



January 15, 2026

To: Finance and Administration Committee *For*
From: Darrell E. Johnson, Chief Executive Officer *DEJ*
Subject: Fiscal Year 2025-26 First Quarter Budget Status Report

Overview

Orange County Transportation Authority staff have implemented the fiscal year 2025-26 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the first quarter of fiscal year 2025-26.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2025-26 Budget on June 9, 2025. The approved budget itemized the anticipated revenues and expenses necessary to deliver OCTA's transportation programs and projects.

The balanced budget as approved by the Board in June was \$1,739.2 million. Sources of funds were comprised of \$1,285.7 million in current FY revenues and \$453.5 million in use of prior year designations. Uses of funds were comprised of \$1,645.7 million of current FY expenditures and \$93.5 million of designations.

Discussion

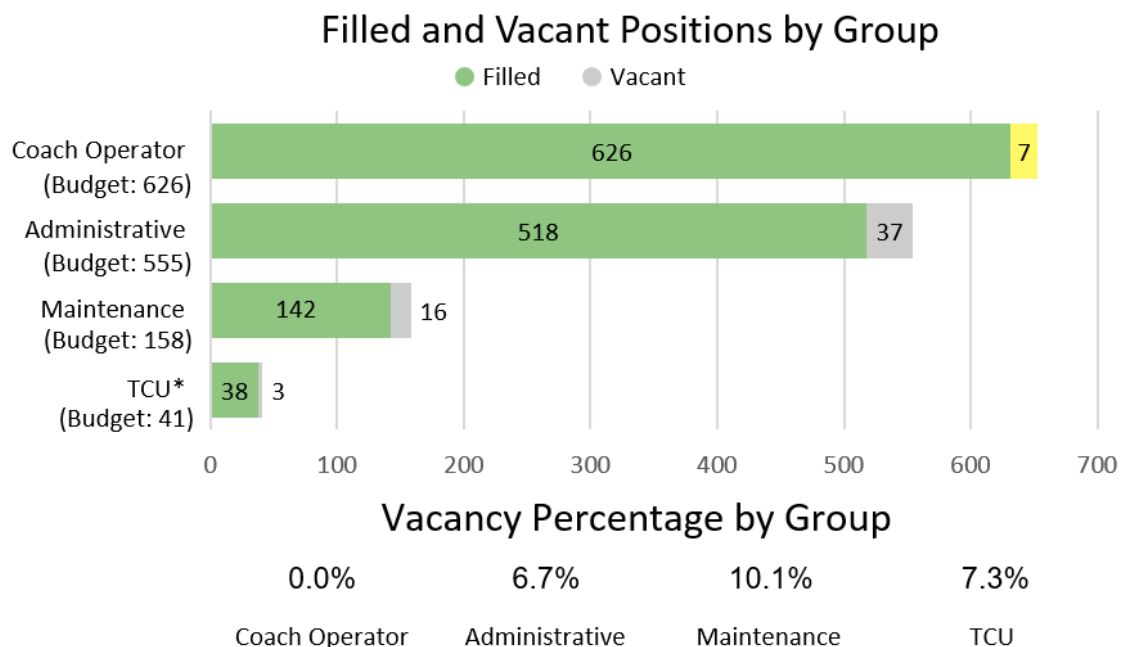
Staff monitors and analyzes revenues and expenditures versus the working budget. This report provides a summary level overview of staffing levels and explanations for material budget to actual variances within each pertinent OCTA program. The OCTA programs include Bus, Regional Rail, Express Lanes, Motorist Services, and Measure M2 (M2). A visual dashboard summary of this report is provided in Attachment A.

