San Joaquin Regional Rail Commission

WORK PROGRAM & BUDGET

FY26/27



ADVANCING INITIATIVES AND PROJECTS WITH STRATEGIC PARTNERSHIPS

San Joaquin Regional Rail Commission

Connecting California communities through multimodal transportation

VISION





Deliver California's accessible, connected, and sustainable future by providing multimodal transportation

MISSION

Collaboration, Responsibility, Resilience, Sustainability, Diversity, Community

VALUES



San Joaquin Regional Rail Commission

ACE

San Joaquin Joint Powers Authority

GOLD RUNNER



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EXECUTIVE SUMMARY

The San Joaquin Regional Rail Commission (Rail Commission) is a California joint powers authority, established in 1995 by the County of San Joaquin and the cities of Stockton, Lodi, Tracy, Manteca, Escalon, Ripon, and Lathrop, to provide passenger rail for residents of San Joaquin County and neighboring communities. Through the Cooperative Services Agreement with Alameda County Transportation Commission (ACTC) and Santa Clara Valley Transportation Authority (VTA), the Rail Commission represents a strategic partnership between San Joaquin, Alameda, and Santa Clara Counties to relieve congestion and provide alternative transportation to commuters accessing the job centers of the Tri-Valley and Silicon Valley. Each year, the Rail Commission prepares a Work Program and Budget that serves to communicate the planned activities of the agency in the coming fiscal year, as well as outline the Operations and Capital Program Budgets.

The Rail Commission serves as the Managing Agency for the San Joaquin Joint Powers Authority (Authority, or SJJPA), and a brief description of the Work Program and Budget for the Gold Runner Intercity Rail Service is included. The Authority secures its own funding and directs spending on the Gold Runner service and programs, and the Rail Commission budget must include these expenses and revenues on behalf of the Authority. In addition, the Authority designated the Rail Commission as the lead agency to implement all shared Valley Rail Program stations and facilities.

Through the annual Work Program, the Rail Commission ensures that projects, operations and activities within the fiscal year are aligned and consistent with the its Mission, Vision, and Values, and meet the goals and purpose of the agency.

Executive Summary

The FY26/27 Work Program encompasses a continued focus on the existing ACE trunkline service to achieve consistent and sustained ridership growth, and the delivery of the Valley Rail expansion in accordance with recent actions and direction provided by both the Rail Commission and recommended by the Station/Facilities Development Committee.

The Rail Commission is committed to connecting California communities through multimodal transportation. The services under its ownership and management are expected to continue to grow in the upcoming fiscal year. ACE is forecasted to carry 985,141 (+5% YoY) passengers and the Gold Runner is forecasted to carry 947,329 (+2.5% YoY) passengers, respectively. Combined total passengers estimated for FY26/27 for ACE and Gold Runner will be 1,932,470. That number represents commuters off the road regaining hours of time, students being provided essential transportation to/ from campus, families reunited across hundreds of miles, and countless other success stories. As the Rail Commission continues to advance its services, projects, and initiatives, it is the passengers and communities it serves that are the driving force.

The upcoming fiscal year will continue to see ACE operate its four weekday round-trips. An important initiative will be the transition of oversight of the ACE Great America Shuttles to the Rail Commission. This initiative will ensure that the Great America shuttles continue to be an extension of the train service and continuously improve alongside the train operation. The ACE Special Train Program continued its growth in FY25/26 by increasing its ridership 77%. In FY26/27, the Special Train Program will look to expand its reach to events outside of 49ers football games.

The Gold Runner service was successfully rebranded in FY25/26. The service increased to pre-pandemic levels by reinstating the 7th round-trip. An important SJJPA initiative has been the study of a potential Business Class Service. The study recommended the implementation of a near-term “Comfort Class” service which would require modest upgrades to one car in each train consist and conservatively estimated to generate $961,950 in revenue per year. Comfort Class implementation is a key focus of FY26/27.

As the services continue to make strides and gains in FY26/27, it is important to plan for the future of the services. Service planning studies will help guide the future schedules and operations of ACE and Gold Runner, including their respective connecting services. These studies will help guide near-term service improvements to the services, while preparing the services for expanded service through Valley Rail. The Valley Rail Program will make meaningful progress with projects completing design, entering the bid phase, and beginning construction.



