

AUGUST 28, 2025

Overview of State Funding for Los Angeles–San Diego–San Luis Obispo (LOSSAN) Rail Corridor

PRESENTED TO:

Senate Committee on Transportation; Subcommittee
on LOSSAN Rail Corridor Resiliency
Hon. Catherine Blakespear, Chair



LEGISLATIVE ANALYST'S OFFICE

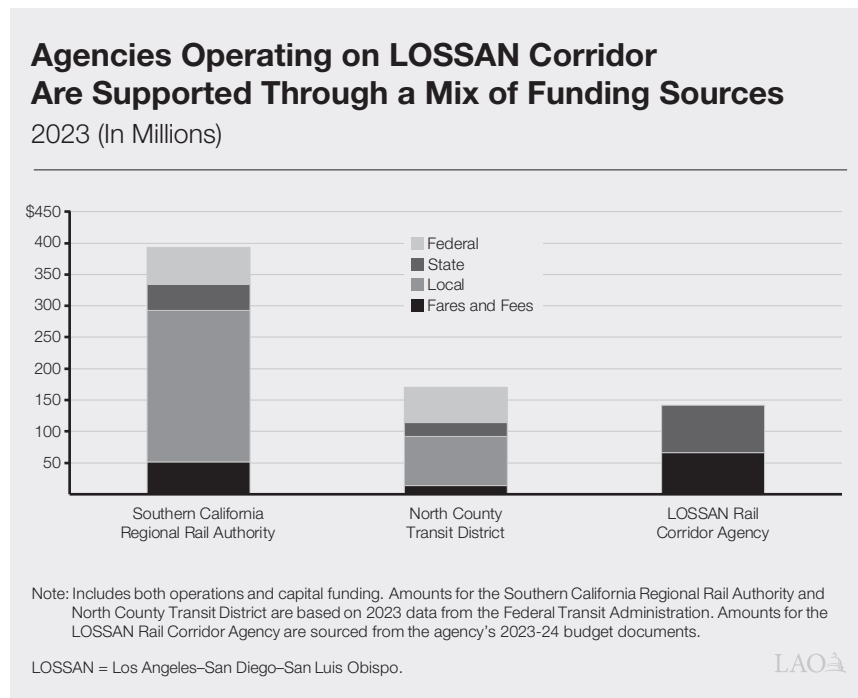
Overview of Passenger Rail Services on LOSSAN Corridor

- The LOSSAN corridor, which extends from San Luis Obispo to San Diego, accommodates both passenger and freight rail services. Passenger rail services operating along this corridor include:
 - ***Pacific Surfliner.*** Intercity rail service that operates between San Luis Obispo, Los Angeles, and San Diego. This is one of three state-supported intercity rail routes that the state is responsible for funding. While the state originally had a direct role in managing operations, this responsibility was transferred to the LOSSAN Rail Corridor Agency in 2015. Amtrak operates services through a contract with the LOSSAN Rail Corridor Agency.
 - ***COASTER.*** Commuter (regional) rail service that operates between Oceanside and San Diego. COASTER is operated by the North County Transit District, which also provides bus and light-rail services within the San Diego region.
 - ***Metrolink.*** Commuter rail network that operates across six counties in the Southern California region. These services are managed by the Southern California Regional Rail Authority. On the LOSSAN corridor, Metrolink provides services between Ventura, Los Angeles, and Oceanside.
 - ***Coast Starlight.*** Intercity rail service that operates between Los Angeles and Seattle, Washington. Coast Starlight is one of many Amtrak long-distance routes that operate across the country. (The route is supported through federal funds that are provided to Amtrak and fare revenues. We do not discuss this route further in this handout.)



Overview of Passenger Rail Services on LOSSAN Corridor

(Continued)



- The agencies operating passenger rail services on the LOSSAN corridor are funded through a mix of revenue sources, with each agency depending on a different combination of funding streams. (The amounts shown in the figure represent agencies' total funding including, but not limited to, support for operations and capital projects on the LOSSAN corridor.)



State Programs That Support Passenger Rail Services on LOSSAN Corridor

Overview of Major State Formula-Based Programs for Transit and Rail

2025-26 (In Millions)

Program	Description	Estimated Statewide Amounts ^a	Recipients on LOSSAN Corridor
State Transit Assistance	Operational and capital support.	\$801	NCTD
State-Supported Intercity Passenger Rail Program	Operational support specifically for state-supported intercity rail agencies.	203	LOSSAN Rail Corridor Agency
Low Carbon Transit Operations Program	Operational and capital support to reduce GHGs and improve mobility.	151	NCTD
State of Good Repair	Support for maintenance, rehabilitation, and capital projects.	138	NCTD
State Rail Assistance	Operational and capital support for commuter and intercity rail agencies.	61	NCTD, LOSSAN Rail Corridor Agency, SCRRA

^a Amounts represent total statewide funding including, but not limited to, funds allocated to agencies operating on the LOSSAN corridor.

LOSSAN = Los Angeles–San Diego–San Luis Obispo; NCTD = North County Transit District; GHGs = greenhouse gases; and SCRRA = Southern California Regional Rail Authority.

- Several major state formula-based programs support agencies that provide passenger rail services on the LOSSAN corridor.
- The state also provides competitive funding to support transit and rail improvements through the Transit and Intercity Rail Capital Program. Funding for this program is estimated to be about \$625 million in 2025-26. These funds support capital improvement projects for transit and rail agencies statewide—including, but not limited to, agencies that operate on the LOSSAN corridor.
- Rail improvements on the corridor may also be supported through other state transportation programs, such as the State Transportation Improvement Program and the Solutions for Congested Corridors Program.



Options for Enhancing Rail Assistance and Supporting State Policy Objectives

The state could pursue several options to increase financial assistance on the LOSSAN corridor while supporting state policy objectives, but all come with trade-offs.

- ***Could Provide One-Time Funding to Address Short-Term Needs or Advance Key Projects.*** The Legislature could provide one-time funding to temporarily address near-term revenue shortfalls or support high-priority infrastructure improvements—such as those related to responding to the impacts of sea-level rise.
- ***Could Leverage Ongoing Programs to Promote Rail Investments That Align With State Goals.*** The Legislature could adjust existing ongoing programs or establish new ones with additional funding to incentivize activities that align with particular statewide goals. For example, if the state wanted to encourage agencies to expand services, it could allocate some portion of existing or new formula funding based on ridership levels or on the amount of transit and rail services provided.
- ***Could Consider Various Fund Sources for Increasing Support.*** The Legislature could consider various fund sources for increasing support for rail. This could include directing additional funding from transportation special funds, the General Fund, or the Greenhouse Gas Reduction Fund. The Legislature also could consider raising new revenues such as through bonds, transportation taxes and fees, or broad-based taxes.
- ***Would Compete With Other State Funding Priorities.*** Depending on which funding source the Legislature were to use, providing additional funding for rail would mean less funding available for other state priorities within the transportation sector and/or other areas of the budget. Providing funding could be particularly difficult given the projected General Fund deficits over the next few years. Additional General Fund support would require the state to identify additional budget solutions, and the state likely will also be relying on special funds to help address its core priorities.

