hours	12,929	14,036	13,998	13,749	-2.0%	-1.8%
Ridership	588,409	804,219	798,327	932,822	16.0%	16.8%
<b>SPRINTER</b>						
Revenue Miles	514,468	519,924	517,655	519,820	0.0%	0.4%
Total Miles	518,217	523,183	520,172	521,793	-0.3%	0.3%
Revenue Hours	23,375	23,627	23,523	23,630	0.0%	0.5%
Total Hours	23,548	23,779	23,649	23,751	-0.1%	0.4%
Ridership	1,322,380	1,635,632	1,340,187	1,359,932	-16.9%	1.5%
<b>SYSTEM</b>						
Revenue Miles	6,865,997	7,686,462	6,835,422	7,315,553	-4.8%	7.0%
Total Miles	7,629,446	8,603,709	7,650,703	8,257,912	-4.0%	7.9%
Revenue Hours	496,256	553,090	480,443	518,337	-6.3%	7.9%
Total Hours	534,404	603,336	526,521	567,047	-6.0%	7.7%
Ridership	5,927,166	6,670,190	6,757,122	7,453,906	11.7%	10.3%

\* Based on running time; does not include layover. May differ from National Transit Database reports.



Figure 1. NCTD Ridership - Last Ten Years



## 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 activities. Additional state and local funding sources supplement the FTA programs. The District's financial health is dependent on economic and political conditions that affect these revenue sources.

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

#### **Section 5307**

Section 5307 Urbanized Area Program provides funding for transit capital and operating assistance in urbanized areas and for transportation-related planning. Eligible activities under this program include planning, engineering design, and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses; overhaul and rebuilding of buses; crime prevention and security equipment; construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act (ADA) complementary paratransit service, while recorded as operating expenditures, are considered capital costs for purposes of eligibility. The FTA defines preventive maintenance as all maintenance costs related to vehicles and non-vehicles. Specifically, it is all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including the current state-of-the-art for maintaining such an asset.

The 2021 Bipartisan Infrastructure Law increased funding for this Program by \$33.5 billion over a five-year period (FY2022-FY2026) to support transit operations in 500 communities across the country. The formula for determining each metropolitan area's share of funds involves population, density, bus and rail vehicle miles, and rail route miles. The FTA publishes annually the allocations for the recipients. SANDAG is the designated recipient and then allocates the funds between NCTD and MTS. The FY2024 allocation is 30% for NCTD and 70% for MTS after SANDAG deductions for the Regional Vanpool Program. For FY2024, NCTD was allocated \$26.2 million of Section 5307 funds, \$0.5 million higher than FY2023 (increase of 2.0%).

#### **Section 5337**

This State of Good Repair Program provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. Additionally, State of Good Repair grants are eligible for developing and implementing Transit Asset Management plans. This program reflects a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. Eligible activities include projects that maintain, rehabilitate, and replace capital assets as well as projects that implement transit asset management plans. High-intensity motorbus tier funds can only be used for vehicle state of good repair costs and not for roadway state of good repair costs.

The 2021 Bipartisan Infrastructure Law increased funding for this Program by \$23.1 billion over a five-year period (FY2022-FY2026) to assist in financing capital projects to maintain public transit systems. The FY2024 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 FY2024, NCTD was allocated \$18.6 million of Section 5337 funds, \$0.2 million higher than FY2023 (increase of 1.3%).

### **Section 5339**

The Bus and Bus Facilities Program makes federal funding available for the purpose of financing capital bus and bus-related projects which will support the continuation and expansion of public transportation services in the United States. There also is a sub-program that provides competitive grants for bus and bus facility projects that support low- and zero-emissions vehicles. The purpose of both formula and competitive programs is to provide capital funding to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities. The FY2024 allocation for the San Diego region is 30% for NCTD and 70% for MTS. For FY2024, NCTD was allocated \$1.8 million of Section 5339 funds, \$57 thousand higher than FY2023 (increase of 3.2%).

### **Section 5311**

FTA Section 5311 provides capital, planning, and operating assistance to states to support public transportation in rural areas with populations of less than 50,000, where many residents often rely on public transit to reach their destinations. NCTD receives FTA 5311 funding through Caltrans.

### **Bipartisan Infrastructure Law**

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

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

### **American Rescue Plan Act of 2021**

The American Rescue Plan Act of 2021 (ARPA) included \$30.5 billion in federal funding to support the nation's public transportation systems during the COVID-19 public health emergency. The relief fund included \$26.6 billion to be allocated by statutory formulas to urbanized and rural areas and tribal governments. ARPA allocated \$200.6 million of Section 5307 funds to the San Diego region, of which 30% (\$60.2 million) are allocated to NCTD and 70% (\$140.4 million) to MTS.

Operating expenses incurred beginning on January 20, 2020, are eligible. ARPA funds shall to the maximum extent possible, be directed to payroll and operations of public transit (including payroll and expenses of private providers of public transportation), unless the recipient certifies to the FTA that the recipient has not furloughed any employees. ARPA funds must be obligated by September 30, 2024, and

disbursed by September 30, 2029. The operating budget assumes that \$40.5 million of ARPA funds will be utilized in FY2024.

### **State Grant Revenue**

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

The Mills-Alquist-Deddeh Act (SB 325), or Transportation Development Act of 1971, was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. TDA provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans. The TDA provides two funding sources: (1) Local Transportation Fund (LTF), which is derived from a one-quarter of a cent of the general sales tax collected statewide and (2) State Transit Assistance fund (STA), which is derived from the statewide sales tax on diesel fuel. TDA funds a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, and bus and rail projects. Providing certain conditions are met, counties with a population under 500,000 (according to the 1970 federal census) may also use the LTF for local streets and roads, construction, and maintenance. The STA fund can only be used for transportation planning and mass transportation purposes.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county. Pursuant to state statute, the County of San Diego Auditor has the responsibility for providing the TDA LTF 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 annual apportionment determines the amount of funds available to each agency to claim. The STA funds are appropriated by the Legislature to the State Controller's Office. That Office 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 and 50% be allocated according to operator revenues from the prior fiscal year. SANDAG, as the Regional Transportation Planning Agency, is responsible to release the apportionment of TDA funds each year in conformance with state statute. TDA is the major subsidy source that supports NCTD's operations and non-motorized transportation projects.

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

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

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

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

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

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

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

### **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 the costs associated with administrative expense, the ITOC, and the bicycle/pedestrian program, the TransNet program is divided into major corridor projects, new bus rapid transit/rail operations (New Major Corridor Transit Operations), local system improvements, and transit system improvements (Transit Services). Within the Transit Services share (16.5% of TransNet funds), services provided pursuant to ADA and subsidies for seniors have specific earmarks. The remaining revenues can be used by the transit agencies for operating or capital purposes. Similar to TDA LTF, the share between NCTD and MTS is allocated upon the population of each transit agency's service areas.

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

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

- Rapids: SuperLoop, I-15, Mira Mesa, Mid-City, South Bay
- Mid-Coast Trolley
- COASTER peak and midday frequency increases
- SPRINTER peak and midday frequency increases
- Blue Line midday frequency increases
- San Ysidro-Sorrento Rapid

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

### Fare Revenue

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

### Other Operating Revenue

Other operating revenues are composed of auxiliary revenues and non-transportation revenues. Auxiliary revenues include transit-system generated revenues such as advertising, shared use of the railroads, dispatching, and concession revenues. Non-transportation revenues include leases, permits, investment income, administrative fees, federal Alternative Fuels Tax Credit, 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 purchased transportation, contracted professional services, employees' wages and benefits, and fuel costs.

In FY2024, NCTD will continue contracting for bus operations and maintenance with MV Transportation (MV) under Agreement No. 17033, which is subject to both a Consumer Price Index (CPI) adjustment (not to exceed 3%) and wages agreed upon from the contractor's collective bargaining agreements.

NCTD will experience an increase in staffing levels of 76 full-time equivalents (FTEs) related to the insourcing of maintenance-of-way, maintenance of signals, and facilities maintenance.

Professional services include technical support and material management services for COASTER and SPRINTER, dedicated law enforcement and on-call security, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, PTC costs, audit costs, software support and maintenance, electrical, plumbing, landscaping, janitorial, train cleaning, project study reports, micro-transit software, rail zero emissions planning and pilot program support, environmental services, support for discretionary grants applications, and various other services for transit operations and maintenance. The FY2024 budget includes \$16.4 million in one-time expenses.

Operating expenses are projected to increase in FY2024 compared to FY2023 as contracts have been renewed at higher rates due to the high inflationary environment in the past year and anticipation that costs will be higher in FY2024.

## Fiscal Year 2024 Assumptions

The significant assumptions used in the development of the FY2024 Operating Budget include:

### **Operating Revenues**

- Formula-based federal grants are derived from the Federal Transit Administration's (FTA) published apportionment tables. The FTA published the FY2024 apportionment tables in January 2023. FTA formula funding under Section 5307, 5337, and 5339 apportioned to the San Diego region for transit agencies are allocated 30% to NCTD and 70% to MTS. NCTD was allocated a total of \$46.6 million in FY2024 under these formula funds.
- 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. The County Auditor develops the LTF apportionment in consultation with San Diego Association of Governments (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 and was allocated \$55.5 million in LTF funding for FY2024.
- State Transit Assistance (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. NCTD anticipates receiving \$14.1 million in STA funds in FY2024.
- 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. NCTD anticipates receiving \$1.9 million in SGR funds in FY2024.
- TransNet revenue is forecasted by the SANDAG before the start of the new fiscal year based on the growth rate in taxable sales in San Diego County. The most recent estimates were approved by SANDAG's Board at its February 24, 2023 meeting. The distribution to NCTD is based on the January 2022 population. FY2024 TransNet revenue estimates for NCTD are \$19 million. 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 FY2024 Operating Budget includes costs that will be incurred for expanded COASTER weekend and midday weekday service that began in October 2021. The FY2024 Operating Budget includes \$7.4 million of TransNet 8.1% revenues.
- The State Rail Assistance FY2023 estimate of \$3.8 million was provided by the California State Transportation Agency (CalSTA).
- Customer ridership and revenue is based on the FY2024 SIP and ridership recovery assumptions vary by mode. NCTD anticipates receiving a subsidy of \$1.2 million from SANDAG for its participation in the Youth Opportunity Pass (YOP) program, which allows youth riders age 18 and under to ride free on NCTD services (except LIFT). The YOP program is funded through June 2024.
- American Rescue Plan Act (ARPA) funds of \$40.5 million will be utilized in FY2024 to support preventive maintenance, purchased transportation, and salaries and wages costs.

- 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, administrative fees, and advertising are based on FY2023 levels.

### **Operating Expenses**

- Alstom Agreements No. 16043 and No. 16068 will end on June 30, 2023, coinciding with the insourcing of maintenance-of-way, maintenance of signals, and facilities maintenance. In FY2024, NCTD will continue contracting for bus operations and maintenance with MV Transportation (MV) under Agreement No. 17033, which is subject to both a Consumer Price Index (CPI) adjustment (not to exceed 3%) and wages agreed upon from the contractor's collective bargaining agreements. The MV contract includes added positions to support performance improvement and future transition to direct operations and will be adjusted by a CPI of 3% for FY2024.
- Professional services include technical support and material management services for COASTER and SPRINTER, dedicated law enforcement and on-call security, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, PTC costs, audit costs, software support and maintenance, electrical, plumbing, landscaping, janitorial, train cleaning, project study reports, micro-transit software, rail zero emissions planning and pilot program support, environmental services, support for discretionary grants applications, and various other services for transit operations and maintenance. The FY2024 budget includes \$16.4 million in one-time expenses.
- NCTD will experience an increase in staffing levels of 76 full-time equivalents (FTEs) related to the in-house transition of maintenance-of-way, maintenance of signals, and facilities maintenance. The FY2024 Operating Budget also assumes capitalized labor for staff time working on capital projects of \$2.1 million. Actual expenses will vary from budgeted amounts depending on staff vacancies, timing of hires, benefits elections, and the amount of staff time spent on capital projects.
- The fuel budget consumption is based on the FY2024 SIP. The fuel budget assumes that the Brent Crude Oil price will be at \$90/barrel. The Brent crude oil price average in the first four months of 2023 was \$82.04/barrel (Brent Crude is a major benchmark price for purchases of oil worldwide). Compressed Natural Gas (CNG) costs are budgeted at \$0.8273 per therm based on the average price in the last twelve months.
- Property and liability insurance premiums are anticipated to remain stable and at similar levels as FY2023.
- Operating expenses are projected to increase in FY2024 compared to FY2023 as contracts have been renewed at higher rates due to the high inflationary environment in the past year and anticipation that costs will be higher in FY2024. Expenses are projected to level-off in future fiscal years beginning in FY2025 and are reflected in the 5-Year Plan.
- A contingency expense of \$0.5 million has been established for unforeseen circumstances or emergencies.
- The pension unfunded accrued liability payment of \$3.6 million and SPRINTER debt principal payment of \$1.35 million will be paid from net assets and are not included in the FY2024 Operating Budget.



## FY2024 Operating Budget

The Adopted FY2024 Operating Budget is submitted at \$185,488,620 (includes contingency funds of \$500,000), an increase of \$15,310,995 (9.0%) from the FY2023 Operating Budget and an increase of \$37,841,822 (25.6%) from the FY2023 Forecast. Table 3 shows the adopted operating revenues and expenditures for FY2024.

### Operating Summary

**Table 3. FY2024 Operating Budget - Summary**

Operating Revenues	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (#)	from FY2023 Budget (%)		from FY2023 Forecast (#)	from FY2023 Forecast (%)	
Passenger Fares	\$ 8,775,892	\$ 9,717,148	\$ 9,538,418	\$ 9,785,488	\$ 68,340	0.70%	●	\$ 247,070	2.59%	●
Non-Transportation Revenues	5,309,233	2,752,052	5,322,162	4,234,070	1,482,018	53.85%	●	(1,088,092)	-20.44%	●
Auxiliary Revenues	10,817,390	10,862,105	10,695,637	12,751,079	1,888,974	17.39%	●	2,055,442	19.22%	●
Federal Grants	52,626,489	56,815,483	42,595,109	65,162,332	8,346,849	14.69%	●	22,567,223	52.98%	●
State Grants	4,905,358	9,949,151	9,964,514	10,142,730	193,579	1.95%	●	178,216	1.79%	●
Local Grants	54,048,176	80,081,686	70,837,172	83,412,921	3,331,235	4.16%	●	12,575,749	17.75%	●
	<b>136,482,538</b>	<b>170,177,625</b>	<b>148,953,012</b>	<b>185,488,620</b>	<b>15,310,995</b>	<b>9.00%</b>	●	<b>\$ 36,535,608</b>	<b>24.53%</b>	●
<b>Operating Expenditures</b>										
Salaries and Wages	\$ 12,176,798	\$ 26,658,611	\$ 22,439,115	\$ 35,367,496	\$ 8,708,885	32.67%	●	\$ 12,928,381	57.62%	●
Employee Benefits *	5,642,767	10,623,481	9,754,125	11,309,007	685,526	6.45%	●	1,554,882	15.94%	●
Professional Services **	26,308,994	45,467,880	45,043,643	55,332,968	9,865,088	21.70%	●	10,289,325	22.84%	●
Materials and Supplies	8,203,100	13,411,754	10,688,518	17,797,529	4,385,775	32.70%	●	7,109,011	66.51%	●
Utilities	2,702,417	3,618,306	3,188,079	3,579,802	(38,504)	-1.06%	●	391,723	12.29%	●
Casualty and Liability	7,089,670	8,437,400	8,318,879	8,256,745	(180,655)	-2.14%	●	(62,134)	-0.75%	●
Taxes	1,387,751	1,529,796	1,175,152	1,218,788	(311,008)	-20.33%	●	43,636	3.71%	●
Purchased Transportation **	65,487,027	55,720,386	44,315,358	47,731,993	(7,988,393)	-14.34%	●	3,416,635	7.71%	●
Miscellaneous Expenses	703,844	1,831,718	1,099,782	2,414,582	582,864	31.82%	●	1,314,800	119.55%	●
Debt-Related Expense	726,797	1,054,262	697,524	734,200	(320,062)	-30.36%	●	36,676	5.26%	●
Leases and Rentals	733,268	824,031	926,623	1,245,510	421,479	51.15%	●	318,887	34.41%	●
Contingency	-	1,000,000	-	500,000	(500,000)	-50.00%	●	500,000	100.00%	●
	<b>131,162,433</b>	<b>170,177,625</b>	<b>147,646,798</b>	<b>185,488,620</b>	<b>15,310,995</b>	<b>9.00%</b>	●	<b>\$ 37,841,822</b>	<b>25.63%</b>	●
	<b>\$ 5,320,105</b>	<b>\$ -</b>	<b>\$ 1,306,214</b>	<b>\$ -</b>	<b>\$ -</b>			<b>\$ (1,306,214)</b>		

\* Excludes GASB 68 and GASB 75 non-cash adjustments and the Unfunded Accrued Liability (UAL) pension contribution

\*\* FY2023 Actual expenses under Agreement No. 16043 with Alstom were recoded from Purchased Transportation to Professional Services

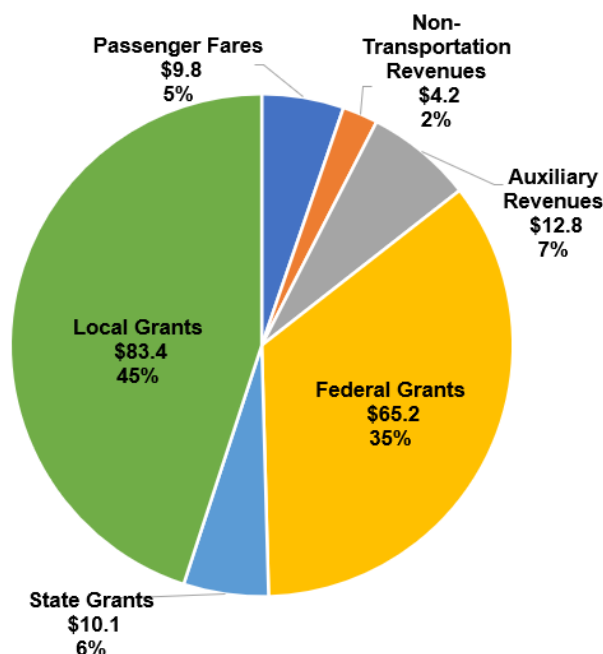
### Operating Revenues

Table 4 summarizes the FY2024 budgeted operating revenues compared to FY2022 Actual, FY2023 Budget, and FY2023 Forecast. Figure 2 shows the percentage composition and amounts of operating revenues.

**Table 4. FY2024 Budget - Operating Revenues**

Operating Revenues	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (#)	from FY2023 Budget (%)		from FY2023 Forecast (#)	from FY2023 Forecast (%)	
Passenger Fares	\$ 8,775,892	\$ 9,717,148	\$ 9,538,418	\$ 9,785,488	\$ 68,340	0.70%	●	\$ 247,070	2.59%	●
Non-Transportation Revenues	5,309,233	2,752,052	5,322,162	4,234,070	1,482,018	53.85%	●	(1,088,092)	-20.44%	●
Auxiliary Revenues	10,817,390	10,862,105	10,695,637	12,751,079	1,888,974	17.39%	●	2,055,442	19.22%	●
Federal Grants	52,626,489	56,815,483	42,595,109	65,162,332	8,346,849	14.69%	●	22,567,223	52.98%	●
State Grants	4,905,358	9,949,151	9,964,514	10,142,730	193,579	1.95%	●	178,216	1.79%	●
Local Grants	54,048,176	80,081,686	70,837,172	83,412,921	3,331,235	4.16%	●	12,575,749	17.75%	●
	<b>136,482,538</b>	<b>170,177,625</b>	<b>148,953,012</b>	<b>185,488,620</b>	<b>15,310,995</b>	<b>9.00%</b>	●	<b>\$ 36,535,608</b>	<b>24.53%</b>	●

**Figure 2. FY2024 Budget - Operating Revenues  
(in millions)**



### **Passenger Fares**

The FY2024 Budget forecasts system ridership at 7.5 million boardings (see Table 1), an increase of 11.8% from the FY2023 Budget and an increase of 10.3% from the FY2023 Forecast. The FY2023 Service Implementation Plan (SIP) was developed in the spring of 2022. At that time, NCTD projected ridership would return to 60-70% of pre-pandemic levels depending on the mode by the end of FY2023. Projected ridership increases were based on NCTD plans to quickly restore BREEZE service to pre-cut levels, continued growth associated with the expanded COASTER schedule, and the implementation of new FLEX Demand Response services. However, despite not being able to fully restore BREEZE service or launch new microtransit services in FY2023, systemwide ridership has largely outpaced FY2023 projections and has exceeded the FY2023 budgeted goals for six (6) of the last eight (8) months.

Revenues generated from passenger fares vary across modes. The highest level of average revenue per passenger is generated by commuter rail and the lowest level is from fixed-route bus. Fare revenues for FY2024 were projected by estimating the number of passengers by mode and rider category (adult, senior and disabled) that pay fares for a single trip, day passes, or monthly passes, and multiplying by the average fare per boarding. Since May 2022, NCTD has partnered with SANDAG, MTS, and the County of San Diego to provide free transit to anyone age 18 and under through June 2024 (initially a 14-months pilot program that was subsequently extended for an additional 12 months) through a program named Youth Opportunity Pass (YOP). NCTD anticipates receiving \$1.2 million in subsidies from SANDAG during FY2024 under the YOP program, which is included in Local Grants revenues. There are no youth fares included in passenger fares since NCTD will be receiving the subsidy in lieu of collecting fares from youth passengers.