Strategic Framework

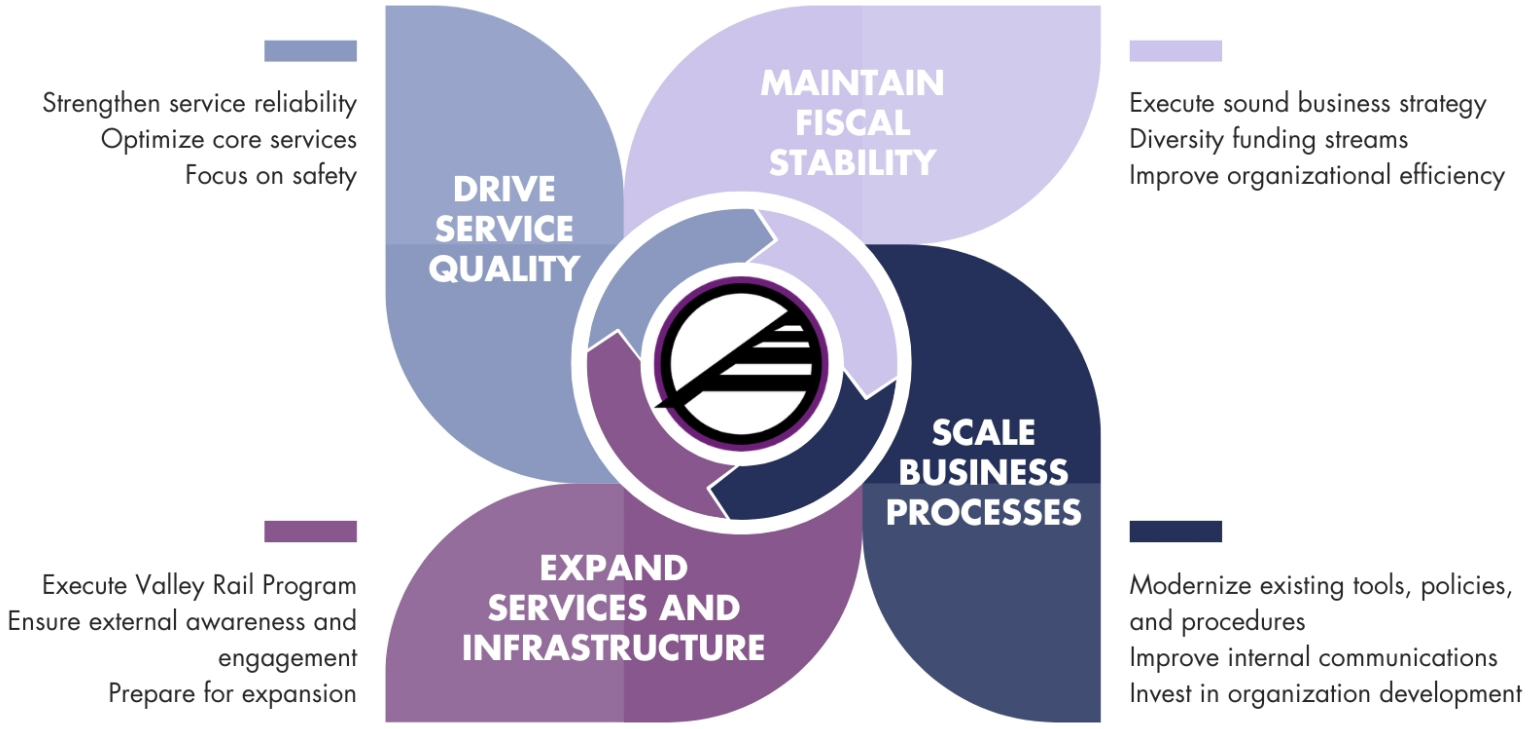
The coming years will be transformational for the San Joaquin Regional Rail Commission (Rail Commission) and the San Joaquin Joint Powers Authority (Authority). The regional and intercity passenger rail services provided by the Rail Commission and the Authority continue to make year-over-year ridership gains, and the Valley Rail Program is set to enter into construction phase.

The Strategic Framework (Framework), which is the product of a series of agency-wide planning sessions and discussions, is intended to align the agencies' priorities and to focus resources and efforts on those initiatives that are most critical to the Rail Commission and Authority's success. The Framework is centered on building a high-performing, resilient, and forward-looking passenger rail and multi-modal system that delivers immediate value while positioning the organization for long-term growth.

The Framework is built around four key pillars: Driving Service Quality, Expanding Services and Infrastructure, Scaling Business Processes, and Maintaining Fiscal Stability. These priorities focus on delivering safe, reliable, and passenger-focused service; advancing major initiatives like the Valley Rail Program; modernizing internal operations and organizational capacity; and ensuring long-term financial sustainability to support future growth and improved regional mobility.

