



October 22, 2025

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Fiscal Year 2024-25 Fourth Quarter Budget Status Report

Overview

Orange County Transportation Authority staff have implemented the fiscal year 2024-25 budget. This report summarizes the material variances between the budget and actual revenues and expenses through the fourth quarter of fiscal year 2024-25.

Recommendation

Receive and file as an information item.

Background

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2024-25 Budget on June 24, 2024. 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 \$1,756.6 million. Sources of funds were comprised of \$1,403.8 million in current FY revenues and \$352.8 million in use of prior year designations. Uses of funds were comprised of \$1,660.1 million of current FY expenditures and \$96.5 million of designations.

The Board has approved three amendments through the fourth quarter, increasing the expense budget by \$174.9 million. This increased the budget to \$1,931.5 million as summarized in Table 1 on the following page.

Table 1 - Working Budget

Date	Description	Amount*
7/1/2024	Adopted Budget	\$ 1,756,583
8/12/2024	New Administrative Headquarters	54,500
1/27/2025	405 Express Lanes Toll Revenue/Designations	(14,627)
4/14/2025	Emergency Slope Rehabilitation	135,000
	<i>Subtotal Amendments</i>	<i>174,873</i>
	Total Working Budget	\$ 1,931,456

*in thousands

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.

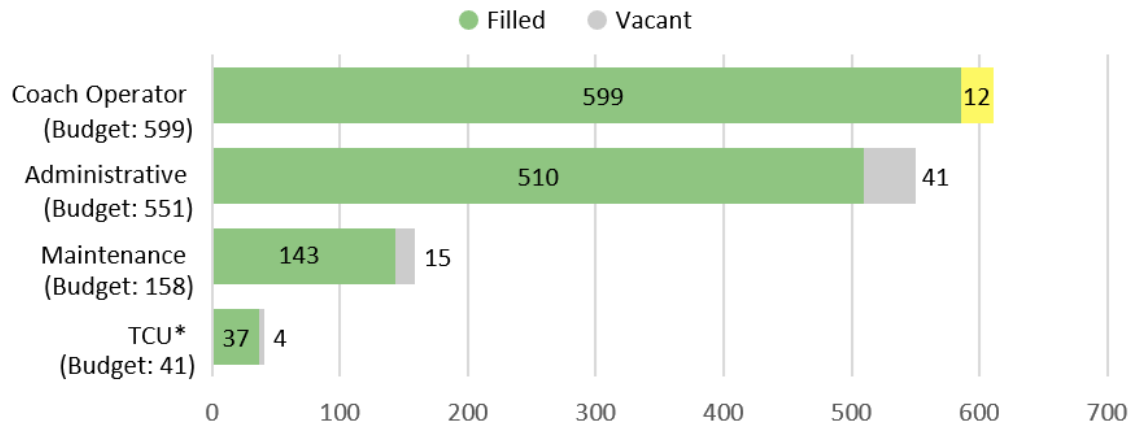
Unless indicated on an individual chart, the general color pattern used is outlined below:

- 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 \$17.7 million under the budget of \$216.5 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 when the budget was developed.

Filled and Vacant Positions by Group



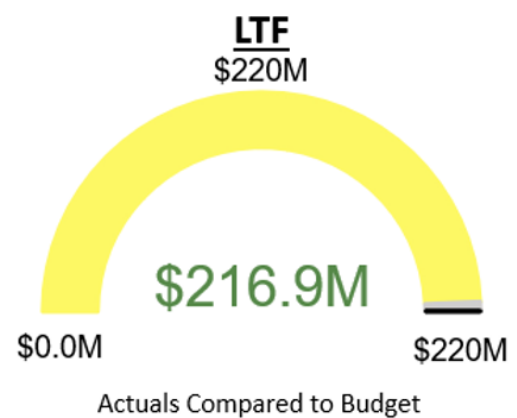
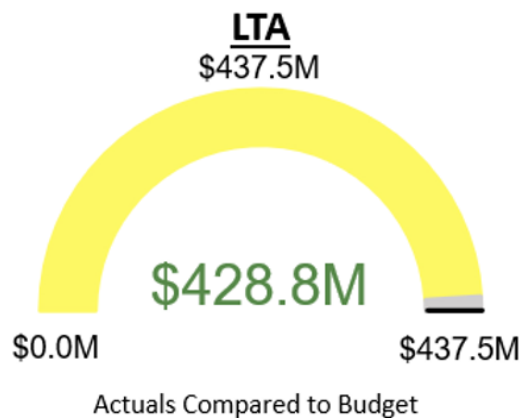
Vacancy Percentage by Group



*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 \$428.8 million were \$8.7 million lower than the budget and LTF sales tax receipts of \$216.9 million were \$3.1 million lower than the budget.