Table 5 shows the projected passenger fare revenues by mode for FY2024.

**Table 5. FY2024 Budget - Passenger Fares Revenue**

Mode	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (#)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (#)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
BREEZE	\$ 4,261,828	\$ 4,305,192	\$ 4,677,372	\$ 4,573,166	\$ 267,974	6.22%	●	\$ (104,206)	-2.23%	●
LIFT	621,970	475,425	442,593	477,153	1,728	0.36%	●	34,560	7.81%	●
FLEX *	32,436	410,045	49,176	62,752	(347,293)	-84.70%	●	13,576	27.61%	●
COASTER	2,743,214	3,407,728	3,366,389	3,863,674	455,946	13.38%	●	497,285	14.77%	●
SPRINTER	1,116,444	1,118,758	1,002,888	808,743	(310,015)	-27.71%	●	(194,145)	-19.36%	●
	<b>\$ 8,775,892</b>	<b>\$ 9,717,148</b>	<b>\$ 9,538,418</b>	<b>\$ 9,785,488</b>	<b>\$ 68,340</b>	<b>0.70%</b>	●	<b>\$ 247,070</b>	<b>2.59%</b>	●

\* FY2023 Budget included micro-transit

### Grant Revenues

Formula-based federal grants are derived from the Federal Transit Administration’s (FTA) published apportionment tables. Federal revenues include Section 5307 and Section 5337 funds that are used for 80% of eligible preventive maintenance expenses and Section 5311 funds as subsidy for service to rural routes. Federal funds also include American Rescue Plan Act funds that will be utilized to support preventive maintenance, purchased transportation, and salaries and wages costs.

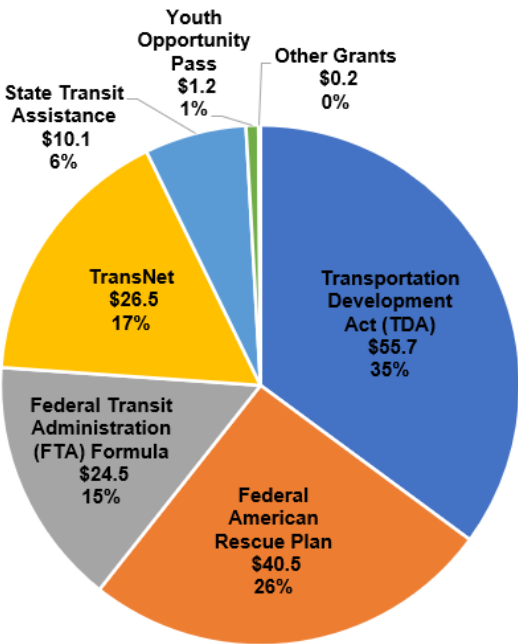
Transportation Development Act (TDA) and TransNet revenues estimates are provided by SANDAG. SANDAG used a two-step method to forecast sales tax revenues, including a near-term forecast (FY2024) and long-term estimates beyond FY 2024. Long-term forecasts are based on three variables: (1) the population forecast from the California Department of Finance (DOF); (2) a consensus (simple average) of three independent nationally recognized forecasts of real rates of growth in per-capita retail sales (IHS Markit, Moody’s Analytics, and Oxford Economic Forecasting); and (3) the average projected Consumer Price Index (CPI, or inflation rates) from the same independent sources. The real per-capita growth rate is considered the most reliable predictor of how retail sales - and TDA revenues - are likely to behave, given each forecasting agency’s substantial differences in assumptions about population, CPI, and even current levels of taxable sales.

While past consensus forecasts were derived from annual data, COVID-19-related disruptions in 2020 warranted using quarterly data to capture evolving economic conditions with greater frequency. Quarterly data facilitated SANDAG’s ability to observe the economic impacts of social distancing protocols, business restrictions, increased telework, higher consumer spending on taxable goods, fiscal stimulus payments, and vaccine progress. Another COVID-related methodology change was that quarterly retail sales forecasts were lagged 1 ½ months to account for the delay between the sales and the actual collection of the associated tax revenue. Given the continuing level of economic uncertainty, quarterly data remains the preferred data for its sensitivity to current conditions.

Near-term sales taxes forecasts are based on the professional judgment of SANDAG staff, informed by the California Department of Tax and Fee Administration’s (CDTFA, formerly known as the California Board of Equalization) sales tax revenue allocation formula; year-to-date sales tax collections; forecasts provided by SANDAG’s sales tax revenue consultant Avenu Insights & Analytics; and current and forecasted general economic conditions. FY2024 TDA and TransNet revenue estimates were approved by the SANDAG Board of Directors on February 24, 2023.

Figure 3 shows the percentage composition and amounts of operating grant revenues budgeted for FY2024.

**Figure 3. FY2024 Budget - Operating Grant Revenues  
(in millions)**



**Non-Transportation Revenues**

Non-transportation revenues include leases, permits, investment income, administrative fees, federal Alternative Fuels Tax Credit (AFTC), federal Renewable Fuel Standard Program credits, and Low Carbon Fuel Standard (LCFS) credits managed by the California Air Resources Board. The AFTC was initially set to expire on December 31, 2021, but was reauthorized by Congress and is now set to expire on December 31, 2024. These revenues are projected based on FY2023 levels and planned consumption of renewable natural gas.

**Auxiliary Revenues**

Auxiliary revenues include advertising, 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**

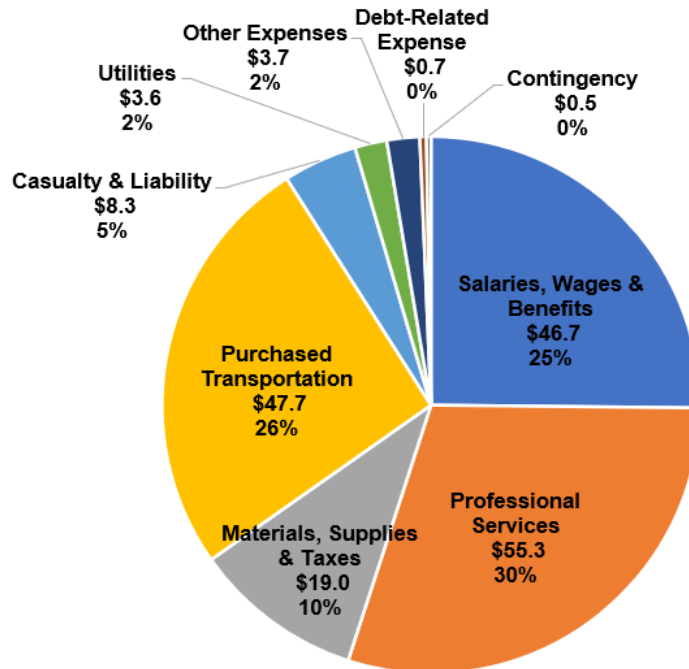
Table 6 summarizes the FY2024 budgeted operating expenses compared to FY2022 Actual, FY2023 Budget, and FY2023 Forecast. Figure 4 shows the percentage composition and amounts of operating expenses.

**Table 6. FY2024 Budget - Operating Expenses**

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (#)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (#)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
Salaries and Wages	\$ 12,176,798	\$ 26,658,611	\$ 22,439,115	\$ 35,367,496	\$ 8,708,885	32.67%	●	\$ 12,928,381	57.62%	●
Employee Benefits *	5,642,767	10,623,481	9,754,125	11,309,007	685,526	6.45%	●	1,554,882	15.94%	●
Professional Services	26,308,994	45,467,880	45,043,643	55,332,968	9,865,088	21.70%	●	10,289,325	22.84%	●
Materials and Supplies	8,203,100	13,411,754	10,688,518	17,797,529	4,385,775	32.70%	●	7,109,011	66.51%	●
Utilities	2,702,417	3,618,306	3,188,079	3,579,802	(38,504)	-1.06%	●	391,723	12.29%	●
Casualty and Liability	7,089,670	8,437,400	8,318,879	8,256,745	(180,655)	-2.14%	●	(62,134)	-0.75%	●
Taxes	1,387,751	1,529,796	1,175,152	1,218,788	(311,008)	-20.33%	●	43,636	3.71%	●
Purchased Transportation	65,487,027	55,720,386	44,315,358	47,731,993	(7,988,393)	-14.34%	●	3,416,635	7.71%	●
Miscellaneous Expenses	703,844	1,831,718	1,099,782	2,414,582	582,864	31.82%	●	1,314,800	119.55%	●
Debt-Related Expense	726,797	1,054,262	697,524	734,200	(320,062)	-30.36%	●	36,676	5.26%	●
Leases and Rentals	733,268	824,031	926,623	1,245,510	421,479	51.15%	●	318,887	34.41%	●
Contingency	-	1,000,000	-	500,000	(500,000)	-50.00%	●	500,000	100.00%	●
	<b>\$131,162,433</b>	<b>\$170,177,625</b>	<b>\$147,646,798</b>	<b>\$185,488,620</b>	<b>\$ 15,310,995</b>	<b>9.00%</b>	●	<b>\$ 37,841,822</b>	<b>25.63%</b>	●

\* Excludes GASB 68 and GASB 75 non-cash adjustments and the Unfunded Accrued Liability (UAL) pension contribution

**Figure 4. FY2024 Budget - Operating Expenses (in millions)**



**Salaries, Wages, and Benefits**

Budgeted salaries and wages include holidays and paid time-off. When employees take the actual holidays and time-off, these are reported as fringe benefits instead of salaries and wages. Budgeted fringe benefits include the normal cost of the CalPERS pension (the unfunded accrued liability payment is not included in the FY2024 Operating Budget and is funded from net assets), employer-paid healthcare, 401(a) employer matching contributions, railroad retirement, railroad unemployment insurance, 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 FY2024 Operating Budget also assumes capitalized labor for staff time working on capital projects of \$2.1 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.

NCTD will experience an increase in staffing levels related to the insourcing of maintenance-of-way, maintenance of signals, and facilities maintenance. Three new departments (Non-Revenue Vehicles and Specialty Equipment, Development Services Support Services, Rail Right-of-Way Oversight) have been created to support the insourcing of the aforementioned activities. A total of 76 full-time equivalents (FTEs) will be added as direct employees and are included in the FY2024 payroll budget, as summarized in the table below:

<b>Department</b>	<b>FTEs</b>
Maintenance-of-Way	25.00
Facilities	19.00
Maintenance of Signal	18.00
Maintenance of Equipment	8.00
Non-Revenue Vehicles and Specialty Equipment	3.00
Development Services Support Services	2.00
Rail Right-of-Way Oversight	1.00
	<b>76.00</b>

On December 15, 2022, NCTD staff recommended the insourcing of the operations and maintenance for BREEZE, LIFT, and FLEX services. The Board authorized the phased resumption of direct operations and maintenance responsibility for BREEZE, LIFT, and FLEX services by July 1, 2027, to include executing a contract modification with MV Transportation, Inc. that will allow up to three (3), one (1)-year extensions, and advancing procurements for the provision of certain specialty services and contracts for parts and supplies, subject to the Executive Director presenting and the Board adopting a balanced five (5)-year fiscal forecast at least one (1) fiscal year prior to the transition. The cost impact of insourcing bus operations and maintenance is included in the 5-Year Plan with a target of FY2027 for the completion of insourcing.

Table 7 shows the FY2024 budgeted FTEs by Department and Table 8 shows the FY2024 budgeted FTEs by Division (updated based on organizational changes) for the last five fiscal year budgets.

**Table 7. FY2024 Budget - FTEs by Department**

Department	Budget Positions				
	FY2020	FY2021	FY2022	FY2023	FY2024
Accounting	4.00	4.00	5.00	5.00	6.00
Administration	5.00	5.00	4.00	6.00	6.00
Bus Operations and Fleet Maintenance	7.00	5.00	6.00	7.00	6.00
Communications and Marketing	3.25	3.25	4.25	6.75	7.50
Customer Service	16.00	17.00	16.00	14.00	16.00
Development Services Oversight	2.00	3.00	2.00	3.00	3.00
Development Services Support Services *	-	-	-	-	5.00
Engineering	3.00	3.00	2.00	6.00	7.00
Facilities	9.00	8.00	10.00	30.00	23.00
Fare Collection	1.00	1.00	1.00	1.00	1.00
Financial Oversight	8.00	7.00	8.00	8.00	8.00
General Counsel	6.00	6.00	5.00	5.00	7.00
General Management	7.00	3.25	4.25	3.25	3.25
Government and Community Affairs *	-	-	-	-	1.00
Grants	3.00	5.00	5.00	5.00	5.00
Human Resources	4.00	5.00	6.00	7.25	6.00
Information Technology	12.00	12.00	11.00	18.00	17.00
Maintenance of Signals	-	-	-	17.00	19.25
Maintenance-of-Way **	2.00	2.00	2.00	43.00	27.00
Non-Revenue Vehicles and Specialty Equipment *	-	-	-	-	3.00
Operations Control Center	-	15.00	20.00	20.00	21.00
Operations Support Services	-	-	3.00	2.00	2.25
Procurement and Contract Administration	7.00	7.00	8.00	9.00	10.50
Rail Operations	4.00	9.00	78.00	88.25	85.00
Rail Right-of-Way Oversight *	-	-	-	-	1.00
Rail Systems	2.00	2.00	3.00	3.00	4.00
Rail Vehicles Maintenance	-	-	32.00	35.00	44.00
Real Estate	3.00	3.00	3.00	3.00	3.00
Safety Oversight	5.00	5.00	5.00	5.00	8.00
Security Oversight	16.00	10.00	10.00	16.00	15.00
Service Planning	5.00	5.00	4.00	6.00	5.00
Training *	-	-	-	-	7.00
<b>Total</b>	<b>134.25</b>	<b>145.50</b>	<b>257.50</b>	<b>372.50</b>	<b>382.75</b>

\* New department in FY2024

\*\* Flaggers initially budgeted in FY2023 but instead will be contracted

**Table 8. FY2024 Budget - FTEs by Division**

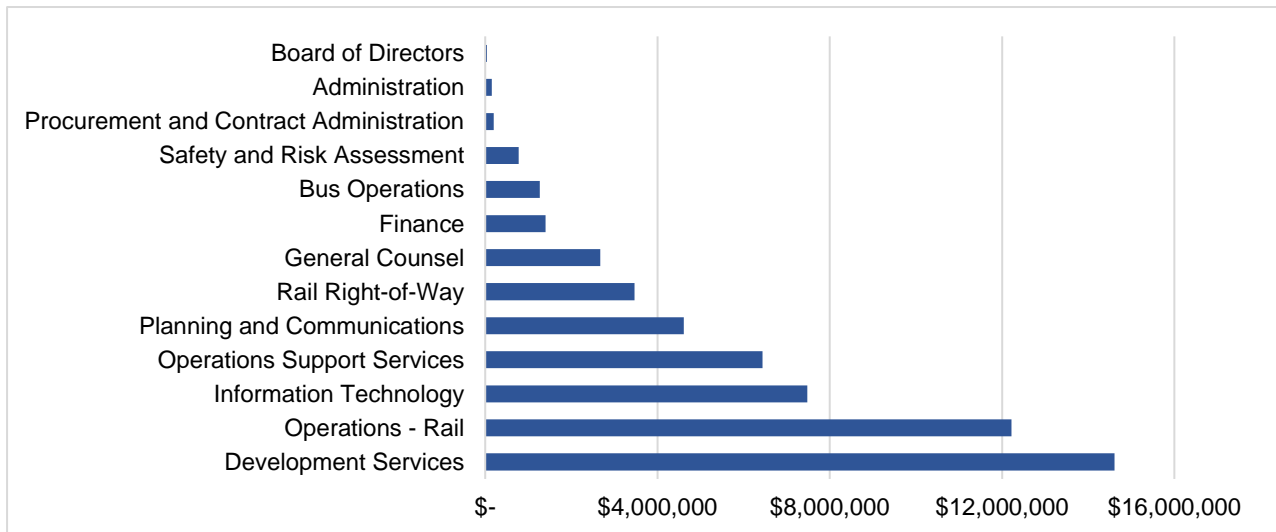
Division **	Budget Positions				
	FY2020	FY2021	FY2022	FY2023	FY2024
Administration	5.00	5.00	4.00	6.00	6.00
Bus Operations	7.00	5.00	6.00	7.00	6.00
Development Services	17.00	17.00	17.00	42.00	44.00
Finance	16.00	17.00	19.00	19.00	20.00
General Counsel	6.00	6.00	5.00	5.00	7.00
Information Technology	14.00	14.00	14.00	21.00	21.00
Office of the Executive Director	7.00	3.25	4.25	3.25	3.25
Operations - Rail	4.00	9.00	110.00	123.25	129.00
Operations Support Services	20.00	30.00	39.00	45.25	51.25
Planning and Communications	24.25	25.25	24.25	26.75	29.50
Procurement and Contract Administration	7.00	7.00	8.00	9.00	10.50
Rail Right-of-Way	2.00	2.00	2.00	60.00	47.25
Safety and Risk Assessment	5.00	5.00	5.00	5.00	8.00
<b>Total</b>	<b>134.25</b>	<b>145.50</b>	<b>257.50</b>	<b>372.50</b>	<b>382.75</b>

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

**Professional Services**

Professional services include technical support and material management services for COASTER and SPRINTER, dedicated law enforcement and on-call security, legal services, fare collection costs, bridge inspections and repairs, right-of-way maintenance, PTC costs, audit costs, software support and maintenance, electrical, plumbing, landscaping, janitorial, train cleaning, project study reports, micro-transit software, rail zero emissions planning and pilot program support, environmental services, support for discretionary grants applications, and various other services for transit operations and maintenance. The FY2024 budget includes \$16.4 million in one-time expenses. Figure 5 provides the distribution of the costs by division and Table 9 shows the detail of major professional services of \$40.7 million (74% of total of \$55.3 million) that are budgeted for FY2024.

**Figure 5. FY2024 Budget - Professional Services by Division**





**Table 9. FY2024 Budget - Major Professional Services**

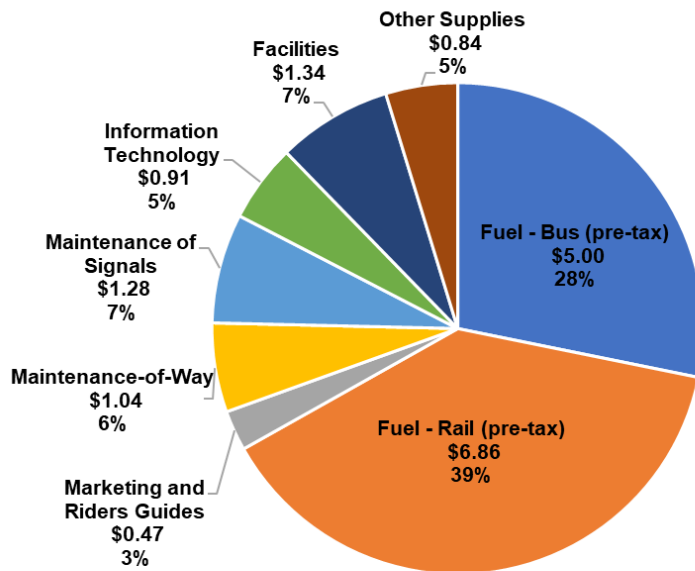
Major Professional Services	FY2024 Budget
San Diego Sheriffs Department	\$ 4,000,000
SPRINTER Technical Support and Materials Management	3,406,795
Positive Train Control	2,373,087
Software Licenses and Support	2,296,500
Rail Zero Emissions Planning and Pilot Program Support	1,900,000
Maintenance of Non-Revenue Vehicles and Specialty Equipment	1,730,522
General Legal Services	1,680,000
Fare Collection (INIT, Armored Services, Parts, MTS Regional Allocation)	1,634,480
COASTER DEF Dosers, Injector Kits, and Fuel Pump	1,592,700
Janitorial Services	1,573,440
COASTER Technical Support and Materials Management	1,493,796
Landscape Services	1,404,292
Bridge Inspections and Repairs	1,280,000
Railroad Maintenance (Ties, Ballasts, Rails, Grinding, Ultrasonic Testing)	1,230,000
Maintenance of COASTER, SPRINTER, Bus, and Wayside Equipment	1,220,000
Environmental	1,170,000
Trash and Vegetation Cleaning	1,087,047
District-wide Training Programs	1,052,500
Train Cleaning	917,601
Insourcing Transition Support	758,420
Micro-Transit Software	558,200
On-Call Security	500,000
Electrical	474,657
Biohazard	437,213
COASTER Bi-Level Vendor Managed Inventory	430,000
Accidents Repairs	400,000
Plumbing	367,092
RailDOCs Asset Management Software	324,213
SPRINTER Transit Center Redevelopment	320,000
Canopies Shelters, and Benches Assessments	300,000
On-Call Marketing Consultant	300,000
Right-of-Way Embankment Monitoring and Mitigation	300,000
RTMS Radio Equipment Maintenance	300,000
SPRINTER Stations Signs and Cameras Replacement	300,000
SPRINTER Gangway Refurbishment	300,000
Network Upgrades	300,000
Safety On-Call Audits	290,000
Business System Analysis	250,000
Cyber Security Plans	250,000
Grant Applications Support	200,000
	<b>\$ 40,702,555</b>

**Materials and Supplies**

67% of the FY2024 materials and supplies budget are for fuel costs (diesel, unleaded gasoline, compressed natural gas) for operations of bus and rail services. The fuel budget is based on the FY2024 Service Implementation Plan and levels of service by vehicle type (bus, commuter rail, hybrid rail, vans, cutaways). The fuel budget assumes that the Brent Crude Oil price will be at \$90/barrel. The Brent crude oil price average in the first four months of 2023 was \$82.04/barrel (Brent Crude is a major benchmark price for purchases of oil worldwide). Compressed Natural Gas (CNG) costs are budgeted at \$0.8273 per therm based on the average price in the last twelve months.