Together, the pillars create a balanced and integrated approach, one that strengthens today's operations, delivers meaningful improvements for riders, and lays the groundwork for a more connected, reliable, and sustainable transportation future.

Strategic Framework Diagram



To advance, track and, ultimately, achieve the pillars and objectives described within the Strategic Framework, the Work Program includes specific Strategic Initiatives within each pillar and Key Performance Indicators (KPIs) by which progress will be monitored and assessed.

The strategic initiatives and KPIs are summarized below:

Drive Service Quality

The foundation of the Framework is a commitment to Driving Service Quality continually. Service quality starts with maintaining high standards of reliability by delivering consistent, dependable operations that riders and partners can trust. Ensuring passenger rail operations are efficient, passenger-focused, and aligned with community needs will direct the Rail Commission to optimize its core services. At the center of service quality is a continual focus on safety, which remains the organization's top priority and the standard against which all performance is measured.

Key Performance Indicators (KPI)

KPI	Description	Goal
Ridership	ACE and Gold Runner Ridership vs. Forecast	Meet forecasted levels of ridership
Passenger Satisfaction	Passenger satisfaction measure for ACE and Gold Runner.	ACE – 90% Overall Satisfaction Gold Runner – 85% Overall Satisfaction
End Point On-Time Performance	End Point on Time Performance	ACE – 90% GR – 83%
Transit Asset Management Plan Quality Assessments	The TAMs Plan requires annual asset quality assessments	Goals for Asset Types are included in the TAMs Plan
Uniform Performance Standards	GR and ACE UPS Measures for Usage, Cost Effectiveness, and Service Quality	Goals for Individual Metrics are included in the UPS Document
Safety	System Safety Program Plan Onboard Incidents Incidents at Stations	Goals for SSPP are included in the SSPP
Equipment Maintenance	% of Fleet Availability by Equipment Type Distance between failures	Gold Runner: Cars: Bilevels – 85% Venture – 86% Locomotives 73% ACE: Cars – 90% Locomotives – 85%



Robert J. Cabral Station - Stockton, CA

Strategic Initiatives: Drive Service Quality

OPTIMIZE CORE SERVICES

Q2
- Thruway Busy Study

Q3
- ACE Starlink Pilot
- Digital Discount Eligibility

Q4
- Gold Runner Food and Beverage Plan Implementation
- Internal Service Review and Feedback
- ACE Shuttle Transition

STRENGTHEN SERVICE RELIABILITY

Q2
- ACE and Gold Runner Onboard Screens and Announcements

Q4
- Gold Runner Mini-Highs
- Major Incident Working Group
- State-Owned Truck Overhaul
- State-Owned F59 Overhaul
- ACE Midlife Overhaul
- State Owned Bi-Level Modernization
- ACE Passenger Information Displays (PIDs)

FOCUS ON SAFETY

Q1
- Safety Reporting QR Code
- Development and Implementation of an E-bike Policy

Q3
- Annual Station Risk Assessments
- De-escalation Training
- Anti-Human Trafficking Awareness and Response
- Joint Tabletop Exercise

Q4
- EPREP Drills
- Crew Recertifications and Rule Audits
- Rail Maintenance Facility Security Enhancements

Expand Services and Infrastructure

Building on this strong operational base, the Framework prioritizes Expanding Services and Infrastructure. The successful execution of the Valley Rail Program represents a transformative opportunity to increase connectivity and regional mobility. Successful implementation of the program requires proactive external awareness and engagement to ensure stakeholders, partners, and communities are informed, aligned, and supportive. Preparing for future expansion through planning, partnerships, and capacity building will position the organization to meet growing demand and capitalize on emerging opportunities.