Major Programs

Bus Program



Operating Revenue

\$401.2M Annual Budget



Operating Expense

\$401.2M Annual Budget



Bus Program operating revenues of \$412.8 million were \$11.5 million above the budget. This was due to prior year reimbursable expenses from federal operating assistance grant revenues received in FY 2024-25. Bus Program operating expenses of \$386.2 million were \$15 million under the budget. This is primarily due to lower than anticipated expenditures on recurring as-needed services and supplies, such as fuel, maintenance services, and professional services, which can vary based on need.

Capital Revenue

\$310.2M Annual Budget



Capital Expense

\$310.2M Annual Budget



Bus Program capital revenues and expenses of \$248.3 million were \$61.9 million lower than the budget. This was due to less than anticipated revenue reimbursements based on lower capital expenses through the fourth quarter. Capital expenses were lower than budgeted primarily due to building improvements on projects such as the hydrogen fueling station and metered electrical switch gear projects requiring additional requests for proposals which pushed the projects into FY 2025-26. Additionally, the timing of the purchase of six new 60-foot articulated electric buses that are now anticipated in FY 2025-26 contributed to the variance.

Regional Rail Program



Operating Revenue

\$76.7M Annual Budget



Operating Expense

\$76.7M Annual Budget



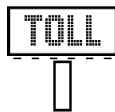
Regional Rail Program operating revenues of \$286.9 million were \$210.2 million higher than the budget. This was due to additional

SB 125 (Chapter 54, Statutes of 2023) funds that were recognized in FY 2024-25 but not budgeted due to the uncertainty of funding as well as higher than anticipated interest income. Rail operating expenses were \$4.1 million lower than budgeted. This was due to slope rehabilitation work that requires additional permitting; staff anticipates the work will be done in FY 2025-26.



Regional Rail Program capital revenues of \$50.7 million were \$101.4 million under budget. This was due to less than anticipated revenue reimbursements based on lower capital expenses through the fourth quarter. Rail capital expenses came in \$101.4 million lower than budgeted. This was due to the Coastal Rail Rehabilitation Project, which was originally anticipated as a one phase project but was adjusted to a multiple phase project with different timelines. Additionally, the work could not begin as anticipated due to additional regulatory and permitting requirements. Staff anticipate expenses for this project will continue in FY 2025-26.

91 Express Lanes Program

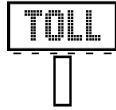


The 91 Express Lanes Program operating revenues of \$95.6 million exceeded the budget by \$9.5 million, primarily due to larger than anticipated revenues from toll violations, interest income, and higher trip volumes. Operating expenses of \$27 million were \$59.3 million lower than the budget of \$86.3 million, primarily due to lower than anticipated contributions to the State Route 91 (SR-91) to State Route 57 (SR-57) Project, which will continue in FY 2025-26.



The 91 Express Lanes Program capital revenues and expenses of \$37.1 million came in at \$1.9 million under budget. This was primarily due to the timing of the final milestone payment for the Electronic Toll and Traffic Management System Project, which is now anticipated in FY 2025-26.

405 Express Lanes Program



Operating Revenue

\$42.6M Annual Budget



Operating Expense

\$42.6M Annual Budget



The 405 Express Lanes Program operating revenues of \$56 million were \$13.4 million over budget, primarily due to higher than anticipated toll violation revenues. Operating expenses of \$27.9 million were \$14.7 million lower than the budget of \$42.6 million, primarily due to the timing of work and invoicing on the back-office system.