Figure 6 illustrates the major categories for material and supplies expenditures.

**Figure 6. FY2024 Budget - Materials and Supplies  
(in millions)**



**Utilities**

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

**Casualty and Liability**

This expenditure category represents costs incurred to purchase various business, liability, property, and right-of-way insurance to mitigate risk beyond the District self-insured coverage. Property and liability insurance premiums are anticipated to remain stable and at similar levels as FY2023.

**Taxes**

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

**Purchased Transportation Services**

Alstom Agreements No. 16043 and No. 16068 will end on June 30, 2023, coinciding with the insourcing of maintenance-of-way, maintenance of signals, and facilities maintenance. In FY2024, NCTD will continue contracting for bus operations and maintenance with MV Transportation (MV) under Agreement No. 17033, which makes up 98% of the total expense under this category.

This expense category also includes costs associated with the shuttle service serving the Sorrento Valley COASTER station, Amtrak's Rail-2-Rail program that allows COASTER day and monthly pass holders to ride certain Amtrak Pacific Surfliner trains at no extra cost, Uber and Lyft pilot program subsidies for NCTD monthly pass holders connecting in specific NCTD transit centers, and Facilitating Access to Coordinated Transportation (FACT) subsidies under a pilot program for LIFT eligible riders.

**Miscellaneous Expenses**

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

**Debt-Related Expense**

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

**Contingency**

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

FY2024 Budget Expenses by Mode and Department

Summary of Expenses by Mode

Table 10. FY2024 Budget - Operating Expenses by Mode

Mode	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (#)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (#)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
BREEZE	\$ 47,922,285	\$ 59,982,421	\$ 54,058,280	\$ 64,870,745	\$ 4,888,324	8.15%	●	\$ 10,812,465	20.00%	●
LIFT	8,811,815	12,675,477	11,241,041	13,273,645	598,168	4.72%	●	2,032,604	18.08%	●
FLEX	3,346,495	5,259,530	4,359,360	5,306,331	46,801	0.89%	●	946,971	21.72%	●
COASTER	33,063,038	43,353,153	37,518,096	46,513,103	3,159,950	7.29%	●	8,995,007	23.98%	●
COASTER RIGHT-OF-WAY	9,314,858	11,166,699	9,149,706	13,715,047	2,548,348	22.82%	●	4,565,341	49.90%	●
SPRINTER	28,355,668	37,345,292	30,348,971	41,570,707	4,225,415	11.31%	●	11,221,736	36.98%	●
SPRINTER RIGHT-OF-WAY	348,274	395,053	971,344	239,042	(156,011)	-39.49%	●	(732,302)	-75.39%	●
	<b>\$ 131,162,433</b>	<b>\$ 170,177,625</b>	<b>\$ 147,646,798</b>	<b>\$ 185,488,620</b>	<b>\$ 15,310,995</b>	<b>9.00%</b>	●	<b>\$ 37,841,822</b>	<b>25.63%</b>	●

Summary of Expenses by Department

Table 11. FY2024 Budget - Operating Expenses by Department

Operating Expenditures *	FY2022 Actual	FY2023 ** Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
Board of Directors	\$ 40,017	\$ 85,000	\$ 50,241	\$ 88,000	\$ 3,000	3.53%	●	\$ 37,759	75.16%	●
Office of the Executive Director	2,286,490	902,439	869,099	1,174,126	271,687	30.11%	●	305,027	35.10%	●
Office of General Counsel	9,801,389	13,283,963	11,790,898	4,099,295	(9,184,668)	-69.14%	●	(7,691,603)	-65.23%	●
Administration	561,945	872,350	726,187	875,041	2,691	0.31%	●	148,854	20.50%	●
Development Services Oversight	755,834	1,832,605	2,121,557	3,767,035	1,934,430	105.56%	●	1,645,478	77.56%	●
Development Services Support Services	-	-	-	750,617	750,617	100.00%	●	750,617	100.00%	●
Engineering	1,233,745	2,670,180	2,028,031	3,834,418	1,164,238	43.60%	●	1,806,387	89.07%	●
Real Estate	1,011,893	1,342,636	1,141,595	1,524,598	181,962	13.55%	●	383,003	33.55%	●
Facilities Maintenance	10,564,794	14,693,500	12,722,531	13,418,704	(1,274,796)	-8.68%	●	696,173	5.47%	●
Non-Revenue Vehicles and Specialty Equipment	-	-	-	2,346,014	2,346,014	100.00%	●	2,346,014	100.00%	●
Rail Right-of-Way Oversight	-	-	-	278,056	278,056	100.00%	●	278,056	100.00%	●
Maintenance-of-Way	8,289,074	10,218,834	7,890,560	7,608,831	(2,610,003)	-25.54%	●	(281,729)	-3.57%	●
Maintenance of Signals	1,747,325	2,380,738	2,246,844	5,082,807	2,702,069	113.50%	●	2,835,963	126.22%	●
Rail Operations	19,748,275	21,455,769	15,038,460	19,770,860	(1,684,909)	-7.85%	●	4,732,400	31.47%	●
Rail Vehicles Maintenance	7,891,206	10,760,860	12,141,064	14,441,648	3,680,788	34.21%	●	2,300,584	18.95%	●
Bus Operations and Fleet Maintenance	44,028,659	48,779,390	49,396,688	53,089,399	4,310,009	8.84%	●	3,692,711	7.48%	●
Operations Support Services	480,966	492,018	442,721	461,066	(30,952)	-6.29%	●	18,345	4.14%	●
Security Oversight	4,150,429	5,965,597	4,485,130	6,128,391	162,794	2.73%	●	1,643,261	36.64%	●
Operations Control Center	2,463,862	2,535,201	2,457,006	2,846,546	311,345	12.28%	●	389,540	15.85%	●
Human Resources	1,419,200	3,201,686	1,931,733	1,833,080	(1,368,606)	-42.75%	●	(98,653)	-5.11%	●
Training and Organizational Development	-	-	-	2,166,754	2,166,754	100.00%	●	2,166,754	100.00%	●
Procurement and Contract Administration	1,201,910	1,721,209	1,478,078	1,813,187	91,978	5.34%	●	335,109	22.67%	●
Information Technology Oversight	3,463,322	5,797,848	4,274,836	8,238,906	2,441,058	42.10%	●	3,964,070	92.73%	●
Rail Technologies	2,839,924	5,654,852	3,699,996	4,151,515	(1,503,337)	-26.58%	●	451,519	12.20%	●
Financial Oversight	1,005,012	1,314,539	1,288,069	1,356,425	41,886	3.19%	●	68,356	5.31%	●
Accounting	336,796	541,651	473,872	676,232	134,581	24.85%	●	202,360	42.70%	●
Grants	503,155	642,592	560,973	691,742	49,150	7.65%	●	130,769	23.31%	●
Fare Collection	809,833	1,357,224	913,882	1,232,413	(124,811)	-9.20%	●	318,531	34.85%	●
Communications and Marketing	1,217,230	2,324,031	1,921,850	2,444,112	120,081	5.17%	●	522,262	27.17%	●
Service Planning	906,776	4,669,095	2,816,032	4,385,406	(283,689)	-6.08%	●	1,569,374	55.73%	●
Customer Service	1,184,706	1,647,926	1,239,126	1,946,336	298,410	18.11%	●	707,210	57.07%	●
Government and Community Affairs	-	-	-	914,638	914,638	100.00%	●	914,638	100.00%	●
Safety Oversight	491,869	916,880	793,025	10,818,222	9,901,342	1079.90%	●	10,025,197	1264.17%	●
Debt ***	726,797	1,117,012	706,714	734,200	(382,812)	-34.27%	●	27,486	3.89%	●
Contingency	-	1,000,000	-	500,000	(500,000)	-50.00%	●	500,000	100.00%	●
	<b>\$ 131,162,433</b>	<b>\$ 170,177,625</b>	<b>\$ 147,646,798</b>	<b>\$ 185,488,620</b>	<b>\$ 15,310,995</b>	<b>9.00%</b>	●	<b>\$ 37,841,822</b>	<b>25.63%</b>	●

\* Excludes GASB 68 and GASB 75 non-cash adjustments and the Unfunded Accrued Liability (UAL) pension contribution

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

\*\*\* Excludes GASB 87 interest adjustments

**Board of Directors**

The Board of Directors consists of ten members, including one member from each of the city councils of Carlsbad, Del Mar, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach, and Vista, one member from the San Diego County Board of Supervisors Fifth District, and one ex officio member from the City of San Diego. The FY2024 budget primarily includes funding to support attendance of meetings and travel.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	●	\$ -	0.00%	●
Employee Benefits	-	-	-	-	-	0.00%	●	-	0.00%	●
Professional Services	31,048	41,000	31,222	44,000	3,000	7.32%	●	12,778	40.93%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	8,969	44,000	19,019	44,000	-	0.00%	●	24,981	131.35%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 40,017</b>	<b>\$ 85,000</b>	<b>\$ 50,241</b>	<b>\$ 88,000</b>	<b>\$ 3,000</b>	<b>3.53%</b>	●	<b>\$ 37,759</b>	<b>75.16%</b>	●

**Office of the Executive Director**

The Office of the Executive Director provides leadership and strategic direction based on recommendations from the Board of Directors and collaborates with other agencies to achieve NCTD goals and objectives.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 619,201	\$ 649,727	\$ 559,271	\$ 927,140	\$ 277,413	42.70%	●	\$ 367,869	65.78%	●
Employee Benefits	270,827	195,662	252,215	195,936	274	0.14%	●	(56,279)	-22.31%	●
Professional Services	1,252,313	-	-	-	-	0.00%	●	-	0.00%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	144,149	57,050	57,613	51,050	(6,000)	-10.52%	●	(6,563)	-11.39%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 2,286,490</b>	<b>\$ 902,439</b>	<b>\$ 869,099</b>	<b>\$ 1,174,126</b>	<b>\$ 271,687</b>	<b>30.11%</b>	●	<b>\$ 305,027</b>	<b>35.10%</b>	●

**Office of General Counsel**

The Office of General Counsel provides in-house legal counsel and compliance functions to support NCTD’s focus on safety, contract management and regulatory/legal compliance in all business transactions. The Office of General Counsel is responsible for District-wide compliance and oversight and the management of all legal matters and claims, and includes internal audit, contract compliance, environmental compliance, and civil rights (Disadvantaged Business Enterprise [DBE], Equal Employment Opportunity [EEO], Title VI, and Americans with Disabilities Act [ADA] compliance). This strategic function provides legal advice and oversight in all NCTD business transactions and promotes legal and regulatory compliance District-wide.

The Administration departments reports to the Office of General Counsel. The responsibility for managing NCTD’s insurance policies, claims, and risk management has been transferred to the Safety and Risk Management Division; these costs are no longer included in the Office of General Counsel’s budget.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 582,251	\$ 806,041	\$ 900,091	\$ 1,074,727	\$ 268,686	33.33%	●	\$ 174,636	19.40%	●
Employee Benefits	276,185	839,536	507,276	282,072	(557,464)	-66.40%	●	(225,204)	-44.39%	●
Professional Services	1,864,144	3,124,642	2,018,880	2,668,900	(455,742)	-14.59%	●	650,020	32.20%	●
Materials and Supplies	3,265	10,000	5,900	5,000	(5,000)	-50.00%	●	(900)	-15.25%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	7,048,540	8,437,400	8,318,879	-	(8,437,400)	-100.00%	●	(8,318,879)	-100.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	27,004	66,344	39,872	68,596	2,252	3.39%	●	28,724	72.04%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 9,801,389</b>	<b>\$ 13,283,963</b>	<b>\$ 11,790,898</b>	<b>\$ 4,099,295</b>	<b>\$ (9,184,668)</b>	<b>-69.14%</b>	●	<b>\$ (7,691,603)</b>	<b>-65.23%</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	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 245,482	\$ 369,090	\$ 332,329	\$ 434,393	\$ 65,303	17.69%	●	\$ 102,064	30.71%	●
Employee Benefits	151,145	145,160	154,555	132,648	(12,512)	-8.62%	●	(21,907)	-14.17%	●
Professional Services	123,576	271,100	134,399	156,000	(115,100)	-42.46%	●	21,601	16.07%	●
Materials and Supplies	29,588	60,000	89,912	120,000	60,000	100.00%	●	30,088	33.46%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	12,154	27,000	14,992	32,000	5,000	18.52%	●	17,008	113.45%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 561,945</b>	<b>\$ 872,350</b>	<b>\$ 726,187</b>	<b>\$ 875,041</b>	<b>\$ 2,691</b>	<b>0.31%</b>	●	<b>\$ 148,854</b>	<b>20.50%</b>	●

**Development Services**

The Development Services Division oversees the management of real estate, facilities and project management contracts. This division is comprised of the following departments: Development Services Oversight, Engineering, Real Estate, Facilities, and the two newly created departments of Development Services Support Services and Non-Revenue Vehicles and Specialty Equipment.

As result of the insourcing of maintenance-of-way and maintenance of signals, the two departments overseeing these activities are being transferred to the new Rail Right-of-Way Division.

**Development Services Oversight**

The Development Services Oversight department oversees NCTD real estate interests, facility and equipment maintenance operations, and facilities projects management. The FY2024 budget includes environmental services, insourcing support, and various studies for redevelopment projects that will provide new revenue streams for NCTD.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Forecast		Forecast		
Salaries and Wages	\$ 238,096	\$ 403,536	\$ 482,328	\$ 597,111	\$ 193,575	47.97%	●	\$ 114,783	23.80%	●
Employee Benefits	110,580	110,341	187,735	119,796	9,455	8.57%	●	(67,939)	-36.19%	●
Professional Services	405,262	1,312,728	1,448,759	3,032,128	1,719,400	130.98%	●	1,583,369	109.22%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	1,896	6,000	2,735	18,000	12,000	200.00%	●	15,265	558.14%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 755,834</b>	<b>\$ 1,832,605</b>	<b>\$ 2,121,557</b>	<b>\$ 3,767,035</b>	<b>\$ 1,934,430</b>	<b>105.56%</b>	●	<b>\$ 1,645,478</b>	<b>77.56%</b>	●

**Development Services Support Services**

This newly created department provides asset management, maintenance management, and capital projects support.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Forecast		Forecast		
Salaries and Wages	\$ -	\$ -	\$ -	\$ 469,145	\$ 469,145	100.00%	●	\$ 469,145	100.00%	●
Employee Benefits	-	-	-	138,972	138,972	100.00%	●	138,972	100.00%	●
Professional Services	-	-	-	-	-	0.00%	●	-	0.00%	●
Materials and Supplies	-	-	-	95,500	95,500	100.00%	●	95,500	100.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	47,000	47,000	100.00%	●	47,000	100.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 750,617</b>	<b>\$ 750,617</b>			<b>\$ 750,617</b>		

**Engineering**

The Engineering department is responsible for developing and completing rail capital improvement projects managed by NCTD and for providing oversight over projects managed by SANDAG on the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Corridor. Costs associated with bridge repairs and inspections, platform train interface study, bus stops and stations assessments, SPRINTER gangway refurbishment, and right-of-way embankment monitoring and mitigation, are included in this department.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
	Actual	Budget	Forecast	Adopted Budget	from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 157,625	\$ 320,430	\$ 307,865	\$ 337,317	\$ 16,887	5.27%	●	\$ 29,452	9.57%	●
Employee Benefits	77,632	96,384	129,220	88,788	(7,596)	-7.88%	●	(40,432)	-31.29%	●
Professional Services	988,599	2,237,261	1,583,066	3,363,850	1,126,589	50.36%	●	1,780,784	112.49%	●
Materials and Supplies	-	2,500	1,039	2,500	-	0.00%	●	1,461	140.62%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	9,889	13,605	6,841	41,963	28,358	208.44%	●	35,122	513.40%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,233,745</b>	<b>\$ 2,670,180</b>	<b>\$ 2,028,031</b>	<b>\$ 3,834,418</b>	<b>\$ 1,164,238</b>	<b>43.60%</b>	●	<b>\$ 1,806,387</b>	<b>89.07%</b>	●

**Real Estate**

The Real Estate department acquires and manages NCTD real estate through leases, licenses (crossings), and right-of-entry permitting, and actively pursues new development opportunities to maximize the return on existing real estate assets.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
	Actual	Budget	Forecast	Adopted Budget	from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 221,812	\$ 301,665	\$ 264,601	\$ 319,899	\$ 18,234	6.04%	●	\$ 55,298	20.90%	●
Employee Benefits	94,929	72,333	88,415	66,396	(5,937)	-8.21%	●	(22,019)	-24.90%	●
Professional Services	26,436	210,257	94,796	340,000	129,743	61.71%	●	245,204	258.66%	●
Materials and Supplies	206	500	243	500	-	100.00%	●	257	100.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	4,055	31,810	12,604	31,735	(75)	-0.24%	●	19,131	151.79%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	664,455	726,071	680,936	766,068	39,997	5.51%	●	85,132	12.50%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,011,893</b>	<b>\$ 1,342,636</b>	<b>\$ 1,141,595</b>	<b>\$ 1,524,598</b>	<b>\$ 181,962</b>	<b>13.55%</b>	●	<b>\$ 383,003</b>	<b>33.55%</b>	●



**Facilities Maintenance**

The Facilities Maintenance department manages and/or maintains transit centers, maintenance facilities, administrative offices, and bus stops. The increase in salaries, wages, and benefits budget and the corresponding decrease of the professional services budget in FY2024, reflect the in-house transition of staffing. Professional services include janitorial services, landscaping, biohazard cleaning, electrical, plumbing, storm water maintenance, bus stops cleaning, and maintenance for various equipment.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 625,618	\$ 896,647	\$ 610,629	\$ 1,531,581	\$ 634,934	70.81%	●	\$ 920,952	150.82%	●
Employee Benefits	276,711	257,336	251,677	593,904	336,568	130.79%	●	342,227	135.98%	●
Professional Services	6,386,051	9,165,075	7,845,749	6,041,246	(3,123,829)	-34.08%	●	(1,804,503)	-23.00%	●
Materials and Supplies	41,921	514,000	307,014	1,343,616	829,616	161.40%	●	1,036,602	337.64%	●
Utilities	2,082,138	2,500,261	2,403,525	2,517,996	17,735	0.71%	●	114,471	4.76%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	1,134,959	1,258,519	1,249,616	1,300,179	41,660	3.31%	●	50,563	4.05%	●
Miscellaneous Expenses	15,996	100,702	54,081	88,740	(11,962)	-11.88%	●	34,659	64.09%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	1,400	960	240	1,442	482	50.21%	●	1,202	500.83%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 10,564,794</b>	<b>\$ 14,693,500</b>	<b>\$ 12,722,531</b>	<b>\$ 13,418,704</b>	<b>\$ (1,274,796)</b>	<b>-8.68%</b>	●	<b>\$ 696,173</b>	<b>5.47%</b>	●

**Non-Revenue Vehicles and Specialty Equipment**

This newly created department leads, plans, directs, manages, and oversees all activities related to the District's revenue vehicle fleet for bus, rail and paratransit services, non-revenue fleet, and specialty equipment, including the development and execution of the District's capital improvement, maintenance programs, and fleet management plans.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ -	\$ -	\$ -	\$ 387,712	\$ 387,712	100.00%	●	\$ 387,712	100.00%	●
Employee Benefits	-	-	-	117,780	117,780	100.00%	●	117,780	100.00%	●
Professional Services	-	-	-	1,830,522	1,830,522	100.00%	●	1,830,522	100.00%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	10,000	10,000	100.00%	●	10,000	100.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,346,014</b>	<b>\$ 2,346,014</b>	<b>100.00%</b>	●	<b>\$ 2,346,014</b>	<b>100.00%</b>	●

### Rail Right-of-Way

The Rail Right-of-Way Division is a newly created division that oversees the railroad right-of-way maintenance operations to support safe and efficient rail operations in compliance with the specifications and regulations of the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), the California Public Utilities Commission (CPUC), and other applicable regulatory and governing agencies.