Unless indicated on an individual chart, the general color pattern used is outlined below:

- Gray – Budget
- Green – Within budget
- Yellow – Within five percent variance of budget
- Red – Over five percent variance of budget

Staffing

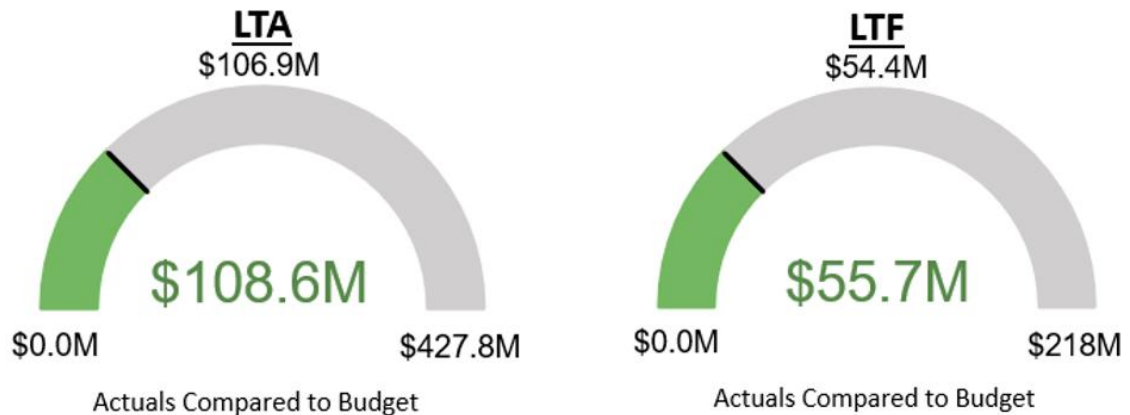
Total salaries and benefits were \$2 million under the budget of \$56.3 million. This is primarily due to staffing vacancies agency wide; vacancy details are provided in the graph below. Coach operator positions were slightly over the budgeted amount due to lower attrition than anticipated.



*TCU - Transportation Communications Union

Sales Tax Receipts

The charts below provide a FY snapshot for both the Local Transportation Authority (LTA) M2 Program and Local Transportation Fund (LTF) Bus Program sales tax revenues against the budget. LTA sales tax receipts of \$108.6 million were \$1.7 million higher than the budget and LTF sales tax receipts of \$55.7 million were \$1.3 million higher than the budget.



Major Programs

Bus Program



Bus Program operating revenues and expenses were each \$82 million, coming in \$1.4 million under the budget. The variance on both sides is primarily due to the delayed execution of contracts related to the Enhanced Mobility for Seniors and Individuals with Disabilities Program. As a result, contributions to other agencies and the associated revenue reimbursements were lower than anticipated in the first quarter. These expenses and revenues are expected in alignment by the end of the FY.



Bus Program capital revenues and expenses of \$3.5 million were \$2.2 million higher than the budget. This was due to higher than anticipated revenue reimbursements based on higher capital expenses through the first quarter. Capital expenses were higher than budgeted primarily due to building improvements on projects such as the metered electrical switch gear and battery charging system projects having their contracts signed earlier than anticipated.

Regional Rail Program



Operating Revenue

\$4.3M YTD Budget

\$73.9M
Annual Budget

Operating Expense

\$1.7M YTD Budget

\$73.9M
Annual Budget

Regional Rail Program operating revenues of \$5.1 million were \$0.8 million higher than the budget. This was due to higher than anticipated interest income. Rail operating expenses of \$0.7 were \$1 million lower than budgeted. This was primarily due to lower utilization of “as needed” services such as right-of-way (ROW) maintenance and debris removal.

Capital Revenue

\$1.1M YTD Budget

\$72.1M
Annual Budget

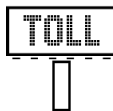
Capital Expense

\$1.1M YTD Budget

\$72.1M
Annual Budget

Regional Rail Program capital revenues and expenses of \$1.1 million aligned to budget.