Key Performance Indicators (KPI)

KPI	Description	Goal
Adherence to Project Schedule	Based on the schedules below, % of projects on schedule.	>90%
Capital Budget to Actuals	% of Annual Planned Budget to Actuals	>75%

Strategic Initiatives: Expand Services and Infrastructure

EXECUTE VALLEY RAIL PROGRAM

Design Completion

- **Q1**
  - Del Paso
  - Midtown Station
  - Oakley Station
- **Q2**
  - Elk Grove Station

Invitation for Bid

- **Q1**
  - Oakley Station
- **Q2**
  - Madera Station
  - Midtown Station

Construction Start

- **Q2**
  - Oakley Station
- **Q3**
  - Midtown Station

Construction Completion

- **Q1**
  - Lake Escalon

ENSURE EXTERNAL AWARENESS AND ENGAGEMENT

- **Q1**
  - Valley Rail Communication Plan Execution
  - Stakeholder Engagement
- **Q4**
  - Bay Area Funding Strategy
  - Sacramento Funding Strategy
  - Federal and State Legislative Priorities
  - Elements of Distinction

PREPARE FOR EXPANSION

- **Q1**
  - Initial Operation Plan Playbook
- **Q4**
  - ACE and Gold Runner Service Plans
  - Jurisdiction Memorandums of Understanding
  - Local Safety Briefings

Scale Business Processes

To support both current operations and future growth, the organization must Scale its Business Processes. This includes modernizing tools, policies, and procedures to improve efficiency and adaptability. A key initiative within this component is strengthening internal communications to foster alignment, transparency, and a shared sense of purpose across teams. Equally important is investing in organizational development to build the skills, leadership capacity, and culture needed to sustain high performance over time.

Key Performance Indicators (KPI)

KPI	Description	Goal
Adherence to Project Schedule	Based on the schedules below, % of projects on schedule.	>80%

Strategic Initiatives: Scale Business Processes

MODERNIZE EXISTING TOOLS, POLICIES AND PROCEDURES

Q1
- Initiate annual strategic planning process
- Implement Grant Management software

Q2
- Review, update, organize and communicate agency policies and procedures
- Conduct comprehensive review and update of capital delivery and project budgeting processes and procedures and implement needed changes
- Identify and implement capital project delivery process and technology improvements for scheduling, design, deliverable management, budgeting, and record storage.
- Define and implement record and data storage strategy, policy, and system

Q4
- Develop multi-year Capital Improvement Plan (CIP)

IMPROVE INTERNAL COMMUNICATIONS

Q1
- Develop platform for agency-wide communications
- Implement agency-wide sharing of key metrics
- Develop and utilize platform for interdepartmental project management
- Continue and refine regular cadence of agency-wide meetings

INVEST IN ORGANIZATIONAL DEVELOPMENT

Q1
- Support and fund professional development
- Expand industry organization involvement and engagement opportunities

Q3
- Create career path plan cross the agency divisions and positions

Maintain Fiscal Stability

Finally, the Framework emphasizes the importance of Maintaining Fiscal Stability as a cornerstone of long-term success. Executing a sound business strategy ensures resources are deployed effectively and responsibly. Diversifying funding sources reduces risk and increases financial resilience, while advancing funding advocacy strengthens the organization's ability to secure the investments needed to grow and innovate.

Key Performance Indicators (KPI)

KPI	Description	Goal
Ticketing Revenue vs. Forecast	Performance against the ticket revenue forecast	+/- 3%
Cost Per Passenger Mile	The cost of ACE and GR Service compared to the passenger miles	ACE: $1.25 GR: 0$.75
Budget to Actuals	Per the adopted WP and ABP, the performance of actuals against the budget	+/- 5%
Farebox Recovery	The percentage of total operating expenses covered by passenger fares	GR – 50% ACE – 20%
Revenue Diversification	Track % of Fed/State/Local and new sources added	Track diversification of revenues to ensure it meets business goals

Strategic Initiatives - Maintain Fiscal Stability

EXECUTE SOUND BUSINESS STRATEGY

Q1
- Maintain agency expenses consistent with service and funding levels, and annual inflation

Q2
- Develop and implement a multiple-year budget planning process
- Develop and initiate strategy for building operating reserves
- Develop project delivery cash flow strategy
- Identify and implement fiscal policies and procedures improvements, including better tracking, management and agency-wide visibility of budgets, expenditures, authorized funding and grant tracking.

DIVERSIFY FUNDING STREAMS

Q1
- Pursue new Bay Area and Sacramento funding opportunities for operations
- Secure new grant funding to support capital projects and operations

Q2
- Advance sustainable funding for State intercity-rail program

Q3
- Address federal formula funding allocations (5307) for the Stockton and small area UZA's and establish multi-year agreements.
- Secure funding for ACE shuttle services

IMPROVE ORGANIZATIONAL EFFICIENCY

Q2
- Develop and implement process for improving time allocation and management
- Identify and execute cost saving measures
- Implement travel and expense reimbursement policy improvements