### Rail Right-of-Way Oversight

This newly created department plans, directs, and in certain instances, coordinates the administration of maintenance of way, signal, positive train control (specified elements), and communication system (specified elements) operations to ensure service quality, and compliance with regulatory requirements and safety management system principles.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ -	\$ -	\$ -	\$ 216,228	\$ 216,228	100.00%	●	\$ 216,228	100.00%	●
Employee Benefits	-	-	-	51,828	51,828	100.00%	●	51,828	100.00%	●
Professional Services	-	-	-	-	-	0.00%	●	-	0.00%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	10,000	10,000	100.00%	●	10,000	100.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	\$ -	\$ -	\$ -	\$ 278,056	\$ 278,056	100.00%	●	\$ 278,056	100.00%	●

### Maintenance-of-Way

The Maintenance-of-Way department manages the maintenance, construction, and repair activities in NCTD right-of-way performed by contractor and/or NCTD personnel. This department is also responsible for planning tasks such as track surfacing, rail replacement, rail flaw detection, spot ballast program, vegetation and erosion control, tie replacements, ultrasonic and geometry testing, and rail grinding. The contract with Alstom will end on June 30, 2023, and NCTD will staff in-house to support maintenance-of-way and will reprocure other services under specialty contracts. Maintenance of specialty equipment used on the right-of-way is under the Non-Revenue Vehicles and Specialty Equipment department's budget.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 132,978	\$ 828,806	\$ 362,224	\$ 2,523,744	\$ 1,694,938	204.50%	●	\$ 2,161,520	596.74%	●
Employee Benefits	65,205	280,351	150,680	713,340	432,989	154.45%	●	562,660	373.41%	●
Professional Services	811,089	2,235,500	7,177,020	2,846,247	610,747	27.32%	●	(4,330,773)	-60.34%	●
Materials and Supplies	44,959	163,500	48,136	1,039,000	875,500	535.47%	●	990,864	2058.47%	●
Utilities	-	10,000	2,500	60,000	50,000	500.00%	●	57,500	2300.00%	●
Casualty and Liability	41,130	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	7,180,659	6,663,243	-	-	(6,663,243)	-100.00%	●	-	0.00%	●
Miscellaneous Expenses	13,054	37,434	-	71,500	34,066	91.00%	●	71,500	100.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	150,000	355,000	355,000	100.00%	●	205,000	136.67%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	\$ 8,289,074	\$ 10,218,834	\$ 7,890,560	\$ 7,608,831	\$ (2,610,003)	-25.54%	●	\$ (281,729)	-3.57%	●

### Maintenance of Signals

The Maintenance of Signals department is responsible for the oversight, coordination, and administration of contractors, consultants, and staff on projects within the District in the planning, maintenance, and construction of railroad signal, communication facilities, and systems. The contract with Alstom will end on June 30, 2023, and NCTD will staff in-house to support maintenance of signals.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ -	\$ 19,632	\$ 54,852	\$ 2,240,950	\$ 2,221,318	11314.78%	●	\$ 2,186,098	3985.45%	●
Employee Benefits	-	8,525	15,579	603,912	595,387	6984.01%	●	588,333	3776.45%	●
Professional Services	321	406,400	1,873,539	618,507	212,107	52.19%	●	(1,255,032)	-66.99%	●
Materials and Supplies	-	-	-	1,283,000	1,283,000	100.00%	●	1,283,000	100.00%	●
Utilities	274,986	420,000	285,054	271,438	(148,562)	-35.37%	●	(13,616)	-4.78%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	1,472,018	1,516,181	16,015	-	(1,516,181)	-100.00%	●	(16,015)	-100.00%	●
Miscellaneous Expenses	-	10,000	1,805	65,000	55,000	550.00%	●	63,195	3501.11%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,747,325</b>	<b>\$ 2,380,738</b>	<b>\$ 2,246,844</b>	<b>\$ 5,082,807</b>	<b>\$ 2,702,069</b>	<b>113.50%</b>	●	<b>\$ 2,835,963</b>	<b>126.22%</b>	●

### Operations - Rail

The Division of Operations-Rail is responsible for rail operations and maintenance for COASTER and SPRINTER equipment. The Operations-Rail Division is comprised of two departments: Rail Operations and Rail Vehicles Maintenance.

### 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. The FY2024 budget includes \$1.9 million in professional services for the development of a zero emissions program fleet strategy.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 858,814	\$ 7,133,903	\$ 5,785,830	\$ 6,696,604	\$ (437,299)	-6.13%	●	\$ 910,774	15.74%	●
Employee Benefits	363,960	3,099,079	2,483,059	2,413,536	(685,543)	-22.12%	●	(69,523)	-2.80%	●
Professional Services	916,970	496,000	305,955	2,368,000	1,872,000	377.42%	●	2,062,045	673.97%	●
Materials and Supplies	4,249,282	7,385,383	5,055,639	7,232,228	(153,155)	-2.07%	●	2,176,589	43.05%	●
Utilities	(2,716)	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	1,172,911	1,200,172	953,879	986,767	(213,405)	-17.78%	●	32,888	3.45%	●
Purchased Transportation	12,155,651	2,014,618	318,995	-	(2,014,618)	-100.00%	●	(318,995)	-100.00%	●
Miscellaneous Expenses	33,403	126,614	135,103	73,725	(52,889)	-41.77%	●	(61,378)	-45.43%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 19,748,275</b>	<b>\$ 21,455,769</b>	<b>\$ 15,038,460</b>	<b>\$ 19,770,860</b>	<b>\$ (1,684,909)</b>	<b>-7.85%</b>	●	<b>\$ 4,732,400</b>	<b>31.47%</b>	●

### Rail Vehicles Maintenance

The Rail Vehicles Maintenance department has the responsibility for ensuring that commuter and hybrid rail equipment are compliant with NCTD and regulatory requirements. Professional services include train cleaning, technical support and materials management agreements for COASTER and SPRINTER to support routine maintenance under a base cost and overhaul materials provided pursuant to issuance of a task order, dedicated on-site and remote staff to support vehicle maintenance and administration of asset management system, use of Siemen’s CORMAP asset management system, and COASTER bi-level managed inventory (previously provided under Agreement No. 16043 with Alstom).

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 145,648	\$ 2,847,574	\$ 2,646,414	\$ 3,128,160	\$ 280,586	9.85%	●	\$ 481,746	18.20%	●
Employee Benefits	63,288	1,128,592	963,265	899,124	(229,468)	-20.33%	●	(64,141)	-6.66%	●
Professional Services	4,251,370	5,776,104	8,156,626	9,850,415	4,074,311	70.54%	●	1,693,789	20.77%	●
Materials and Supplies	3,828	65,000	337,704	285,000	220,000	338.46%	●	(52,704)	-15.61%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	3,425,344	923,590	-	-	(923,590)	-100.00%	●	-	0.00%	●
Miscellaneous Expenses	1,728	20,000	37,055	278,949	258,949	1294.75%	●	241,894	652.80%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 7,891,206</b>	<b>\$ 10,760,860</b>	<b>\$ 12,141,064</b>	<b>\$ 14,441,648</b>	<b>\$ 3,680,788</b>	<b>34.21%</b>	●	<b>\$ 2,300,584</b>	<b>18.95%</b>	●

### Bus Operations

The Bus Operations Division manages the outsourced contract bus operations, including maintenance, to ensure compliance with state and federal regulatory requirements. This includes monitoring, directing, and auditing the contractors that deliver NCTD BREEZE, LIFT Paratransit, and FLEX Demand Response transit services.

### Bus Operations and Fleet Maintenance

The Bus Operations and Fleet Maintenance department is the single department under the Bus Operations Division.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 617,801	\$ 798,427	\$ 690,779	\$ 740,685	\$ (57,742)	-7.23%	●	\$ 49,906	7.22%	●
Employee Benefits	285,849	243,308	290,858	198,708	(44,600)	-18.33%	●	(92,150)	-31.68%	●
Professional Services	1,266,719	1,656,274	966,066	1,265,050	(391,224)	-23.62%	●	298,984	30.95%	●
Materials and Supplies	3,531,642	4,366,736	4,443,283	4,851,899	485,163	11.11%	●	408,616	9.20%	●
Utilities	17,583	46,200	31,515	47,491	1,291	2.79%	●	15,976	50.69%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	214,840	329,624	221,273	232,021	(97,603)	-29.61%	●	10,748	4.86%	●
Purchased Transportation	38,080,572	41,284,740	42,722,726	45,689,364	4,404,624	10.67%	●	2,966,638	6.94%	●
Miscellaneous Expenses	13,653	54,081	30,188	64,181	10,100	18.68%	●	33,993	112.60%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 44,028,659</b>	<b>\$ 48,779,390</b>	<b>\$ 49,396,688</b>	<b>\$ 53,089,399</b>	<b>\$ 4,310,009</b>	<b>8.84%</b>	●	<b>\$ 3,692,711</b>	<b>7.48%</b>	●

### Operations Support Services

The Operations Support Services Division was introduced in FY2022 to align the District's organization with the changes in the rail business model. The Operations Support Services Division is comprised of the following departments: Operations Support Services, Security Oversight, Operations Control Center, Human Resources (previously under the Administrative Services Division), and Training and Organizational Development (new department in FY2024).

### Operations Support Services

The Operations Support Services department partners with the Rail and Bus Operations divisions to provide operations support services and programs. This department also oversees the District's security program including responsibility for security monitoring center staff and external law enforcement resources that result in an overall positive environment for customers while maintaining the safety and security of NCTD facilities and vehicles.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Budget		Forecast	Forecast	
Salaries and Wages	\$ 341,825	\$ 312,940	\$ 288,360	\$ 361,678	\$ 48,738	15.57%	●	\$ 73,318	25.43%	●
Employee Benefits	137,199	64,078	106,799	89,388	25,310	39.50%	●	(17,411)	-16.30%	●
Professional Services	-	105,000	45,325	-	(105,000)	-100.00%	●	(45,325)	-100.00%	●
Materials and Supplies	-	1,000	251	1,000	-	0.00%	●	749	298.41%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	1,942	9,000	1,986	9,000	-	0.00%	●	7,014	353.17%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 480,966</b>	<b>\$ 492,018</b>	<b>\$ 442,721</b>	<b>\$ 461,066</b>	<b>\$ (30,952)</b>			<b>\$ 18,345</b>		

### Security Oversight

The Security Oversight department implements and monitors security and emergency management programs for NCTD. Essential responsibilities include management and oversight of the Memorandums of Understanding with the San Diego Sheriff's Department for armed law enforcement services as well as planning, coordination, and delivery of emergency training exercises for NCTD staff, contractors, and local public safety agencies. Additionally, the department has direct staff that monitor and provide 24/7 response for various physical security technologies and emergency notification systems throughout NCTD from the Monitoring Center in Oceanside.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Budget		Forecast	Forecast	
Salaries and Wages	\$ 429,978	\$ 717,959	\$ 522,667	\$ 856,599	\$ 138,640	19.31%	●	\$ 333,932	63.89%	●
Employee Benefits	255,257	322,638	274,301	339,792	17,154	5.32%	●	65,491	23.88%	●
Professional Services	3,455,551	4,876,500	3,671,978	4,880,500	4,000	0.08%	●	1,208,522	32.91%	●
Materials and Supplies	4,936	30,000	6,250	25,000	(5,000)	-16.67%	●	18,750	300.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	4,707	15,500	9,934	23,500	8,000	51.61%	●	13,566	136.56%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	3,000	-	3,000	-	0.00%	●	3,000	100.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 4,150,429</b>	<b>\$ 5,965,597</b>	<b>\$ 4,485,130</b>	<b>\$ 6,128,391</b>	<b>\$ 162,794</b>	<b>2.73%</b>	<b>●</b>	<b>\$ 1,643,261</b>	<b>36.64%</b>	<b>●</b>

**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	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 1,685,767	\$ 1,882,185	\$ 1,703,518	\$ 2,122,766	\$ 240,581	12.78%	●	\$ 419,248	24.61%	●
Employee Benefits	766,603	625,016	733,658	687,780	62,764	10.04%	●	(45,878)	-6.25%	●
Professional Services	-	-	-	-	-	0.00%	●	-	0.00%	●
Materials and Supplies	2,513	5,000	1,252	5,000	-	0.00%	●	3,748	299.36%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	8,979	23,000	18,578	31,000	8,000	34.78%	●	12,422	66.86%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 2,463,862</b>	<b>\$ 2,535,201</b>	<b>\$ 2,457,006</b>	<b>\$ 2,846,546</b>	<b>\$ 311,345</b>	<b>12.28%</b>	<b>●</b>	<b>\$ 389,540</b>	<b>15.85%</b>	<b>●</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/employee relations, labor relations and negotiations, recruitment and selection, classification, workers' compensation, training, employee and organizational development, and the drug and alcohol program.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 506,034	\$ 910,305	\$ 591,342	\$ 591,772	\$ (318,533)	-34.99%	●	\$ 430	0.07%	●
Employee Benefits *	85,872	799,766	484,267	366,308	(433,458)	-54.20%	●	(117,959)	-24.36%	●
Professional Services	672,260	1,170,615	661,177	503,000	(667,615)	-57.03%	●	(158,177)	-23.92%	●
Materials and Supplies	1,823	7,000	10,279	15,000	8,000	114.29%	●	4,721	45.93%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	153,211	314,000	184,668	357,000	43,000	13.69%	●	172,332	93.32%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,419,200</b>	<b>\$ 3,201,686</b>	<b>\$ 1,931,733</b>	<b>\$ 1,833,080</b>	<b>\$ (1,368,606)</b>	<b>-42.75%</b>	<b>●</b>	<b>\$ (98,653)</b>	<b>-5.11%</b>	<b>●</b>

**Training and Organizational Development**

The newly created Training and Organizational Development department will lead all employee learning and development programs, including administrative training, bus, rail and facilities technical training, talent management, leadership development, internship programs, and related organizational learning and development functions and activities. This department will also oversee the District’s instructional design function, in support of direct and contractor staff training program development, implementation and delivery that meets both regulatory and District standards.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ -	\$ -	\$ -	\$ 822,242	\$ 822,242	100.00%	●	\$ 822,242	100.00%	●
Employee Benefits *	-	-	-	237,012	237,012	100.00%	●	237,012	100.00%	●
Professional Services	-	-	-	1,052,500	1,052,500	100.00%	●	1,052,500	100.00%	●
Materials and Supplies	-	-	-	45,000	45,000	100.00%	●	45,000	100.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	10,000	10,000	100.00%	●	10,000	100.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	\$ -	\$ -	\$ -	\$ 2,166,754	\$ 2,166,754	100.00%	●	\$ 2,166,754	100.00%	●

**Procurement and Contract Administration**

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

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 744,901	\$ 1,163,394	\$ 879,997	\$ 1,248,494	\$ 85,100	7.31%	●	\$ 368,497	41.87%	●
Employee Benefits	370,552	333,315	365,364	324,948	(8,367)	-2.51%	●	(40,416)	-11.06%	●
Professional Services	83,986	201,500	215,869	200,045	(1,455)	-0.72%	●	(15,824)	-7.33%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	2,471	23,000	16,848	39,700	16,700	72.61%	●	22,852	135.64%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	\$ 1,201,910	\$ 1,721,209	\$ 1,478,078	\$ 1,813,187	\$ 91,978	5.34%	●	\$ 335,109	22.67%	●

**Information Technology**

The Information Technology (IT) Division supports operational, administrative, and rail technologies for the District. The Information Technology is comprised of two departments: Information Technology Oversight and Rail Technologies.

**Information Technology Oversight**

The Information Technology Oversight department supports the operational and administrative technology for the District. This Division provides computer, software, security, and data integrity in addition to advancing transportation technology to support NCTD customers. The increase in professional services is associated with the maintenance of IT equipment on the right-of-way, wayside, COASTER onboard, and SPRINTER onboard that were previously provided by Alstom under Agreement No. 16043.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 920,849	\$ 1,667,721	1,440,030	\$ 1,908,758	\$ 241,037	14.45%	●	\$ 468,728	32.55%	●
Employee Benefits	479,546	547,293	657,225	547,716	423	0.08%	●	(109,509)	-16.66%	●
Professional Services	1,574,580	2,898,424	1,641,973	4,249,072	1,350,648	46.60%	●	2,607,099	158.78%	●
Materials and Supplies	60,061	153,000	73,251	912,500	759,500	496.41%	●	839,249	1145.72%	●
Utilities	330,226	388,310	351,904	455,310	67,000	17.25%	●	103,406	29.38%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	30,647	49,100	15,006	45,550	(3,550)	-7.23%	●	30,544	203.55%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	67,413	94,000	95,447	120,000	26,000	27.66%	●	24,553	25.72%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 3,463,322</b>	<b>\$ 5,797,848</b>	<b>\$ 4,274,836</b>	<b>\$ 8,238,906</b>	<b>\$ 2,441,058</b>	<b>42.10%</b>	●	<b>\$ 3,964,070</b>	<b>92.73%</b>	●

**Rail Technologies**

The Rail Technologies department is responsible for the delivery of technology projects and programs necessary to deliver safe, convenient, reliable, and compliant public transportation services including Positive Train Control (PTC), railroad signal, and train control system projects.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 245,060	\$ 261,113	\$ 216,409	\$ 474,413	\$ 213,300	81.69%	●	\$ 258,004	119.22%	●
Employee Benefits	125,133	79,809	107,456	151,008	71,199	89.21%	●	43,552	40.53%	●
Professional Services	428,753	2,996,665	3,227,453	3,232,341	235,676	7.86%	●	4,888	0.15%	●
Materials and Supplies	412	20,236	11,411	30,786	10,550	52.13%	●	19,375	169.79%	●
Utilities	200	253,535	113,581	227,567	(25,968)	-10.24%	●	113,986	100.36%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	2,033,421	2,009,494	-	-	(2,009,494)	-100.00%	●	-	0.00%	●
Miscellaneous Expenses	6,945	34,000	23,686	35,400	1,400	4.12%	●	11,714	49.46%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 2,839,924</b>	<b>\$ 5,654,852</b>	<b>\$ 3,699,996</b>	<b>\$ 4,151,515</b>	<b>\$ (1,503,337)</b>	<b>-26.58%</b>	●	<b>\$ 451,519</b>	<b>12.20%</b>	●



## Finance

The Finance Division is comprised of the following departments: Financial Oversight, Accounting, Grants, and Fare Collection.

### Financial Oversight

The Financial Oversight department is responsible for financial management leadership. This department has oversight of the operating budget, financial compliance, and internal controls in all the Finance Division areas. It is responsible for ensuring that financial transactions are recorded accurately in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) standards. In addition, this department maintains NCTD fixed assets records in accordance with promulgated compliance standards and prepares the Annual Comprehensive Financial Report and other financial compliance reports for the District.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 598,692	\$ 897,663	\$ 824,378	\$ 923,671	\$ 26,008	2.90%	●	\$ 99,293	12.04%	●
Employee Benefits	307,922	261,126	346,261	252,504	(8,622)	-3.30%	●	(93,757)	-27.08%	●
Professional Services	95,119	131,500	109,224	155,500	24,000	18.25%	●	46,276	42.37%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	3,279	24,250	8,206	24,750	500	2.06%	●	16,544	201.61%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,005,012</b>	<b>\$ 1,314,539</b>	<b>\$ 1,288,069</b>	<b>\$ 1,356,425</b>	<b>\$ 41,886</b>	<b>3.19%</b>	●	<b>\$ 68,356</b>	<b>5.31%</b>	●

### Accounting

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

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast							
Salaries and Wages	\$ 190,332	\$ 360,858	\$ 333,191	\$ 463,272	\$ 102,414	28.38%	●	\$ 130,081	39.04%	●
Employee Benefits	104,461	134,193	122,924	144,660	10,467	7.80%	●	21,736	17.68%	●
Professional Services	39,098	36,000	11,904	48,000	12,000	33.33%	●	36,096	303.23%	●
Materials and Supplies	-	1,000	2,543	3,500	2,500	250.00%	●	957	100.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	2,905	9,600	3,310	16,800	7,200	75.00%	●	13,490	407.55%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 336,796</b>	<b>\$ 541,651</b>	<b>\$ 473,872</b>	<b>\$ 676,232</b>	<b>\$ 134,581</b>	<b>24.85%</b>	●	<b>\$ 202,360</b>	<b>42.70%</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. This department is also responsible for oversight of the Capital Improvement Program (CIP) and Transit Asset Management (TAM) Plan.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Budget		Forecast	Forecast	
Salaries and Wages	\$ 325,321	\$ 437,953	\$ 319,384	\$ 455,370	\$ 17,417	3.98%	●	\$ 135,986	42.58%	●
Employee Benefits	166,326	136,218	135,506	148,932	12,714	9.33%	●	13,426	9.91%	●
Professional Services	10,334	53,181	101,490	74,000	20,819	39.15%	●	(27,490)	-27.09%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	1,174	15,240	4,593	13,440	(1,800)	-11.81%	●	8,847	192.62%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 503,155</b>	<b>\$ 642,592</b>	<b>\$ 560,973</b>	<b>\$ 691,742</b>	<b>\$ 49,150</b>	<b>7.65%</b>	●	<b>\$ 130,769</b>	<b>23.31%</b>	●

**Fare Collection**

The Fare Collection department is responsible for the operations, accounting, and reconciliations of fare revenue. This department oversees revenue reporting, control of revenue collection, contractor oversight for armored services, servicing of transit centers and ticket vending machines, ticket inventory management, and fare products analysis.

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Budget		Forecast	Forecast	
Salaries and Wages	\$ 44,685	\$ 56,051	\$ 35,314	\$ 58,771	\$ 2,720	4.85%	●	\$ 23,457	66.42%	●
Employee Benefits	26,925	22,884	20,456	18,828	(4,056)	-17.72%	●	(1,628)	-7.96%	●
Professional Services	723,766	1,146,170	815,602	1,124,414	(21,756)	-1.90%	●	308,812	37.86%	●
Materials and Supplies	7,495	129,599	41,880	28,000	(101,599)	-78.39%	●	(13,880)	-33.14%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	6,962	2,520	630	2,400	(120)	-4.76%	●	1,770	280.95%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 809,833</b>	<b>\$ 1,357,224</b>	<b>\$ 913,882</b>	<b>\$ 1,232,413</b>	<b>\$ (124,811)</b>	<b>-9.20%</b>	●	<b>\$ 318,531</b>	<b>34.85%</b>	●

### Planning and Communications

The Division of Planning and Communications plans, organizes, and coordinates a variety of long-range, service planning, capital planning, and other strategic planning activities. This includes activities such as data gathering, data analysis, GIS data manipulation, and communication with a variety of governing bodies and municipalities. The Division of Planning and Communications is comprised of the following departments: Communications and Marketing, Service Planning, Customer Service, and the newly created Government and Community Affairs.