91 Express Lanes Program



Operating Revenue

\$19.2M YTD Budget

\$167.3M
Annual Budget

Operating Expense

\$3.1M YTD Budget

\$167.3M
Annual Budget

The 91 Express Lanes Program operating revenues of \$23.9 million exceeded the budget by \$4.6 million, primarily due to larger than anticipated revenues from interest income, toll violations, and higher trip volumes. Operating expenses of \$2.1 million were \$1 million lower than the budget of \$3.1 million, primarily due to the timing of invoicing for the toll road operating contract. The remaining variance is due to lower usage of professional services such as collection services and consultants.

Capital Revenue

\$0M YTD Budget

\$47.4M
Annual Budget

Capital Expense

\$0M YTD Budget

\$47.4M
Annual Budget

The 91 Express Lanes Program capital revenues and expenses were in line through the first quarter as there were no budgeted or actual amounts.

405 Express Lanes Program



Operating Revenue

\$13.4M YTD Budget



Operating Expense

\$7.1M YTD Budget



The 405 Express Lanes Program operating revenues of \$16.5 million were \$3.1 million over budget, primarily due to higher than anticipated trip volumes and toll violation revenues. Operating expenses of \$5.5 million were \$1.6 million lower than the budget of \$7.1 million, primarily due to the timing of work and invoicing on the back-office system.