Motorist Services Program



Operating Revenue

\$12.2M Annual Budget



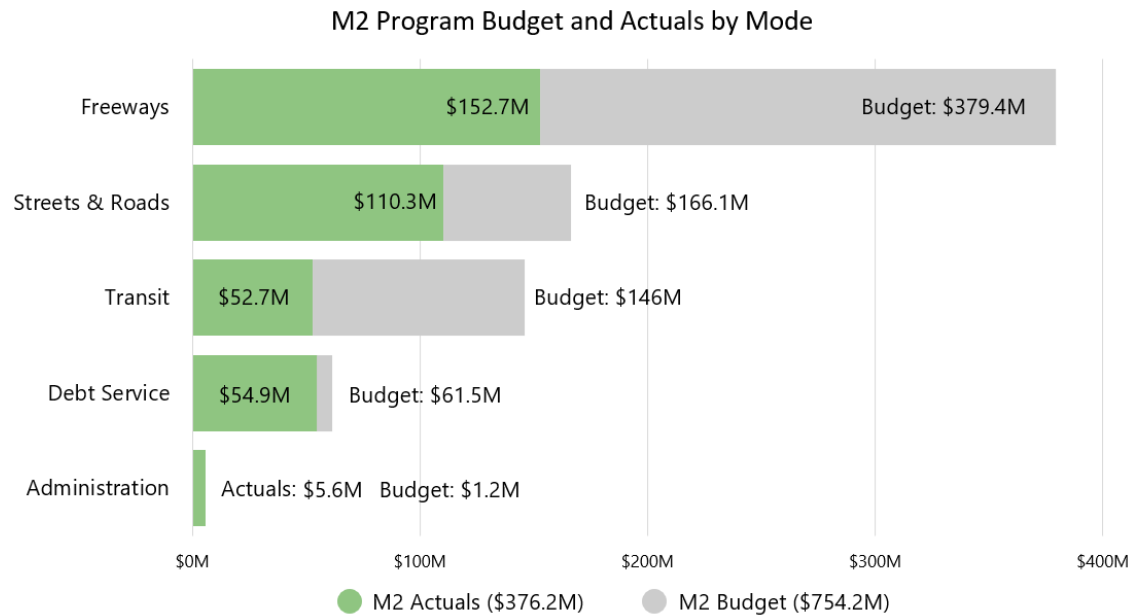
Operating Expense

\$12.2M Annual Budget



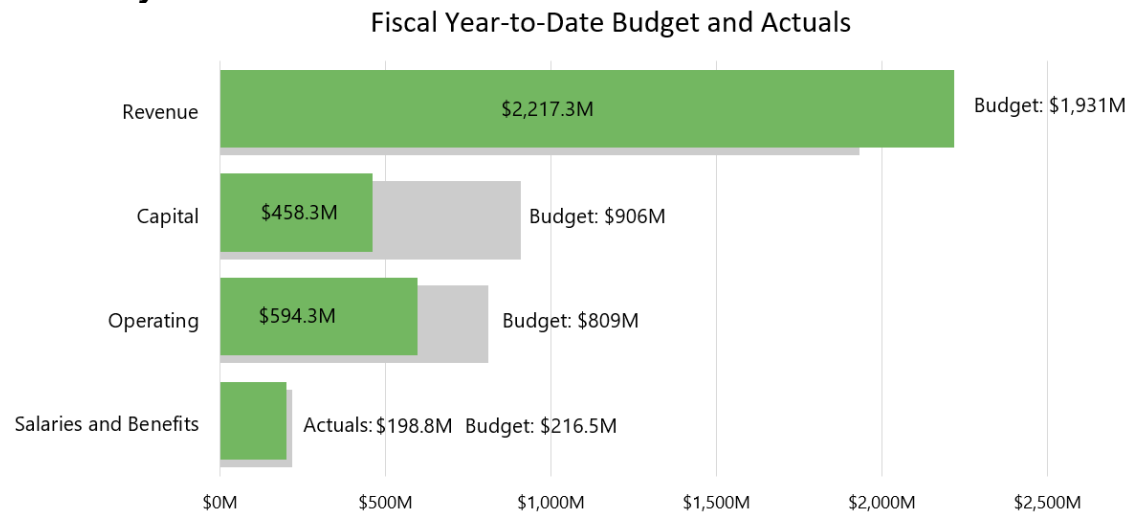
Motorist Services Program operating revenues of \$13.1 million were \$0.9 million above the budget. This was primarily due to SB 1 (Chapter 5, Statutes of 2017) funds that were anticipated in the prior year but received in FY 2024-25. Operating expenses of \$11 million were \$1.2 million lower than the budget. This is primarily due to lower than anticipated administrative fees and contracted tow service costs for Freeway Service Patrol.

M2 Program



Total actual expenses of \$376.2 million for the M2 Program were \$378 million lower than the budget, primarily due to the timing of construction and right-of-way (ROW) payments for freeway projects including the SR-91 to SR-57 Project (\$82.2 million), State Route 55 (SR-55) to SR-91 Project (\$60.4 million), and Interstate 5 (I-5) to El Toro Road Freeway Project (\$59.5 million). Also contributing to the variance are lower than anticipated expenses for Regional Traffic Signal Synchronization (\$27.2 million), the Regional Capacity Program (\$24.2 million), and Community Based Transit Circulators (\$19.8 million). Additionally, the timing of OC Streetcar construction expenses (\$65.3 million) contributed to the underrun.

Summary



Overall, revenues of \$2,217.3 million were \$286.3 million over budget. This was primarily due to reimbursement of Transit and Intercity Rail Capital Program funding related to construction expenses incurred in prior years for the OC Streetcar Project. In addition, SB 125 state assistance grant revenues for regional rail were recognized in FY 2024-25 but not budgeted due to the uncertainty of funding.

Total OCTA capital expenses of \$458.3 million were \$447.7 million under budget, primarily due to the timing of OC Streetcar construction expenses and the timing of construction and ROW expenses for the SR-91 to SR-57 Project, SR-55 to SR-91 Project, and I-5 to El Toro Road Freeway Project.

Operating expenses of \$594.3 million were \$214.7 million under budget, primarily due to lower than anticipated expenses and contributions to the SR-91 to SR-57 Project, which has been rebudgeted in FY 2025-26. Additionally, contributions to Orange County, cities, and local agencies, the timing of work and invoicing on the back-office system, and as-needed services and supplies as well as professional services contributed to the underrun.

Salaries and benefits of \$198.8 million underran the budget by \$17.7 million. This was primarily due to staffing vacancies in the administrative group.

Attachment

A. Fiscal Year 2024-25 Fourth Quarter Budget Status Summary

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