### Communications and Marketing

The Communications and Marketing department supports operations through activities focused on increasing ridership, growing revenue, and focusing strategic communications to support achievement of NCTD’s mission and goals. This department develops and implements marketing, public relations, and customer communications programs that enhance the customer experience.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 499,231	\$ 766,004	\$ 808,083	\$ 1,018,524	\$ 252,520	32.97%	●	\$ 210,441	26.04%	●
Employee Benefits	207,647	219,159	284,379	252,828	33,669	15.36%	●	(31,551)	-11.09%	●
Professional Services	271,883	652,500	438,601	652,500	-	0.00%	●	213,899	48.77%	●
Materials and Supplies	63,034	123,000	62,362	113,000	(10,000)	-8.13%	●	50,638	81.20%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	175,435	563,368	328,425	407,260	(156,108)	-27.71%	●	78,835	24.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,217,230</b>	<b>\$ 2,324,031</b>	<b>\$ 1,921,850</b>	<b>\$ 2,444,112</b>	<b>\$ 120,081</b>	<b>5.17%</b>	●	<b>\$ 522,262</b>	<b>27.17%</b>	●

### Service Planning

The Service Planning department is responsible for reviewing, maintaining, and revising schedules to ensure reliable service to the public. This department coordinates the multimodal transit service operations planning and implementation activities of NCTD and participates in regional transportation studies and related service development activities in coordination with other agencies such as the San Diego Association of Governments (SANDAG) and the LOSSAN Corridor working group.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					from FY2023 Budget (\$)	from FY2023 Budget (%)		from FY2023 Forecast (\$)	from FY2023 Forecast (%)	
Salaries and Wages	\$ 372,828	\$ 611,174	\$ 368,602	\$ 447,206	\$ (163,968)	-26.83%	●	\$ 78,604	21.32%	●
Employee Benefits	144,325	175,920	169,137	116,100	(59,820)	-34.00%	●	(53,037)	-31.36%	●
Professional Services	376,530	3,737,000	2,225,579	2,940,340	(796,660)	-21.32%	●	714,761	32.12%	●
Materials and Supplies	-	-	-	5,000	5,000	100.00%	●	5,000	100.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	4,403	50,001	8,006	742,450	692,449	1384.87%	●	734,444	9173.67%	●
Miscellaneous Expenses	8,690	95,000	44,708	134,310	39,310	41.38%	●	89,602	200.42%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 906,776</b>	<b>\$ 4,669,095</b>	<b>\$ 2,816,032</b>	<b>\$ 4,385,406</b>	<b>\$ (283,689)</b>	<b>-6.08%</b>	●	<b>\$ 1,569,374</b>	<b>55.73%</b>	●

**Customer Service**

The Customer Service 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	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Budget		Forecast	Forecast	
Salaries and Wages	\$ 520,439	\$ 663,986	\$ 599,516	\$ 865,516	\$ 201,530	30.35%	●	\$ 266,000	44.37%	●
Employee Benefits	301,186	257,940	294,121	292,020	34,080	13.21%	●	(2,101)	-0.71%	●
Professional Services	216,356	345,000	168,330	411,500	66,500	19.28%	●	243,170	144.46%	●
Materials and Supplies	145,550	360,000	171,849	355,000	(5,000)	-1.39%	●	183,151	106.58%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	1,175	21,000	5,310	22,300	1,300	6.19%	●	16,990	319.96%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 1,184,706</b>	<b>\$ 1,647,926</b>	<b>\$ 1,239,126</b>	<b>\$ 1,946,336</b>	<b>\$ 298,410</b>	<b>18.11%</b>	<b>●</b>	<b>\$ 707,210</b>	<b>57.07%</b>	<b>●</b>

**Government and Community Affairs**

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

Operating Expenditures	FY2022	FY2023	FY2023	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget (\$)	Increase/ (Decrease) from FY2023 Budget (%)	Trend	Increase/ (Decrease) from FY2023 Forecast (\$)	Increase/ (Decrease) from FY2023 Forecast (%)	Trend
	Actual	Budget	Forecast		Budget	Budget		Forecast	Forecast	
Salaries and Wages	\$ -	\$ -	\$ -	\$ 101,329	\$ 101,329	100.00%	●	\$ 101,329	100.00%	●
Employee Benefits	-	-	-	27,576	27,576	100.00%	●	27,576	100.00%	●
Professional Services	-	-	-	608,000	608,000	100.00%	●	608,000	100.00%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	177,733	177,733	100.00%	●	177,733	100.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 914,638</b>	<b>\$ 914,638</b>	<b>100.00%</b>	<b>●</b>	<b>\$ 914,638</b>	<b>100.00%</b>	<b>●</b>

**Safety and Risk Management**

The Safety Division has the overall responsibility to plan, organize, direct, manage, and oversee comprehensive safety programs to foster a proactive organizational safety culture and to ensure a safe, secure and healthy environment for all employees, passengers, contractors, and the general public in accordance with applicable federal, state, local and regulatory laws, rules, or guidelines. This division also develops, implements, manages, and evaluates the Risk Management program for the District, including workers' compensation, general insurance, and property/liability claims.

**Safety Oversight**

The Safety Oversight department is the single department under the Safety and Risk Management Division.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					Budget	Budget		from FY2023 Forecast	from FY2023 Forecast	
Salaries and Wages	\$ 305,530	\$ 573,827	\$ 511,111	\$ 1,021,719	\$ 447,892	78.05%	●	\$ 510,608	99.90%	●
Employee Benefits	127,502	167,519	177,737	694,867	527,348	314.80%	●	517,130	290.95%	●
Professional Services	36,880	122,734	63,871	776,391	653,657	532.58%	●	712,520	1115.56%	●
Materials and Supplies	12,585	14,300	18,320	500	(13,800)	-96.50%	●	(17,820)	-97.27%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	8,256,745	8,256,745	100.00%	●	8,256,745	100.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	9,372	38,500	21,986	68,000	29,500	76.62%	●	46,014	209.29%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 491,869</b>	<b>\$ 916,880</b>	<b>\$ 793,025</b>	<b>\$ 10,818,222</b>	<b>\$ 9,901,342</b>	<b>1079.90%</b>	●	<b>\$ 10,025,197</b>	<b>1264.17%</b>	●

**Debt**

The Debt services department was created to separately account for debt-related expenditures. The primary source of debt for NCTD is related to the construction of the SPRINTER. This debt is expected to be retired by 2035.

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease)	Increase/ (Decrease)	Trend	Increase/ (Decrease)	Increase/ (Decrease)	Trend
					Budget	Budget		from FY2023 Forecast	from FY2023 Forecast	
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	●	\$ -	0.00%	●
Employee Benefits	-	-	-	-	-	0.00%	●	-	0.00%	●
Professional Services	-	62,750	9,190	-	(62,750)	-100.00%	●	(9,190)	-100.00%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	-	-	0.00%	●	-	0.00%	●
Debt-Related Expense	726,797	1,054,262	697,524	734,200	(320,062)	-30.36%	●	36,676	5.26%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	-	-	-	-	0.00%	●	-	0.00%	●
	<b>\$ 726,797</b>	<b>\$ 1,117,012</b>	<b>\$ 706,714</b>	<b>\$ 734,200</b>	<b>\$ (382,812)</b>	<b>-34.27%</b>	●	<b>\$ 27,486</b>	<b>3.89%</b>	●

**Contingency**

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

Operating Expenditures	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Adopted Budget	Increase/ (Decrease) from FY2023 Budget	Increase/ (Decrease) from FY2023 Budget	Trend	Increase/ (Decrease) from FY2023 Forecast	Increase/ (Decrease) from FY2023 Forecast	Trend
					(\$)	(%)		(\$)	(%)	
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	●	\$ -	0.00%	●
Employee Benefits	-	-	-	-	-	0.00%	●	-	0.00%	●
Professional Services	-	-	-	-	-	0.00%	●	-	0.00%	●
Materials and Supplies	-	-	-	-	-	0.00%	●	-	0.00%	●
Utilities	-	-	-	-	-	0.00%	●	-	0.00%	●
Casualty and Liability	-	-	-	-	-	0.00%	●	-	0.00%	●
Taxes	-	-	-	-	-	0.00%	●	-	0.00%	●
Purchased Transportation	-	-	-	-	-	0.00%	●	-	0.00%	●
Miscellaneous Expenses	-	-	-	-	-	0.00%	●	-	0.00%	●
Debt-Related Expense	-	-	-	-	-	0.00%	●	-	0.00%	●
Leases and Rentals	-	-	-	-	-	0.00%	●	-	0.00%	●
Contingency	-	1,000,000	-	500,000	(500,000)	-50.00%	●	500,000	100.00%	●
	\$ -	\$ 1,000,000	\$ -	\$ 500,000	\$ (500,000)	-50.00%	●	\$ 500,000	100.00%	●

## **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 the District's major cost drivers and available funding sources. It is updated annually to help identify opportunities or issues and serves as the foundation to guide decision making during the development of the operating and capital budgets. It also provides a stress test to identify cash needs if sources of revenue came lower than projected.

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

- Fare revenues: Fare revenues are based on the projected number of passengers by mode and rider category (adult, youth, senior and disabled) that pay fares for a single trip, day passes, or monthly passes, and multiplying by the average fare per boarding. 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: FY2024 amounts are based on the Federal Transit Administration (FTA) published apportionment tables. FY2025-FY2028 revenues estimates were provided by SANDAG in Agenda Item 11 of the SANDAG Board of Directors meeting of February 24, 2023.
- American Rescue Plan Act: Revenues will be directed to cover payroll and operations of public transit. A total of \$42 million will be utilized from FY2024 through FY2025.
- The TDA and TransNet apportionments for FY2024 and estimates for FY2025-FY2028 were provided by SANDAG and presented in Agenda Item 11 of the SANDAG Board of Directors meeting of February 24, 2023.
- State Transit Assistance (STA) and STA State of Good Repair allocation estimates were published by the California State Controller on February 9, 2023. Estimates for FY2025-FY2028 remain unchanged from FY2024 levels.
- State Rail Assistance (SRA): The FY2024-FY2025 estimates were provided by the California State Transportation Agency (CalSTA). FY2026-FY2028 was projected to remain the same as FY2025.
- COASTER Service Expansion Program is funded with TransNet 8.1% funds based on the number of trips.
- Potential annual expense savings are not included (i.e. staff vacancies).
- Other operating revenues and expenses are projected to increase by three (3) percent annually. FY2025 is re-baselined to exclude one-time expenses budgeted for FY2024.
- The cost impact of insourcing bus operations and maintenance is included in the 5-Year Plan with a target of FY2027 for the completion of insourcing.
- Payments of long-term obligations for the pension unfunded accrued liability and SPRINTER principal payments will be made from net assets.

## Sources of Revenue and Allocation of Funds

The District, based on revenue and expense assumptions, projects balanced operating budgets over the next five fiscal years. Table 12 shows the projected revenues from all sources and allocations to the Capital Improvement Program (CIP) and operating expenses in the next five years. Details on the projects funded in the CIP are provided in the following sections.

**Table 12. FY2024-FY2028 Sources of Revenue and Allocation of Funds**

	FY2024	FY2025	FY2026	FY2027	FY2028	5-Year Total
<b>TOTAL REVENUES</b>						
Passenger Fares	\$ 9,785,488	\$ 11,394,338	\$ 12,426,007	\$ 13,436,418	\$ 13,570,779	\$ 60,613,030
Non-Transportation Revenues	4,234,070	3,860,092	3,493,395	3,533,547	3,580,168	18,701,272
Auxiliary Revenues	12,751,079	13,133,612	13,527,620	13,933,449	14,351,453	67,697,213
Federal Grants	94,921,831	49,725,874	49,142,453	50,043,870	50,962,455	294,796,483
State Grants	26,767,744	26,856,866	26,856,866	26,856,866	26,856,866	134,195,208
Local Grants	96,512,921	84,775,395	87,473,386	89,977,470	92,361,373	451,100,545
	<b>244,973,133</b>	<b>189,746,177</b>	<b>192,919,727</b>	<b>197,781,620</b>	<b>201,683,094</b>	<b>1,027,103,751</b>
<b>FUNDS ALLOCATION</b>						
Capital Improvement Program	59,484,513	23,228,077	16,872,277	4,769,435	2,389,144	106,743,446
Future Capital Needs *	-	-	-	10,230,565	3,283,933	13,514,498
Preventive Maintenance	42,961,835	44,250,690	45,578,211	46,945,557	48,353,924	228,090,217
Operating Expenses	142,526,785	129,906,448	133,840,410	134,242,099	138,239,848	678,755,590
	<b>244,973,133</b>	<b>197,385,215</b>	<b>196,290,898</b>	<b>196,187,656</b>	<b>192,266,849</b>	<b>1,027,103,751</b>
<b>Net Operating and Capital Surplus **</b>	<b>\$ -</b>	<b>\$ (7,639,038)</b>	<b>\$ (3,371,171)</b>	<b>\$ 1,593,964</b>	<b>\$ 9,416,245</b>	<b>\$ -</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>						
CalPERS Unfunded Accrued Liability Payments ***	\$ 3,635,238	\$ 3,635,238	\$ 3,635,238	\$ 3,635,238	\$ 3,635,238	\$ 18,176,190
SPRINTER Debt Principal Payments	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	7,250,000
<b>Funded from Net Assets</b>	<b>\$ 4,985,238</b>	<b>\$ 5,035,238</b>	<b>\$ 5,085,238</b>	<b>\$ 5,135,238</b>	<b>\$ 5,185,238</b>	<b>\$ 25,426,190</b>

\* Board goal is \$15 million annually

\*\* The deficits shown in FY2025 and FY2026 are due to the timing of receipts of funding and the expenditures incurred from capital projects. NCTD cash flows these timing variances and over the 5-Year period, the budget is balanced.

\*\*\* Under a 10-Year Amortization Schedule with final payment in June 2032



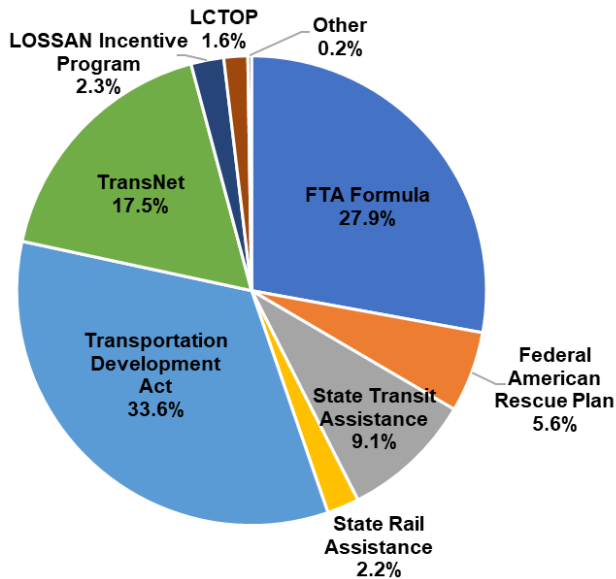
Allocation of Federal, State and Local Grant Funds

Table 13 shows the projected grants funding allocations in the next five years:

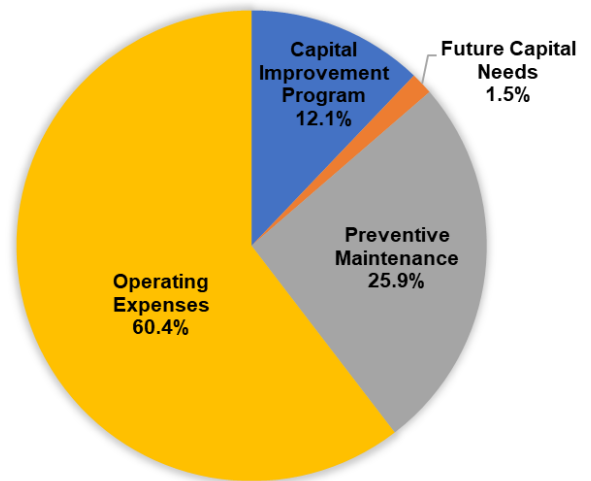
**Table 13. FY2024-FY2028 Grants Revenue and Allocation of Funds**

Grant	FY2024	FY2025	FY2026	FY2027	FY2028	5-Year Total
FTA Section 5307	\$ 26,226,372	\$ 26,774,503	\$ 27,334,090	\$ 27,905,373	\$ 28,488,595	\$ 136,728,933
FTA Section 5337	18,588,421	18,889,181	19,194,809	19,505,381	19,820,977	95,998,769
FTA Section 5339	1,833,466	1,852,626	1,871,986	1,891,548	1,911,315	9,360,941
FTA Section 5311	641,568	641,568	641,568	641,568	641,568	3,207,840
Federal American Rescue Plan	40,532,004	1,467,996	-	-	-	42,000,000
Federal Community Project Funding	7,000,000	-	-	-	-	7,000,000
Transportation Development Act (TDA) 4.0	52,950,560	54,617,593	56,379,420	57,985,465	59,487,248	281,420,286
Transportation Development Act (TDA) 4.5	2,765,369	2,852,000	2,944,000	3,028,000	3,107,000	14,696,369
State Transit Assistance (STA)	14,097,845	14,097,845	14,097,845	14,097,845	14,097,845	70,489,225
STA State of Good Repair	1,893,797	1,893,797	1,893,797	1,893,797	1,893,797	9,468,985
State Rail Assistance (SRA)	3,800,000	3,900,000	3,900,000	3,900,000	3,900,000	19,400,000
TransNet - Transit Services (Senior and Disabled)	493,000	509,000	525,000	539,000	554,000	2,620,000
TransNet - Transit Services (Operations and Capital)	18,554,439	19,158,000	19,757,000	20,321,000	20,866,000	98,656,439
TransNet - Major Corridor Capital Projects	13,100,000	-	-	-	-	13,100,000
TransNet - New Major Corridor Transit Operations	7,416,313	7,638,802	7,867,966	8,104,005	8,347,125	39,374,211
Low Carbon Transit Operations Program (LCTOP)	2,901,294	2,901,294	2,901,294	2,901,294	2,901,294	14,506,470
LOSSAN Incentive Program	3,981,570	3,970,692	3,970,692	3,970,692	3,970,692	19,864,338
Youth Opportunity Pass (SANDAG)	1,233,240	-	-	-	-	1,233,240
Medi-Cal (Paratransit)	100,000	100,000	100,000	100,000	100,000	500,000
California Public Utilities Commission	93,238	93,238	93,238	93,238	93,238	466,190
<b>Total Grants Revenue</b>	<b>\$ 218,202,496</b>	<b>\$ 161,358,135</b>	<b>\$ 163,472,705</b>	<b>\$ 166,878,206</b>	<b>\$ 170,180,694</b>	<b>\$ 880,092,236</b>
<b>Allocations</b>						
Capital Improvement Program	\$ 59,484,513	\$ 23,228,077	\$ 16,872,277	\$ 4,769,435	\$ 2,389,144	\$ 106,743,446
Future Capital Needs	-	-	-	10,230,565	3,283,933	13,514,498
Preventive Maintenance	42,961,835	44,250,690	45,578,211	46,945,557	48,353,924	228,090,217
Available for Operating Expenses	115,756,148	93,879,368	101,022,217	104,932,649	116,153,693	531,744,075
<b>Total Allocations</b>	<b>\$ 218,202,496</b>	<b>\$ 161,358,135</b>	<b>\$ 163,472,705</b>	<b>\$ 166,878,206</b>	<b>\$ 170,180,694</b>	<b>\$ 880,092,236</b>

**Figure 7.**  
FY2024-FY2028 Revenue by Grant



**Figure 8.**  
FY2024-FY2028 Grant Funds Allocation



## FY2024-FY2028 Capital Improvement Program (CIP)

### **FY2024-FY2028 Unconstrained Capital Needs**

Each year, NCTD updates its baseline five 5-Year CIP by ranking proposed new capital investments according to established criteria which ranks state of good repair, regulatory requirements, and safety and security as the highest priorities. District staff also continually review previously approved capital projects to ensure that they are advancing as planned, and to reallocate funding from projects that have anticipated savings or are no longer being pursued for various reasons and reviews capital project spending monthly to ensure funds are being spent according to the project budget and reallocates funding if projects are not incurring expenses as anticipated.

For the next five fiscal years from FY2024 through FY2028, NCTD's capital needs total \$379.1 million for primarily state of good repair projects that NCTD implements and \$913 million for capacity enhancing projects (excluding the Del Mar Tunnel) implemented by SANDAG under the TransNet Program (total of approximately \$1.3 billion). NCTD's Board of Directors (Board) approves the CIP for projects that are funded and implemented by NCTD.