Motorist Services Program



Operating Revenue

\$2.6M YTD Budget



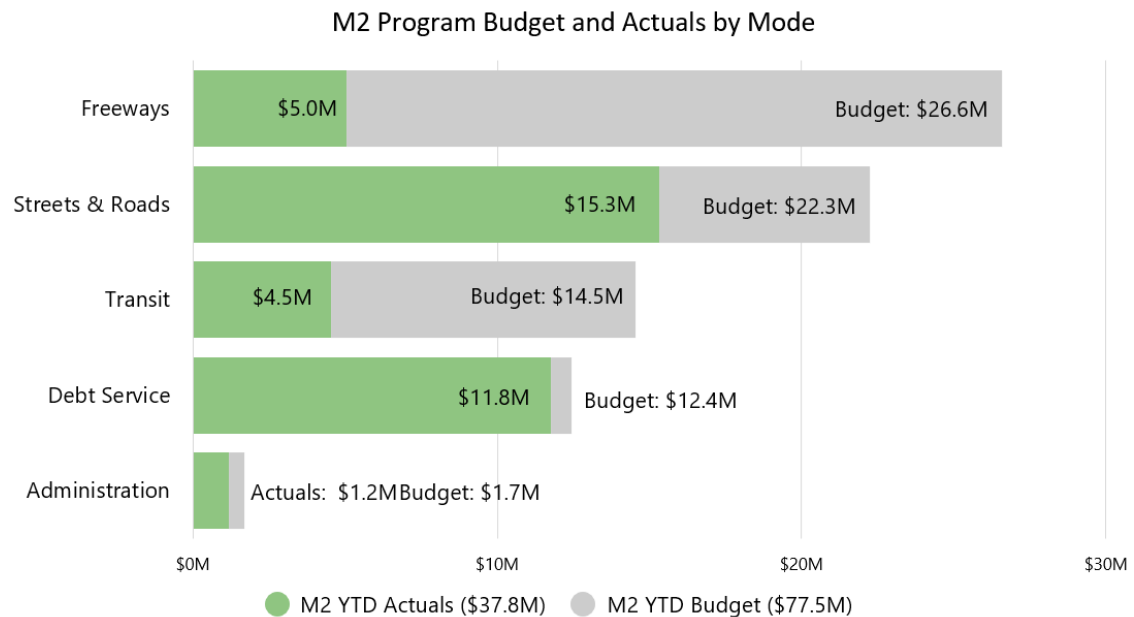
Operating Expense

\$2.6M YTD Budget



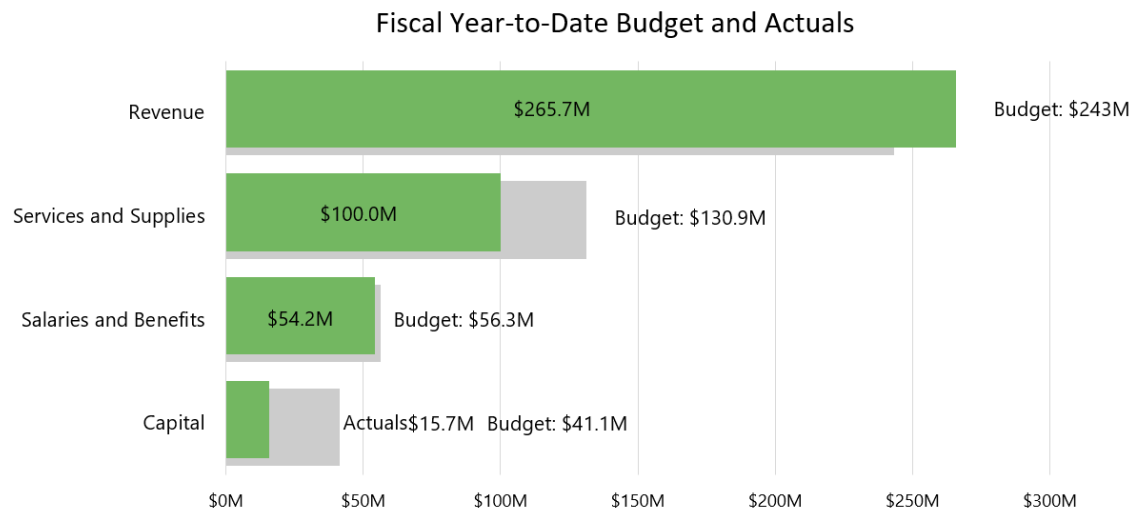
Motorist Services Program operating revenue and expenses of \$1.6 million were \$1 million lower than the budget. The expense underrun is due to the timing of invoices for Freeway Service Patrol contracted tow services. The revenue underrun directly correlates to the amount of revenue needed to fund expenditures.

M2 Program



Total actual expenses of \$37.8 million for the M2 Program were \$39.7 million lower than the budget, primarily due to the timing of construction and ROW payments for freeway projects including the State Route 91 (SR-91) to State Route 57 (SR-57) Project (\$10.1 million), Interstate 5 (I-5) to El Toro Road Freeway Project (\$6.2 million), Interstate 605 (I-605) to Katella Avenue Interchange Project (\$1.9 million), and State Route 55 (SR-55) to SR-91 Project (\$1.3 million). Also contributing to the variance is the timing of OC Streetcar construction expenses (\$8.9 million). Additionally, lower than anticipated expenses for the Local Fair Share Program (\$6.1 million) and the Regional Traffic Signal Synchronization Program (\$0.7 million) contributed to the underrun.

Summary



Overall, revenues of \$265.7 million were \$22.7 million over budget. This was primarily due to higher than anticipated interest income. In addition, the SR-55 to SR-91 Project received a prior year grant reimbursement in the current FY. Lastly, higher than anticipated toll income contributed to the remainder of the overrun.

Operating expenses of \$100 million were \$30.9 million under budget, primarily due to lower than anticipated expenses and contributions to Orange County, cities, and local agencies for the Local Fair Share Program. Additionally, as-needed outside services as well as professional services contributed to the underrun.

Salaries and benefits of \$54.2 million were \$2.1 million lower than budgeted. This was primarily due to staffing vacancies in the administrative and maintenance groups.

Total OCTA capital expenses of \$15.7 million were \$25.4 million under budget, primarily due to the timing of construction and ROW expenses for the SR-91 to SR-57 Project, I-5 to El Toro Road Freeway Project, I-605 to Katella Avenue Project, and SR-55 to SR-91 Project.

Attachment

A. Fiscal Year 2025-26 First Quarter Budget Status Summary

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