The FY2024-FY2028 unconstrained CIP identifies needs of \$83.3 million for FY2024 and \$379.1 million for the five-year period. Following is a summary of the needs of District managed projects in the next five years:

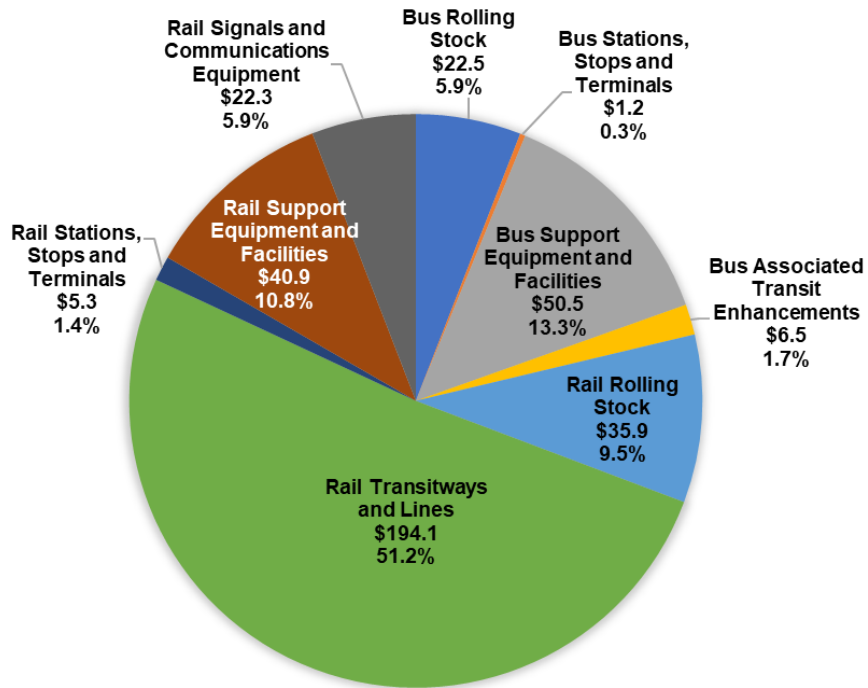
- \$91.7 million for the design and construction of Control Point (CP) Songs double-track (capacity project that is not eligible for *TransNet* funds)
- \$53 million for design, environmental clearance, and right-of-way for SPRINTER double track that will support 15-minute frequencies
- \$46.4 million for East and West bus maintenance facilities repairs and improvements
- \$26.5 million for repairs and replacement of multiple aging bridges along the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor and COASTER right-of-way (Bridges 208.6, 209.9, 225.4, 254.7, 255.1, 255.3, 257.2)
- \$19.6 million for BREEZE zero-emission hydrogen fuel cell buses
- \$15 million for rail data collection upgrade
- \$13.1 million for two (2) new COASTER train sets that will support increased service frequencies
- \$13 million for San Dieguito Lagoon double-track Phase 1 (NCTD's match towards the TCEP programs of projects)
- \$12.8 million for various SPRINTER overhauls
- \$12.1 million for Positive Train Control (PTC) software improvements, upgrades, and critical alert systems
- \$10.3 million for replacement of obsolete signal control equipment and technology upgrades along the LOSSAN rail corridor
- \$8.8 million to complete the design of signal modernization along the SPRINTER rail corridor
- \$8 million for Del Mar Bluff stabilization Phase 5 (NCTD's match towards the TCEP program of projects)
- \$6.8 million for COASTER Siemens locomotives and parts
- \$6.5 million for wayfinding and signage at transit stations and bus stops

Table 14 shows the unconstrained capital needs by asset class for the next five fiscal years.

**Table 14. FY2024-FY2028 Unconstrained Capital Needs**

FTA Scope	FTA Scope Description	FY2024	FY2025	FY2026	FY2027	FY2028	5-Year
111	Bus Rolling Stock	\$3,844,294	\$13,988,294	\$3,488,294	\$587,000	\$587,000	\$ 22,494,882
113	Bus Stations, Stops and Terminals	1,150,615	-	-	-	-	1,150,615
114	Bus Support Equipment and Facilities	3,084,450	4,505,000	1,085,000	22,205,000	19,635,000	50,514,450
119	Bus Associated Transit Enhancements	912,000	410,885	1,704,585	1,728,532	1,752,729	6,508,731
121	Rail Rolling Stock	24,806,000	7,468,000	2,507,000	1,106,000	-	35,887,000
122	Rail Transitways and Lines	19,299,000	43,917,000	50,751,000	69,125,000	11,000,000	194,092,000
123	Rail Stations, Stops and Terminals	4,874,000	388,000	-	-	-	5,262,000
124	Rail Support Equipment and Facilities	14,289,300	4,160,000	10,550,000	6,900,000	5,000,000	40,899,300
126	Rail Signals and Communications Equipment	11,026,469	9,621,000	1,025,000	635,000	-	22,307,469
<b>Total Unconstrained CIP</b>		<b>\$ 83,286,128</b>	<b>\$ 84,458,179</b>	<b>\$ 71,110,879</b>	<b>\$ 102,286,532</b>	<b>\$ 37,974,729</b>	<b>\$ 379,116,447</b>

**Figure 9. FY2024-FY2028 Unconstrained Capital Needs by FTA ALI**



### **FY2024-FY2028 Unfunded Capital Needs**

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

The District will pursue discretionary grants to support the purchase of the remaining seven hydrogen fuel cell electric buses (FCEBs) in order to comply with the California Energy Commission grant requirement that twenty-five hydrogen FCEBs be placed in service on or before March 31, 2025. The first eighteen buses are fully funded.

Below is a list of high priority unfunded FY2024-FY2028 capital needs:

- \$91.7 million for CP Songs double-track design and construction
- \$53 million for design, environmental clearance, and right-of-way for SPINTER double track that will support 15-minute frequencies
- \$40 million for East and West bus divisions masterplans design and construction
- \$17.2 million for repairs and replacement of multiple aging bridges along the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor and COASTER right-of-way (Bridges 208.6, 254.7, 255.1, 255.3)
- \$15 million for rail data collection upgrade
- \$10.5 million for BREEZE zero-emission hydrogen fuel cell buses
- \$8.7 million for replacement of obsolete signal control equipment and technology upgrades along the LOSSAN rail corridor
- \$5.3 million for PTC software improvements, upgrades, and critical alert systems

Following is a summary of high priority unfunded capacity enhancement projects that are managed and implemented by SANDAG (excluding the Del Mar tunnel):

- \$246 million for Sorrento to Miramar Phase 2
- \$130 million for San Dieguito Lagoon double-track and platform
- \$102 million for Batiquitos Lagoon double-track
- \$99 million for Eastbrook to Shell double-track
- \$551 million for Carlsbad Village trench and double-track
- \$75 million for San Luis Rey double-track

### **FY2024-FY2028 Constrained Capital Improvement Program**

Projects that are approved with an identified funding source are included in the Capital Improvement Program (CIP). In December 2020, NCTD and SANDAG were awarded \$106 million from the California Transportation Commission Trade Corridor Enhancement Program (TCEP) to fund trade corridor enhancements in the San Diego region. Of the total project budget of \$202 million, NCTD is required to contribute \$34.8 million from FY2023-FY2026. The FY2024-FY2028 constrained CIP reflects NCTD's ongoing commitments under the TCEP program of projects.

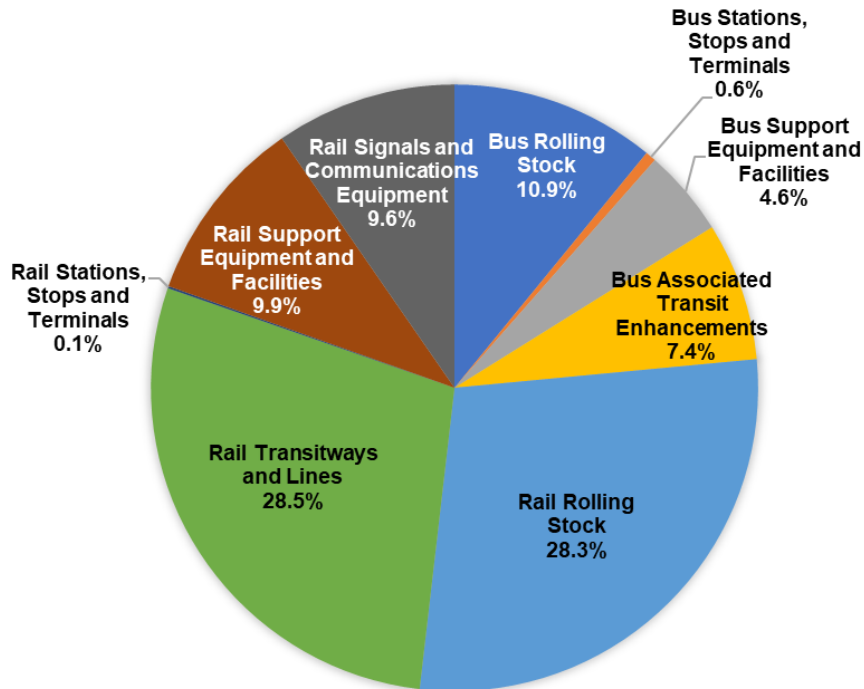
The FY2024 CIP is \$59.5 million, which is \$44.5 million above the Board target of \$15 million for capital investment, and \$4.2 million above the \$55.3 million funded in FY2023. The FY2024 CIP funds hydrogen fuel cell bus procurements, invests in enhancements to improve the customer riding experience, and funds infrastructure improvements such as the Del Mar Bluffs Stabilization Phase 5 and bridge replacements. Key examples of improvements that support an improved rider experience include bus stop improvements (design phase), bus stop lighting, bus stop identification blades, bus stop arrival information, bus stop texting platform, wayfinding improvements, train notification, ticket vending machines, and fare validators. Improving the customer riding experience is a critical element to growing customer ridership and revenues.

Table 15 and Figure 10 summarizes the adopted capital projects by Federal Transit Administration (FTA) Activity Line Item (ALI) for each fiscal year in the FY2024-FY2028 CIP.

**Table 15. FY2024-FY2028 Constrained CIP**

FTA Scope	FTA Scope Description	FY2024	FY2025	FY2026	FY2027	FY2028	5-Year
111	Bus Rolling Stock	\$ 3,488,294	\$ 3,488,294	\$ 3,488,294	\$ 587,000	\$ 587,000	\$ 11,638,882
113	Bus Stations, Stops and Terminals	609,000	-	-	-	-	609,000
114	Bus Support Equipment and Facilities	3,687,450	1,270,000	-	-	-	4,957,450
119	Bus Associated Transit Enhancements	2,078,000	458,783	1,752,983	1,777,435	1,802,144	7,869,345
121	Rail Rolling Stock	23,980,000	4,867,000	1,410,000	-	-	30,257,000
122	Rail Transitways and Lines	8,846,000	11,744,000	8,821,000	1,005,000	-	30,416,000
123	Rail Stations, Stops and Terminals	120,000	-	-	-	-	120,000
124	Rail Support Equipment and Facilities	6,399,300	1,400,000	1,400,000	1,400,000	-	10,599,300
126	Rail Signals and Communications Equipment	10,276,469	-	-	-	-	10,276,469
<b>Total Constrained CIP</b>		<b>\$ 59,484,513</b>	<b>\$ 23,228,077</b>	<b>\$ 16,872,277</b>	<b>\$ 4,769,435</b>	<b>\$ 2,389,144</b>	<b>\$ 106,743,446</b>

**Figure 10. FY2024-FY2028 Constrained CIP by FTA ALI**



Following is a detailed listing of all adopted projects for each fiscal year in the FY2024-FY2028 CIP timeframe.

**Table 16. FY2024 Constrained CIP Projects**

Description	FY2024 CIP	% of Total
Six (6) Hydrogen Fuel Cell Buses Phase 3	\$ 2,901,294	
BREEZE Engines and Transmissions	587,000	
<b>111 Bus Rolling Stock</b>	<b>3,488,294</b>	<b>5.9%</b>
Bus Stop Improvements Phase II Design	320,000	
Customer Service Improvements - Bus Stop Arrival Information	245,000	
Customer Service Improvements - Bus Information Texting Platform	44,000	
<b>113 Bus Stations, Stops and Terminals</b>	<b>609,000</b>	<b>1.0%</b>
BREEZE Operations West Roof Improvements	1,240,450	
Conduent Fleet Management System	700,000	
General Administration Office - 3PAR Replacement	350,000	
Fire Alarm Systems Design	260,000	
Bus Wash Replacement West and East Division	220,000	
Battery Electric Bus Overhead Cranes Design	220,000	
Gas Detection System Refurbishment	200,000	
HASTUS Upgrade	160,000	
Network Firewall Replacement	105,000	
SQL Server Upgrades	92,000	
Storage Area Network Fibre Channel Switches	90,000	
Hydrogen Fueling Station Design	50,000	
<b>114 Bus Support Equipment and Facilities</b>	<b>3,687,450</b>	<b>6.2%</b>
Wayfinding Phase II	1,166,000	
Wayfinding Master Plan	912,000	
<b>119 Bus Associated Transit Enhancements</b>	<b>2,078,000</b>	<b>3.5%</b>
COASTER Expansion Equipment	13,100,000	
SPRINTER Powerpack	5,285,000	
COASTER Locomotives	3,800,000	
SPRINTER Trucks	732,000	
SPRINTER Wheelsets	517,000	
SPRINTER Brake System	308,000	
SPRINTER Components	224,000	
SPRINTER Brake Calipers	14,000	
<b>121 Rail Rolling Stock</b>	<b>23,980,000</b>	<b>40.3%</b>
Del Mar Bluffs Stabilization Phase 5	5,200,000	
Bridge 225.4 Structural Repairs	2,020,000	
Bridge 257.2 Replacement	1,076,000	
Bridge 209.9 Replacement Design	350,000	
CP Longboard Drainage Improvements Design	200,000	
<b>122 Rail Transitways and Lines</b>	<b>8,846,000</b>	<b>14.9%</b>
Customer Service Improvements - Train Notifications	120,000	
<b>123 Rail Stations, Stops and Terminals</b>	<b>120,000</b>	<b>0.2%</b>

**Table 16. FY2024 Constrained CIP Projects (continued)**

Description	FY2024 CIP	% of Total
SPRINTER and COASTER Operations Facility Roof Improvements	2,900,000	
Positive Train Control Software Improvements	1,400,000	
Wayside Power Additional Cabinets	750,000	
COASTER Onboard Video Equipment	522,000	
Maintenance of Way Front End Loader	327,300	
COASTER Operations Facility Train Wash Repairs Design	300,000	
Positive Train Control Onboard Upgrades	200,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>6,399,300</b>	<b>10.8%</b>
SPRINTER Signal Modernization Design and Construction	8,750,000	
Signal Control Replacement - San Diego	899,582	
Positive Train Control - Key Exchange Server Upgrades	400,000	
Signal Control Replacement - Encinitas/Del Mar	226,887	
<b>126 Rail Signals and Communications Equipment</b>	<b>10,276,469</b>	<b>17.3%</b>
<b>TOTAL FY2024 CIP</b>	<b>\$ 59,484,513</b>	<b>100.0%</b>

**Table 17. FY2025 Constrained CIP Projects**

Description	FY2025 CIP	% of Total
Six (6) Hydrogen Fuel Cell Buses Phase 3	\$ 2,901,294	
BREEZE Engines and Transmissions	587,000	
<b>111 Bus Rolling Stock</b>	<b>3,488,294</b>	<b>15.0%</b>
Non-Revenue Vehicles Replacements	1,270,000	
<b>114 Bus Support Equipment and Facilities</b>	<b>1,270,000</b>	<b>5.5%</b>
Wayfinding Master Plan Phase II	458,783	
<b>119 Bus Associated Transit Enhancements</b>	<b>458,783</b>	<b>2.0%</b>
COASTER Cab Car Overhauls	3,157,000	
SPRINTER Transmission Replacements	1,710,000	
<b>121 Rail Rolling Stock</b>	<b>4,867,000</b>	<b>21.0%</b>
San Dieguito Double-Track Phase 1	6,736,000	
Del Mar Bluffs Stabilization Phase 5	2,400,000	
Bridge 257.2 Replacement	1,628,000	
Bridge 225.4 Structural Repairs	980,000	
<b>122 Rail Transitways and Lines</b>	<b>11,744,000</b>	<b>50.6%</b>
Positive Train Control Software Improvements	1,400,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>1,400,000</b>	<b>6.0%</b>
<b>TOTAL FY2025 CIP</b>	<b>\$ 23,228,077</b>	<b>100.0%</b>

**Table 18. FY2026 Constrained CIP Projects**

Description	FY2026 CIP	% of Total
Six (6) Hydrogen Fuel Cell Buses Phase 3	\$ 2,901,294	
BREEZE Engines and Transmissions	587,000	
<b>111 Bus Rolling Stock</b>	<b>3,488,294</b>	<b>20.7%</b>
Wayfinding Master Plan Phase II	1,752,983	
<b>119 Bus Associated Transit Enhancements</b>	<b>1,752,983</b>	<b>10.4%</b>
SPRINTER Transmission Replacements	1,410,000	
<b>121 Rail Rolling Stock</b>	<b>1,410,000</b>	<b>8.4%</b>
San Dieguito Double-Track Phase 1	6,264,000	
Bridge 257.2 Replacement	2,157,000	
Del Mar Bluffs Stabilization Phase 5	400,000	
<b>122 Rail Transitways and Lines</b>	<b>8,821,000</b>	<b>52.3%</b>
Positive Train Control Software Improvements	1,400,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>1,400,000</b>	<b>8.3%</b>
<b>TOTAL FY2026 CIP</b>	<b>\$ 16,872,277</b>	<b>100.0%</b>

**Table 19. FY2027 Constrained CIP Projects**

Description	FY2027 CIP	% of Total
BREEZE Engines and Transmissions	\$ 587,000	
<b>111 Bus Rolling Stock</b>	<b>587,000</b>	<b>12.3%</b>
Wayfinding Master Plan Phase II	1,777,435	
<b>119 Bus Associated Transit Enhancements</b>	<b>1,777,435</b>	<b>37.3%</b>
Bridge 257.2 Replacement	1,005,000	
<b>122 Rail Transitways and Lines</b>	<b>1,005,000</b>	<b>21.1%</b>
Positive Train Control Software Improvements	1,400,000	
<b>124 Rail Support Equipment and Facilities</b>	<b>1,400,000</b>	<b>29.4%</b>
<b>TOTAL FY2027 CIP</b>	<b>\$ 4,769,435</b>	<b>100.0%</b>



**Table 20. FY2028 Constrained CIP Projects**

Description	FY2028 CIP	% of Total
BREEZE Engines & Transmissions	\$ 587,000	
<b>111 Bus Rolling Stock</b>	<b>587,000</b>	<b>24.6%</b>
Wayfinding Master Plan Phase II	1,802,144	
<b>119 Bus Associated Transit Enhancements</b>	<b>1,802,144</b>	<b>75.4%</b>
<b>TOTAL FY2028 CIP</b>	<b>\$ 2,389,144</b>	<b>100.0%</b>

## **10-Year Service Implementation Plan (SIP)**

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NCTD has advanced and is currently advancing a series of studies that will result in transformative capital and operating investments. These studies, which are outlined below, provide a path forward for NCTD's operations, and provide a framework for regional operations on the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Corridor. These studies build upon those completed in previous fiscal years. These strategic planning efforts include:

- **Market Research and Analysis of Post-COVID-19 Trends:** In late 2021, NCTD kicked off a robust study that combines quantitative and qualitative information to properly inform key business decisions over the next three to five years. This work effort will include strategic scenario planning to identify key scenarios based on mobility trends and local market insights post COVID-19; conduct human-centered design and research to support customers' needs and travel behaviors; and modeling and impact analysis of proposed initiatives and policies. Ultimately, this work effort will result in a defined strategy, roadmap, and implementation plan for the District over the next three-to-five years.
- **BREEZE Speed and Reliability Study:** The BREEZE Speed and Reliability Study will build upon the work conducted by the Strategic Multimodal Transit Implementation Plan (SMTIP) by developing a phased infrastructure and technology implementation plan that will support improved BREEZE bus speed and reliability for ten high-priority BREEZE routes and their associated corridors. The completion of this plan and phased implementation will support NCTD's ambitious 5-Year Plan to increase frequency on its core BREEZE bus network to provide fast, frequent, and reliable service on its highest ridership routes combined with shifting lower ridership routes to on-demand service.
- **SPRINTER Corridor 15-Minute Headways Project Study Report:** In 2020, NCTD advanced an evaluation of strategic infrastructure investments along the SPRINTER corridor that would enable NCTD to improve service levels from 30-minute frequencies to 15-minute frequencies. This conceptual study indicated that approximately 9.5 miles of additional double track is needed to achieve this frequency improvement. Based upon this modeling exercise, NCTD advanced a Project Study Report (PSR) to build upon the study and identify critical phasing for SPRINTER infrastructure investments. The PSR has been completed and NCTD is utilizing its finding to advance funding requests for the SPRINTER corridor.

Other completed studies that help to inform the SIP include the following:

- **LOSSAN Corridor Optimization Study:** The LOSSAN Optimization Study was completed in December 2021 and provides operating concepts for the corridor across a 10-year planning timeframe, including near-term, mid-term, and long-term operating plans. The study envisions new passenger service operating concepts in which trains operate on pulse schedules, providing regular, reliable, and intuitive connections between different service tiers. In San Diego specifically, this optimized corridor provides a dependable framework for connecting transit services at several Mobility Hubs throughout the region and streamlines connectivity to Orange and Los Angeles Counties. Building upon this effort, NCTD completed the COASTER Operating and Financial Plan in FY2022, which provided a phased operations roadmap for expanded COASTER service to 30 and 42 trips per day. In coordination with LOSSAN, NCTD and LOSSAN implemented the near-term pulse schedule on October 25, 2021. To advance the pulse scheduling of all three passenger rail operators along the LOSSAN Corridor (NCTD, LOSSAN, and Metrolink), Metrolink has advanced the Metrolink Schedule Integration Study as a follow-on service planning effort to ensure scheduling consistency across the corridor. NCTD is working closely with its partners to achieve near and long-term schedule coordination.

- **NCTD and BNSF Freight Pathing and Passenger Service Extension Study:** In connection to the LOSSAN Corridor Optimization Study, BNSF and NCTD advanced a study to evaluate how capacity on the San Diego Subdivision can be improved to accommodate greater passenger and freight service levels. The study specifically evaluated freight pathing between Control Point (CP) Atwood and the Port of San Diego and passenger service extensions south of downtown San Diego to the Convention Center and National City. As a mid-term concept, NCTD plans to extend COASTER services to San Diego's Convention Center and Amtrak's Pacific Surfliner service may operate south of Santa Fe Depot to a new maintenance facility. NCTD and BNSF will continue to build upon this study in FY2024 to evaluate key opportunities for grade crossing and grade separation improvements that will complement greater train activity in the downtown San Diego area.
- **Strategic Multimodal Transit Implementation Plan (SMTIP):** The SMTIP was completed in FY2022 and is a ten-year strategic plan that identifies service and capital improvements that will support NCTD's efforts to provide high-quality transit services, including the expansion of microtransit service and investment in key BREEZE corridors. This study utilized high-quality data in the form of location-based cell phone data and robust public outreach.

NCTD staff began incorporating the phasing and implementation recommendations associated with these completed plans in the FY2023 SIP. NCTD continues to augment the SIP with planning studies and related initiatives as they are completed.

### **Services Supported by NCTD**

In addition to the services covered in the SIP, NCTD supports the provision of services by other operators that allow NCTD passengers greater flexibility and access to key destinations:

- *Sorrento Valley COASTER Connection (SVCC):* The San Diego Metropolitan Transit System (MTS), through an agreement with NCTD, operates the Sorrento Valley COASTER Connection (SVCC) shuttle service during weekday peak periods between the Sorrento Valley COASTER Station and surrounding employment areas. Per the agreement, NCTD pays MTS half the annual operating cost, plus \$1 per rider. Given its role in providing first-last mile connections from the Sorrento Valley COASTER Station, SVCC ridership is closely tied to COASTER performance and has benefited from increased COASTER ridership.
- *Amtrak Rail 2 Rail Service:* NCTD and Amtrak's Rail-2-Rail program allows COASTER day and monthly pass holders to ride any Amtrak Pacific Surfliner train at no extra cost (blackout days apply). This provides NCTD COASTER customers with additional options without the additional costs of operating more COASTER trains. Per the agreement, NCTD reimburses Amtrak an agreed-upon amount per passenger.

### **Ten-Year Outlook**

Each year, the Executive Director develops the proposed budget guidance and strategic areas of focus for the District. This framework is reviewed and approved by NCTD's Executive Committee and Board of Directors each Spring, which supports the development of the annual operating and capital budget. Consistent with this framework, the SIP includes the following objectives:

- Strengthen network foundations
  - **BREEZE:** Increase off-peak BREEZE frequencies beginning in FY 2025.
  - **BREEZE:** Increase BREEZE frequencies from every 30-minutes to 15-minutes on core BREEZE routes beginning in FY 2025.

- **BREEZE:** Identify specific transit-supportive capital and service improvements to increase reliability on NCTD’s core BREEZE routes through the BREEZE Speed and Reliability Study.
- **SPRINTER:** Increase SPRINTER frequencies from 30-minutes to 15-minutes, commensurate with double-tracking investments beginning in FY 2032.
- **COASTER:** Increase COASTER frequencies through FY 2025 with expanded peak and midday trips.
- **COASTER:** Provide direct connections to key activity centers, such as construction of the fully-funded Convention Center Station that will provide a one-seat ride to the Gaslamp Quarter, Convention Center, and Petco Ballpark. COASTER extension to Convention Center is anticipated to occur in late FY 2026.
- **FLEX:** Transition existing FLEX deviated fixed routes to BREEZE fixed-route and BREEZE commuter bus service, pending finalized analysis.
- Fill in network gaps with on-demand service
  - **FLEX:** Pilot on-demand microtransit service to fulfill first/last mile connections to high-frequency corridors.
  - **LIFT:** Maintain quality LIFT service as demand is expected to grow with an aging population.

Table 21 summarizes the Key Performance Indicators (KPIs) for the FY2024-FY2033 Service Implementation Plan.

**Table 21. FY2024-FY2033 SIP System KPIs**

Fiscal Year	Revenue Miles	Total Miles	Revenue Hours	Total Hours	Ridership
<b>FY2024</b>	7,315,553	8,257,912	518,337	567,047	7,453,906
<b>FY2025</b>	7,798,466	8,838,532	561,337	615,127	8,103,708
<b>FY2026</b>	8,115,938	9,195,510	588,085	644,825	8,604,506
<b>FY2027</b>	8,794,451	9,713,234	631,197	706,122	8,997,733
<b>FY2028</b>	8,820,232	9,737,504	624,248	700,855	9,087,709
<b>FY2029</b>	8,840,770	9,759,872	625,535	702,526	9,178,586
<b>FY2030</b>	8,861,519	9,782,469	626,835	704,214	9,270,372
<b>FY2031</b>	8,882,465	9,805,282	628,147	705,917	9,363,075
<b>FY2032</b>	9,313,824	10,240,204	648,110	726,462	10,039,811
<b>FY2033</b>	9,335,195	10,263,479	649,449	728,201	10,140,209

## 10-Year Long Range Planning

This section highlights the long-term implications of operating revenues and expenditures needed to support core functions and to achieve District initiatives. This section provides three forecasts for the next ten fiscal years through FY2033, with revenue and expense assumptions primarily driven by low, medium, and high grant revenue forecasts. FY2024 through FY2028 remain the same under the three scenarios in alignment with the 5-Year Plan (assumptions are described on page 91). The high and low ranges for FY2029 through FY2033 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. By using three different scenarios for revenues and expenditures, NCTD ensures a balanced budget will be maintained regardless of the economic environment and realization of grant revenues. For years six through ten, all scenarios assume a minimum investment of \$15 million into the District annual capital program, per Board policy.

### Mid-Range Forecast

This scenario represents the more likely scenario based on historical trends. FTA revenues from FY2024 to FY2028 are based on SANDAG's forecasts. The federal transportation bill passed in the Bipartisan Infrastructure Law (as enacted in the Infrastructure Investment and Jobs Act (IIJA)) increased funding each year through FY2027; FY 2028 is outside of the last year of the IIJA. The forecast reverts FY2029 FTA revenues to FY2022 levels (adjusted for inflation at 3% annually). TDA and TransNet revenues from FY2024 to FY2028 are based on SANDAG's forecasts and anticipated to grow by 3% thereafter. The passenger fares forecast is based on the 10-Year Service Implementation Plan. Operating expenses are forecast to grow by 3% annually and capital expenditures remain at \$15 million annually beginning in FY2029. Under the mid-range forecast scenario, the District will be required to contain expenses or reduce its capital investments beginning in FY2029 in order to achieve a balanced 10-Year budget.

**Table 22. 10-Year Outlook - Mid-Range Grant Revenue Forecast**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 9,785,488	\$ 11,394,338	\$ 12,426,007	\$ 13,436,418	\$ 13,570,779	\$ 13,706,486	\$ 13,843,554	\$ 13,981,990	\$ 14,484,481	\$ 14,629,326
Non-Transportation Revenues	4,234,070	3,860,092	3,493,395	3,533,547	3,580,168	3,687,573	3,798,200	3,912,146	4,029,510	4,150,395
Auxiliary Revenues	12,751,079	13,133,612	13,527,620	13,933,449	14,351,453	14,781,997	15,225,457	15,682,221	16,152,688	16,637,269
Federal Grants	94,921,831	49,725,874	49,142,453	50,043,870	50,962,455	41,865,744	43,121,716	44,415,367	45,747,828	47,120,263
State Grants	26,767,744	26,856,866	26,856,866	26,856,866	26,856,866	27,662,572	28,492,449	29,347,222	30,227,639	31,134,468
Local Grants	96,512,921	84,775,395	87,473,386	89,977,470	92,361,373	95,132,214	97,986,180	100,925,765	103,953,538	107,072,144
	<b>244,973,133</b>	<b>189,746,177</b>	<b>192,919,727</b>	<b>197,781,620</b>	<b>201,683,094</b>	<b>196,836,586</b>	<b>202,467,556</b>	<b>208,264,711</b>	<b>214,595,684</b>	<b>220,743,865</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program *	59,484,513	23,228,077	16,872,277	4,769,435	2,389,144	-	-	-	-	-
Future Capital Needs *	-	-	-	10,230,565	3,283,933	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Preventive Maintenance	42,961,835	44,250,690	45,578,211	46,945,557	48,353,924	49,804,542	51,298,678	52,837,638	54,422,767	56,055,450
Operating Expenses	142,526,785	129,906,448	133,840,410	134,242,099	138,239,848	142,387,043	146,658,654	151,058,414	155,590,166	160,257,871
	<b>244,973,133</b>	<b>197,385,215</b>	<b>196,290,898</b>	<b>196,187,656</b>	<b>192,266,849</b>	<b>207,191,585</b>	<b>212,957,332</b>	<b>218,896,052</b>	<b>225,012,933</b>	<b>231,313,321</b>
<b>Net Operating and Capital</b>	<b>\$ -</b>	<b>\$ (7,639,038)</b>	<b>\$ (3,371,171)</b>	<b>\$ 1,593,964</b>	<b>\$ 9,416,245</b>	<b>\$ (10,354,999)</b>	<b>\$ (10,489,776)</b>	<b>\$ (10,631,341)</b>	<b>\$ (10,417,249)</b>	<b>\$ (10,569,456)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238
SPRINTER Debt Principal Payments	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000
<b>Funded from Net Assets</b>	<b>\$ 4,985,238</b>	<b>\$ 5,035,238</b>	<b>\$ 5,085,238</b>	<b>\$ 5,135,238</b>	<b>\$ 5,185,238</b>	<b>\$ 5,235,238</b>	<b>\$ 5,235,238</b>	<b>\$ 5,285,238</b>	<b>\$ 5,335,238</b>	<b>\$ 5,385,238</b>

\* Board goal is \$15 million annually

### Low-Range Forecast

NCTD prepared the low-range forecast utilizing internal cost containment initiatives. The forecast for FY2024-FY2028 remains the same as the mid-range scenario; however, operating expenses are expected to grow at a rate of 2% rather than 3% per year beginning in FY2029. FTA, TDA, and TransNet revenues from FY2024 through FY2028 are based on SANDAG's forecasts and are anticipated to grow by 2% thereafter. Under the low-range forecast scenario, the District will be required to contain expenses or reduce its capital investments beginning in FY2029 in order to achieve a balanced 10-Year budget.

**Table 23. 10-Year Outlook - Low-Range Grant Revenue Forecast**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 9,785,488	\$ 11,394,338	\$ 12,426,007	\$ 13,436,418	\$ 13,570,779	\$ 13,706,486	\$ 13,843,554	\$ 13,981,990	\$ 14,484,481	\$ 14,629,326
Non-Transportation Revenues	4,234,070	3,860,092	3,493,395	3,533,547	3,580,168	3,687,573	3,798,200	3,912,146	4,029,510	4,150,395
Auxiliary Revenues	12,751,079	13,133,612	13,527,620	13,933,449	14,351,453	14,781,997	15,225,457	15,682,221	16,152,688	16,637,269
Federal Grants	94,921,831	49,725,874	49,142,453	50,043,870	50,962,455	41,865,744	42,703,059	43,557,120	44,428,262	45,316,827
State Grants	26,767,744	26,856,866	26,856,866	26,856,866	26,856,866	27,394,003	27,941,883	28,500,721	29,070,735	29,652,150
Local Grants	96,512,921	84,775,395	87,473,386	89,977,470	92,361,373	94,208,600	96,092,772	98,014,627	99,974,920	101,974,418
	<b>244,973,133</b>	<b>189,746,177</b>	<b>192,919,727</b>	<b>197,781,620</b>	<b>201,683,094</b>	<b>195,644,403</b>	<b>199,604,925</b>	<b>203,648,825</b>	<b>208,140,596</b>	<b>212,360,385</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	59,484,513	23,228,077	16,872,277	4,769,435	2,389,144	-	-	-	-	-
Future Capital Needs *	-	-	-	10,230,565	3,283,933	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Preventive Maintenance	42,961,835	44,250,690	45,578,211	46,945,557	48,353,924	49,321,002	50,307,422	51,313,570	52,339,841	53,386,638
Operating Expenses	142,526,785	129,906,448	133,840,410	134,242,099	138,239,848	141,004,645	143,824,738	146,701,233	149,635,258	152,627,963
	<b>244,973,133</b>	<b>197,385,215</b>	<b>196,290,898</b>	<b>196,187,656</b>	<b>192,266,849</b>	<b>205,325,647</b>	<b>209,132,160</b>	<b>213,014,803</b>	<b>216,975,099</b>	<b>221,014,601</b>
<b>Net Operating and Capital</b>	<b>\$ -</b>	<b>\$ (7,639,038)</b>	<b>\$ (3,371,171)</b>	<b>\$ 1,593,964</b>	<b>\$ 9,416,245</b>	<b>\$ (9,681,244)</b>	<b>\$ (9,527,235)</b>	<b>\$ (9,365,978)</b>	<b>\$ (8,834,503)</b>	<b>\$ (8,654,216)</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238
SPRINTER Debt Principal Payments	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000
	<b>\$ 4,985,238</b>	<b>\$ 5,035,238</b>	<b>\$ 5,085,238</b>	<b>\$ 5,135,238</b>	<b>\$ 5,185,238</b>	<b>\$ 5,235,238</b>	<b>\$ 5,235,238</b>	<b>\$ 5,285,238</b>	<b>\$ 5,335,238</b>	<b>\$ 5,385,238</b>

\* Board goal is \$15 million annually

### High-Range Forecast

The forecast for FY2024-FY2028 remains the same as the mid-range scenario. Beginning in FY2029, the high-range forecast assumes a 5% growth for TDA and TransNet revenues and 4% for STA revenues. Operating expenses remain at the same level as the mid-range forecast. Under the high-range scenario, the District will be required to contain expenses or reduce its capital investments beginning in FY2029 in order to achieve a balanced 10-Year budget.

**Table 24. 10-Year Outlook - High-Range Grant Revenue Forecast**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>TOTAL REVENUES</b>										
Passenger Fares	\$ 9,785,488	\$ 11,394,338	\$ 12,426,007	\$ 13,436,418	\$ 13,570,779	\$ 13,706,486	\$ 13,843,554	\$ 13,981,990	\$ 14,484,481	\$ 14,629,326
Non-Transportation Revenues	4,234,070	3,860,092	3,493,395	3,533,547	3,580,168	3,687,573	3,798,200	3,912,146	4,029,510	4,150,395
Auxiliary Revenues	12,751,079	13,133,612	13,527,620	13,933,449	14,351,453	14,781,997	15,225,457	15,682,221	16,152,688	16,637,269
Federal Grants	94,921,831	49,725,874	49,142,453	50,043,870	50,962,455	41,865,744	43,121,716	44,415,367	45,747,828	47,120,263
State Grants	26,767,744	26,856,866	26,856,866	26,856,866	26,856,866	27,931,141	29,048,387	30,210,322	31,418,735	32,675,484
Local Grants	96,512,921	84,775,395	87,473,386	89,977,470	92,361,373	96,979,442	101,828,414	106,919,835	112,265,827	117,879,118
	<b>244,973,133</b>	<b>189,746,177</b>	<b>192,919,727</b>	<b>197,781,620</b>	<b>201,683,094</b>	<b>198,952,383</b>	<b>206,865,728</b>	<b>215,121,881</b>	<b>224,099,069</b>	<b>233,091,855</b>
<b>FUNDS ALLOCATION</b>										
Capital Improvement Program	59,484,513	23,228,077	16,872,277	4,769,435	2,389,144	-	-	-	-	-
Future Capital Needs *	-	-	-	10,230,565	3,283,933	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Preventive Maintenance	42,961,835	44,250,690	45,578,211	46,945,557	48,353,924	49,804,542	51,298,678	52,837,638	54,422,767	56,055,450
Operating Expenses	142,526,785	129,906,448	133,840,410	134,242,099	138,239,848	142,387,043	146,658,654	151,058,414	155,590,166	160,257,871
	<b>244,973,133</b>	<b>197,385,215</b>	<b>196,290,898</b>	<b>196,187,656</b>	<b>192,266,849</b>	<b>207,191,585</b>	<b>212,957,332</b>	<b>218,896,052</b>	<b>225,012,933</b>	<b>231,313,321</b>
<b>Net Operating and Capital</b>	<b>\$ -</b>	<b>\$ (7,639,038)</b>	<b>\$ (3,371,171)</b>	<b>\$ 1,593,964</b>	<b>\$ 9,416,245</b>	<b>\$ (8,239,202)</b>	<b>\$ (6,091,604)</b>	<b>\$ (3,774,171)</b>	<b>\$ (913,864)</b>	<b>\$ 1,778,534</b>
<b>LONG-TERM OBLIGATIONS (Funded from Net Assets)</b>										
CalPERS Unfunded Accrued Liability Payments	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238	3,635,238
SPRINTER Debt Principal Payments	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,600,000	1,650,000	1,700,000	1,750,000
	<b>\$ 4,985,238</b>	<b>\$ 5,035,238</b>	<b>\$ 5,085,238</b>	<b>\$ 5,135,238</b>	<b>\$ 5,185,238</b>	<b>\$ 5,235,238</b>	<b>\$ 5,235,238</b>	<b>\$ 5,285,238</b>	<b>\$ 5,335,238</b>	<b>\$ 5,385,238</b>

\* Board goal is \$15 million annually

## Appendices

### Passenger Fare Rates

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fixed Route</b>										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Senior/Disabled/Medicare	1.25	1.25	1.25	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Youth	1.25	1.25	2.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Day Pass										
Adult	6.00	6.00	6.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50
Senior/Disabled/Medicare	3.00	3.00	3.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Youth	3.00	3.00	3.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50
Day Pass										
Regional Day Pass - Adult	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Regional Day Pass - Senior/Disabled/ Medicare/Youth	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Premium Day Pass - Adult	12.00	12.00	12.00	12.00	*	*	*	*	*	*
Premium Day Pass - Senior/Disabled/ Medicare/Youth	6.00	6.00	6.00	6.00	*	*	*	*	*	*
COASTER Regional Day Pass - Adult	15.00	15.00	15.00	*	*	*	*	*	*	*
COASTER Regional Day Pass - Senior/Disabled/Medicare/Youth	7.50	7.50	7.50	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	12.00	12.00	12.00	12.00	12.00	12.00	12.00
SPRINTER/BREEZE Monthly Calendar or Rolling 30-Day Pass ***										
Adult	59.00	*	*	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Senior/Disabled/Medicare	19.00	*	*	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Youth	19.00	*	*	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Regional Monthly Calendar or Rolling 30-Day Pass***										
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	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Regional Premium Monthly Calendar or Rolling 30-Day Pass***										
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	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Regional 14 Day Pass	*	*	*	43.00	43.00	43.00	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	60.00	60.00	60.00	60.00	60.00	60.00	60.00
College Monthly Pass	**	**	**	49.00	49.00	49.00	49.00	49.00	49.00	49.00
<b>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	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>ADA/Paratransit</b>										
One-way Fare	\$ 5.00	\$ 5.00	\$ 5.00	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50	\$ 3.50

*Adopted FY2024 Operating Budget and  
FY2024-FY2028 Capital Improvement Program*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Commuter Train Service</b>										
ZONE 1										
One-way Fare										
Adult	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Senior/Disabled/Medicare	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Youth	2.50	2.50	2.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Monthly Calendar or Rolling 30-Day Pass***										
Adult	140.00	140.00	140.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
ZONE 2										
One-way Fare										
Adult	5.75	5.75	5.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Senior/Disabled/Medicare	2.75	2.75	2.75	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Youth	2.75	2.75	2.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Monthly Calendar or Rolling 30-Day Pass***										
Adult	161.00	161.00	161.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
ZONE 3										
One-way Fare										
Adult	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Senior/Disabled/Medicare	3.25	3.25	3.25	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Youth	3.25	3.25	3.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Monthly Calendar or Rolling 30-Day Pass***										
Adult	182.00	182.00	182.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00
Senior/Disabled/Medicare (all zones)	58.00	58.00	58.00	41.25	41.25	41.25	41.25	41.25	41.25	41.25
Youth (all zones)	58.00	58.00	58.00	82.50	82.50	82.50	82.50	82.50	82.50	82.50
<b>Hybrid Rail Train Service</b>										
One-way Fare										
Adult	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Senior/Disabled/Medicare	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Youth	1.25	1.25	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Day Pass										
Adult	6.00	6.00	6.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50
Senior/Disabled/Medicare	3.00	3.00	3.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Youth	3.00	3.00	3.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50
SPRINTER/BREEZE Monthly Calendar or Rolling 30-Day Pass ***										
Adult	59.00	*	*	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Senior/Disabled/Medicare	19.00	*	*	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Youth	19.00	*	*	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Day Pass										
Regional Day Pass - Adult	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Regional Day Pass - Senior/Disabled/ Medicare/Youth	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Premium Day Pass - Adult	12.00	12.00	12.00	12.00	*	*	*	*	*	*
Premium Day Pass - Senior/Disabled/ Medicare/Youth	6.00	6.00	6.00	6.00	*	*	*	*	*	*
COASTER Regional Day Pass - Adult	15.00	15.00	15.00	*	*	*	*	*	*	*
COASTER Regional Day Pass - Senior/Disabled/Medicare/Youth	7.50	7.50	7.50	*	*	*	*	*	*	*
Region Plus Day Pass	*	*	*	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Regional Monthly Calendar or Rolling 30-Day Pass***										
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	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Youth	23.00	23.00	23.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Hybrid Rail Train Service (continued)</b>										
Regional Premium Monthly Calendar or Rolling 30-Day Pass***										
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	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Youth	32.00	32.00	32.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Regional 14 Day Pass	*	*	*	43.00	43.00	43.00	43.00	43.00	43.00	43.00
Regional Premium 14 Day Pass	*	*	*	60.00	60.00	60.00	60.00	60.00	60.00	60.00
College Monthly Pass	**	**	**	49.00	49.00	49.00	49.00	49.00	49.00	49.00
<b>Fare Capping (Pay As You Go)****</b>										
Regional Daily Cap										
Adult	6.00	*	*	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	3.00	*	*	*	*	*	*	*	*	*
Regional Monthly Cap										
Adult	72.00	*	*	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	23.00	*	*	*	*	*	*	*	*	*
Premium Daily Cap										
Adult	12.00	*	*	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	6.00	*	*	*	*	*	*	*	*	*
Premium Monthly Cap										
Adult	100.00	*	*	*	*	*	*	*	*	*
Senior/Disabled/Medicare/Youth	32.00	*	*	*	*	*	*	*	*	*

\* Fare product not offered

\*\* College Monthly Passes no longer have prescribed rates and are negotiated between the college/university and MTS.

\*\*\* Effective September 1, 2022 with the implementation of the PRONTO fare revenue system, Rolling 30-day passes are no longer available for sale.

\*\*\*\* Effective September 1, 2022 with the implementation of PRONTO, customers have the option to "pay-as-you-go" and reach daily and monthly caps of fares, following which they ride for free.

NOTE: The SANDAG Board of Directors approves the region's Comprehensive Fare Ordinance encompassing fares charged on all public transit vehicles in San Diego County operated by Metropolitan Transit System (MTS) and the North County Transit District (NCTD). All fare changes, including fare increases or changes in fare types, must be approved by the SANDAG Board of Directors or the Transportation Committee. Effective September 2019, the region enacted a new fare program and rate increase. Effective April 2021, additional regional fare program changes were made in advance of the PRONTO Fare System roll-out in September 2021 (fare capping) and to lower certain single-ride trips for Youth riders.

**Operating Statistics**

	<b>FY2022 Actual</b>	<b>FY2023 Budget</b>	<b>FY2023 Forecast</b>	<b>FY2024 Budget</b>
<b>PASSENGER BOARDINGS</b>				
BREEZE	3,918,669	4,001,104	4,490,845	5,012,514
LIFT	72,376	102,132	90,569	102,503
FLEX	25,332	127,103	37,194	46,135
COASTER	588,409	804,219	798,327	932,822
SPRINTER	1,322,380	1,635,632	1,340,187	1,359,932
	<b>5,927,166</b>	<b>6,670,190</b>	<b>6,757,122</b>	<b>7,453,906</b>
<b>TOTAL MILES</b>				
BREEZE	5,523,685	5,691,100	5,318,400	5,753,111
LIFT	874,311	1,142,086	1,058,343	1,229,424
FLEX	328,136	805,510	329,124	326,729
COASTER	385,097	441,830	424,664	426,855
SPRINTER	518,217	523,183	520,172	521,793
	<b>7,629,446</b>	<b>8,603,709</b>	<b>7,650,703</b>	<b>8,257,912</b>
<b>REVENUE MILES</b>				
BREEZE	4,937,883	5,044,988	4,699,655	5,036,198
LIFT	734,694	963,464	898,200	1,043,578
FLEX	315,831	739,852	317,597	313,014
COASTER	363,121	418,234	402,315	402,943
SPRINTER	514,468	519,924	517,655	519,820
	<b>6,865,997</b>	<b>7,686,462</b>	<b>6,835,422</b>	<b>7,315,553</b>
<b>PASSENGER MILES</b>				
BREEZE	16,893,856	17,204,747	19,360,033	21,608,948
LIFT	1,162,888	1,376,739	1,455,444	1,647,223
FLEX	105,120	546,543	160,343	198,888
COASTER	15,559,030	21,263,550	21,107,766	24,663,814
SPRINTER	9,848,544	11,923,757	9,984,393	10,131,493
	<b>43,569,438</b>	<b>52,315,336</b>	<b>52,067,979</b>	<b>58,250,366</b>
<b>REVENUE HOURS</b>				
BREEZE	404,761	410,066	377,633	407,664
LIFT	39,661	56,873	49,692	57,728
FLEX	16,893	49,687	16,980	16,937
COASTER	11,566	12,837	12,615	12,378
SPRINTER	23,375	23,627	23,523	23,630
	<b>496,256</b>	<b>553,090</b>	<b>480,443</b>	<b>518,337</b>

	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Budget
<b>PASSENGER FARES</b>				
BREEZE	\$ 4,261,828	\$ 4,305,192	\$ 4,677,372	\$ 4,573,166
LIFT	621,970	475,425	442,593	477,153
FLEX	32,436	410,045	49,176	62,752
COASTER	2,743,214	3,407,728	3,366,389	3,863,674
SPRINTER	1,116,444	1,118,758	1,002,888	808,743
	<b>\$ 8,775,892</b>	<b>\$ 9,717,148</b>	<b>\$ 9,538,418</b>	<b>\$ 9,785,488</b>
<b>COST BY MODE *</b>				
BREEZE	47,922,285	\$ 59,982,421	\$ 54,058,280	\$ 64,870,745
LIFT	8,811,815	12,675,477	11,241,041	13,273,645
FLEX	3,346,495	5,259,530	4,359,360	5,306,331
COASTER	33,063,038	43,353,153	37,518,096	46,513,103
SPRINTER	28,355,668	37,345,292	30,348,971	41,570,707
	<b>\$ 121,499,301</b>	<b>\$ 158,615,873</b>	<b>\$ 137,525,748</b>	<b>\$ 171,534,531</b>
<b>PASSENGERS PER REVENUE MILE</b>				
BREEZE	0.79	0.79	0.96	1.00
LIFT	0.10	0.11	0.10	0.10
FLEX	0.08	0.17	0.12	0.15
COASTER	1.62	1.92	1.98	2.32
SPRINTER	2.57	3.15	2.59	2.62
	<b>0.86</b>	<b>0.87</b>	<b>0.99</b>	<b>1.02</b>
<b>PASSENGERS PER REVENUE HOUR</b>				
BREEZE	9.68	9.76	11.89	12.30
LIFT	1.82	1.80	1.82	1.78
FLEX	1.50	2.56	2.19	2.72
COASTER	50.87	62.65	63.28	75.36
SPRINTER	56.57	69.23	56.97	57.55
	<b>11.94</b>	<b>12.06</b>	<b>14.06</b>	<b>14.38</b>
<b>FARE REVENUE PER PASSENGER</b>				
BREEZE	\$ 1.09	\$ 1.08	\$ 1.04	\$ 0.91
LIFT	8.59	4.66	4.89	4.66
FLEX	1.28	3.23	1.32	1.36
COASTER	4.66	4.24	4.22	4.14
SPRINTER	0.84	0.68	0.75	0.59
	<b>\$ 1.48</b>	<b>\$ 1.46</b>	<b>\$ 1.41</b>	<b>\$ 1.31</b>

\* Excludes GASB 68 and GASB 75 non-cash adjustments and Unfunded Accrued Liability (UAL) pension contributions.

	FY2022 Actual	FY2023 Budget	FY2023 Forecast	FY2024 Budget
<b>COST PER PASSENGER</b>				
BREEZE	\$ 12.23	\$ 14.99	\$ 12.04	\$ 12.94
LIFT	121.75	124.11	124.12	129.50
FLEX	132.11	41.38	117.21	115.02
COASTER	56.19	53.91	47.00	49.86
SPRINTER	21.44	22.83	22.65	30.57
	<b>\$ 20.50</b>	<b>\$ 23.78</b>	<b>\$ 20.35</b>	<b>\$ 23.01</b>
<b>FAREBOX RECOVERY RATIO</b>				
BREEZE	8.9%	7.2%	8.7%	7.0%
LIFT	7.1%	3.8%	3.9%	3.6%
FLEX	1.0%	7.8%	1.1%	1.2%
COASTER	8.3%	7.9%	9.0%	8.3%
SPRINTER	3.9%	3.0%	3.3%	1.9%
	<b>7.2%</b>	<b>6.1%</b>	<b>6.9%</b>	<b>5.7%</b>
<b>COST PER PASSENGER MILE</b>				
BREEZE	\$ 2.84	\$ 3.49	\$ 2.79	\$ 3.00
LIFT	7.58	9.21	7.72	8.06
FLEX	31.83	9.62	27.19	26.68
COASTER	2.13	2.04	1.78	1.89
SPRINTER	2.88	3.13	3.04	4.10
	<b>\$ 2.79</b>	<b>\$ 3.03</b>	<b>\$ 2.64</b>	<b>\$ 2.94</b>
<b>COST PER REVENUE MILE</b>				
BREEZE	\$ 9.71	\$ 11.89	\$ 11.50	\$ 12.88
LIFT	11.99	13.16	12.52	12.72
FLEX	10.60	7.11	13.73	16.95
COASTER	91.05	103.66	93.26	115.43
SPRINTER	55.12	71.83	58.63	79.97
	<b>\$ 17.70</b>	<b>\$ 20.64</b>	<b>\$ 20.12</b>	<b>\$ 23.45</b>
<b>COST PER REVENUE HOUR</b>				
BREEZE	\$ 118.40	\$ 146.28	\$ 143.15	\$ 159.13
LIFT	222.18	222.87	226.21	229.93
FLEX	198.10	105.85	256.73	313.30
COASTER	2,858.64	3,377.20	2,974.09	3,757.72
SPRINTER	1,213.08	1,580.62	1,290.18	1,759.23
	<b>\$ 244.83</b>	<b>\$ 286.78</b>	<b>\$ 286.25</b>	<b>\$ 330.93</b>

**North San Diego County Community Profile**

	2016	2025	2035	2050
<b>Carlsbad</b>				
Total Population	113,179	118,068	118,719	120,313
Total Households	46,152	49,229	51,552	52,494
Median Household Income	\$91,900	\$96,700	\$99,200	\$102,800
Median Age	41.1	41.1	43.0	43.1
<b>Del Mar</b>				
Total Population	4,284	4,378	4,517	4,677
Total Households	2,611	2,615	2,641	2,668
Median Household Income	\$109,700	\$118,000	\$121,700	\$124,500
Median Age	49.0	47.3	49.3	47.2
<b>Encinitas</b>				
Total Population	62,625	63,253	63,360	64,136
Total Households	26,040	26,703	27,249	27,746
Median Household Income	\$93,200	\$97,400	\$99,900	\$103,600
Median Age	41.8	42.3	43.9	43.5
<b>Escondido</b>				
Total Population	150,978	163,593	163,791	167,211
Total Households	48,462	54,551	56,647	58,201
Median Household Income	\$54,000	\$57,100	\$59,300	\$61,700
Median Age	34.1	34.4	35.8	38.8
<b>Oceanside</b>				
Total Population	176,666	180,500	180,624	182,311
Total Households	65,851	69,225	72,049	72,953
Median Household Income	\$58,100	\$61,800	\$64,400	\$67,200
Median Age	36.5	37.3	38.8	40.6
<b>San Marcos</b>				
Total Population	92,566	98,981	100,624	115,357
Total Households	30,539	34,250	36,113	42,050
Median Household Income	\$61,200	\$67,200	\$69,100	\$69,400
Median Age	34.2	34.3	35.4	38.1
<b>Solana Beach</b>				
Total Population	13,860	14,006	14,128	14,359
Total Households	3,497	6,605	6,749	6,854
Median Household Income	\$95,900	\$100,500	\$103,700	\$107,400
Median Age	43.8	43.5	45.4	44.3
<b>Vista</b>				
Total Population	102,933	106,495	108,208	109,273
Total Households	32,195	34,305	36,431	37,074
Median Household Income	\$55,700	\$60,300	\$62,800	\$65,500
Median Age	33.6	34.4	35.6	38.5

From SANDAG Series 14 Regional Growth Forecast dated May 5, 2023.

**San Diego County Employment by Industry**

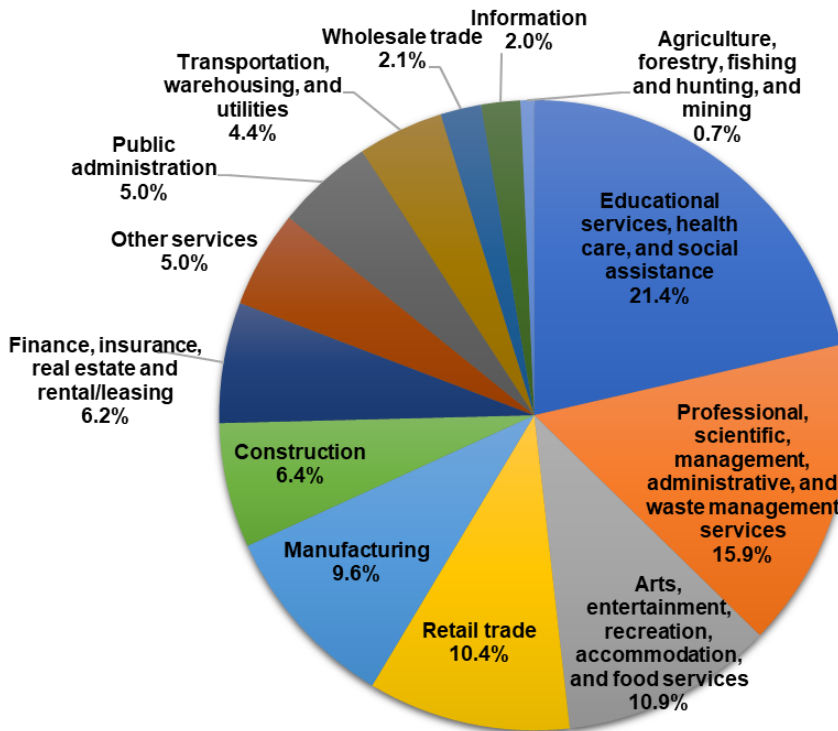
INDUSTRY	Percentage of Total Employment				
	2017	2018	2019	2020	2021
Educational services, health care, and social assistance	21.2%	22.3%	21.1%	21.2%	21.4%
Professional, scientific, management, administrative, and waste management services	15.0%	17.0%	15.5%	15.9%	15.9%
Arts, entertainment, recreation, accommodation, and food services	11.9%	12.5%	11.8%	11.4%	10.9%
Retail trade	10.7%	9.3%	10.4%	10.1%	10.4%
Manufacturing	9.2%	9.0%	9.2%	9.5%	9.6%
Construction	5.7%	4.3%	6.0%	6.5%	6.4%
Finance, insurance, real estate and rental/leasing	6.3%	6.5%	6.2%	6.3%	6.2%
Other services	5.3%	5.2%	5.4%	5.4%	5.0%
Public administration	5.1%	4.8%	5.1%	4.9%	5.0%
Transportation, warehousing, and utilities	3.9%	3.9%	4.1%	4.0%	4.4%
Wholesale trade	2.5%	2.1%	2.3%	2.0%	2.1%
Information	2.3%	2.6%	2.2%	2.3%	2.0%
Agriculture, forestry, fishing and hunting, and mining	0.9%	0.4%	0.8%	0.5%	0.7%

2016 - 2017 Source: American Community Survey 5-Year Estimates for cities and community planning areas within NCTD's jurisdiction. Website at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmm>

2018 - 2020 Source: American Community Survey 5-Year Estimates Subject Tables for San Diego County. Website at <https://data.census.gov>

2021 Source: American Community Survey 5-Year Estimates Subject Tables for San Diego County, S2405. Website at <https://data.census.gov>

**Figure 11. 2021 Percentage of Employment by Industry**



**North San Diego County Major Employers**

EMPLOYER	Rank	Number of Employees	Percent of Total Employment	Source
Marine Corps Base, Camp Pendleton	1	70,000	4.53%	a
Vista Unified School District	2	2,897	0.19%	b
ViaSat	3	2,481	0.16%	e
San Marcos Unified School District	4	2,464	0.16%	d
Palomar Medical Center	5	2,462	0.16%	c
Legoland California LLC	6	2,300	0.15%	e
Escondido Union School District	7	2,207	0.14%	c
Tri City Medical Center	8	2,100	0.14%	f
Thermo Fischer Scientific (Life Technologies)	9	1,982	0.13%	e
Oceanside Unified School District	10	1,959	0.13%	g
California State University San Marcos	11	1,800	0.12%	d
Palomar College	12	1,769	0.11%	d
Omni La Costa Resort and Spa	13	1,300	0.08%	e
Carlsbad Unified School District	14	1,092	0.07%	e
City of Oceanside	15	986	0.06%	g
Taylor Made Golf Company	16	960	0.06%	e
City of Escondido	17	951	0.06%	c
Hunter Industries	18	815	0.05%	d
City of Carlsbad	19	748	0.05%	e
Escondido Union High School District	20	679	0.04%	c
Watkins Manufacturing Corp	21	659	0.04%	b
Nortek Security Control	22	637	0.04%	e
Vista Community Clinic	23	584	0.04%	b
HM Electronics	24	571	0.04%	e
Gemological Institute of America	25	555	0.04%	e
Total San Diego County Labor Force		1,543,700		h

**Sources:**

- a [www.pendleton.marines.mil/Main-Menu/Introduction](http://www.pendleton.marines.mil/Main-Menu/Introduction)
- b *City of Vista, Annual Consolidated Financial Report FY21*
- c *City of Escondido, Annual Consolidated Financial Report FY21*
- d *City of San Marcos, Annual Consolidated Financial Report FY21*
- e *City of Carlsbad, Annual Consolidated Financial Report FY21*
- f *Tri City Medical Center website*
- g *Oceanside Unified School District website & City of Oceanside Annual Consolidated Financial Report FY21*
- h *State of California Employment Development Department:*  
<https://www.labormarketinfo.edd.ca.gov/geography/msa/san-diego-carlsbad.html>

**San Diego County Demographics and Economic Statistics**

Calendar Year	North County Population [1]	Per Capita Personal Income (San Diego County) [2]	San Diego County Taxable Sales (000s) [3]	San Diego County Sales & Use Tax Revenues Allocation [4]	San Diego County Transportation Tax Revenues Allocation [5]	North County Unemployment Rate [6]	San Diego County Unemployment Rate [6]	State Unemployment Rate [6]	US Unemployment Rate [7]
2012	852,740	\$30,683	\$47,947,035	Not available	Not available	8.50%	9.60%	11.70%	8.90%
2013	861,912	\$30,668	\$50,297,331	\$359,965,188	\$120,103,981	8.80%	10.00%	8.90%	7.50%
2014	871,660	\$31,043	\$52,711,639	\$378,899,395	\$126,367,594	8.00%	9.60%	7.10%	6.20%
2015	878,823	\$31,266	\$54,185,588	\$399,501,827	\$133,231,349	7.00%	8.70%	6.20%	5.30%
2016	885,084	\$32,482	\$55,407,866	\$449,627,397	\$136,355,183	6.10%	7.80%	5.50%	4.90%
2017	894,852	\$34,350	Discontinued	\$562,678,663	\$140,009,151	4.00%	3.50%	4.80%	4.40%
2018	901,849	\$36,156	Discontinued	\$573,363,388	\$144,039,585	3.40%	3.40%	4.30%	3.90%
2019	906,645	\$63,729	Discontinued	\$613,506,282	\$153,246,887	3.20%	3.20%	4.00%	3.70%
2020	902,178	\$67,830	Discontinued	\$633,554,470	\$156,915,000	9.20%	9.20%	10.10%	8.10%
2021	959,439	\$72,637	Discontinued	\$776,197,728	\$194,078,000	6.50%	6.50%	7.30%	5.30%

1 SANDAG Data Surfer estimates for North County

2 US Dept of Commerce, Bureau of Economic Analysis, <https://www.bea.gov/data/income-saving/personal-income-county-metro-and-other-areas>

3 California State Board of Equalization \*\*This data is no longer being published

4 California State Board of Equalization Table 21A, Fiscal Year data; <https://www.cdta.ca.gov/dataportal/dataset.htm?url=SUTDRevDistCityCounty>

5 California State Board of Equalization Table 21B, Fiscal Year data; <https://www.cdta.ca.gov/dataportal/dataset.htm?url=SUTDRevCountiesCountyTransTax>

6 Employment Development Division; Annual Average Unemployment Rate and Labor Force Data Table <https://www.labormarketinginfo.edd.ca.gov/data/unemployment-and-labor-force.html>

7 US Bureau of Labor Statistics calendar year averages; <https://www.bls.gov/lau/lastrk20.htm>



## 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 Executive Director, adopted by NCTD's Board of Directors, and made available to the public and other interested parties.

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

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

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

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

**Capital Assets:** NCTD Board Policy No. 29 - *Asset Management* provides the guideline for the determination of a capital asset, which is defined as the acquisition of rolling stock, land, facility, a unit of equipment, an element of infrastructure, and intellectual property that has an individual unit value of \$5,000 or greater and has an expected useful life of more than one year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Expenditures:** Also known as expenses. Where financial records are kept on an accrual accounting basis, expenditures are recognized when goods are received, or services are rendered. Where financial

records accounts are kept on a cash basis, expenditures are recognized only when the cash payments are made.

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

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

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

**Fixed Assets:** Also known as capital assets. Refer to definition above.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NCTD:** North County Transit District.

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

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

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

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

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

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

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

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

**Personnel:** NCTD's employees.

**Planetbids:** Web-based eProcurement company that assists public, private, education, and non-profit sectors in streamlining the procurement process.

**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.

**RFP:** Request for proposal. An RFP is a document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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