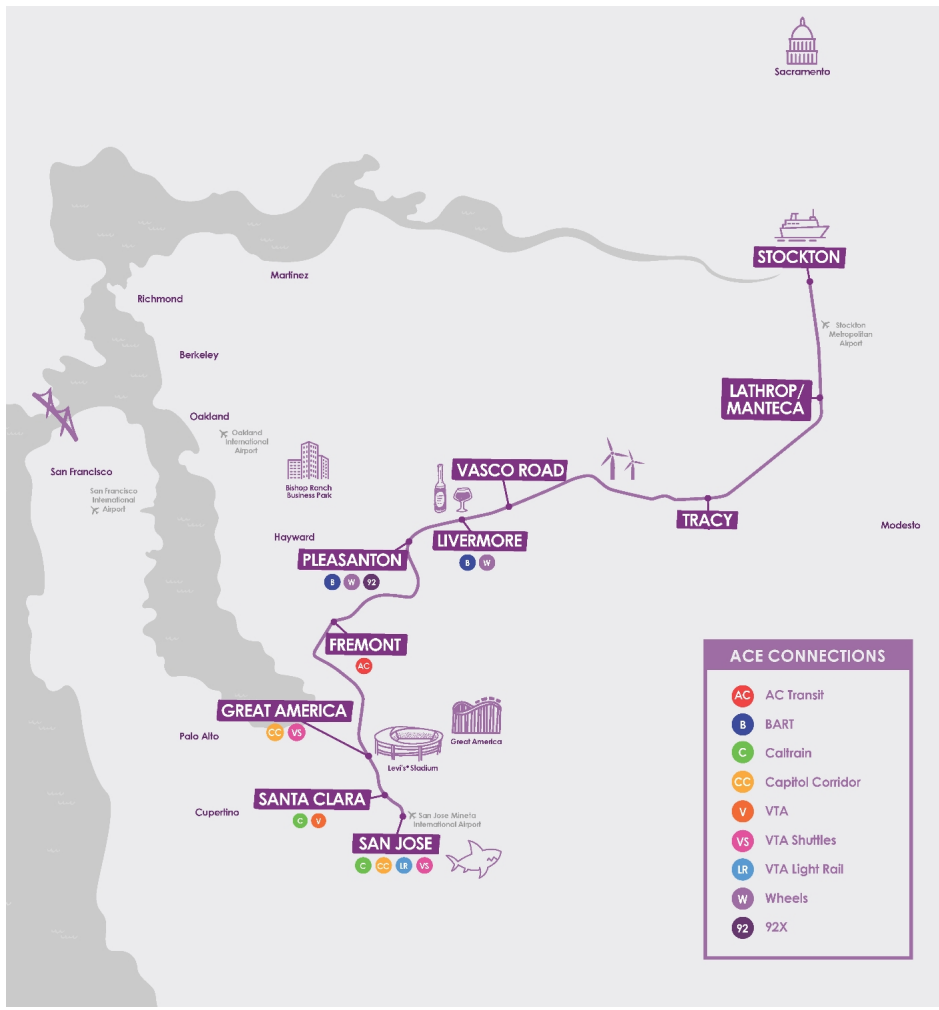
OPERATIONS

Operations

In FY26/27, ACE will continue operating four (4) safe and reliable daily round-trips between Robert J. Cabral Station in downtown Stockton and Diridon Station in San Jose.

The schedule change made in November 2024 stays in place, replacing the later eastbound train (ACE 10) with an earlier departure (ACE 02). Ridership on this new train has been growing steadily, and it now allows passengers to get home sooner while fitting better with today's more flexible work schedules.

Heading east from Stockton, the route winds through agricultural fields and delta waterways before climbing the historic Altamont Pass. On the western side, trains pass through the communities of the Tri-Valley and into Silicon Valley. The full 86-mile trip includes ten stations and operates on tracks owned by Union Pacific Railroad (UPRR) and Caltrain. Weekday trains are timed for morning and evening commutes, with special trains added on selected dates throughout the year.



ACE Route Map

The Rail Commission works closely with TransitAmerica Services Inc. (TASI) under the ACE Operations and Maintenance agreement to operate and maintain the ACE service. As more people choose ACE, extra cars have been added to meet the demand and provide adequate space onboard.

The ACE fleet includes MPI F40 and Siemens Charger locomotives along with Bombardier/Alstom bi-level coach and cab cars. To support riders who bike, each trainset includes one to three "bike cars." These specially modified coaches hold an extra 14 bicycles each and are easy to spot thanks to the large "BIKE CAR" decals on the doors.

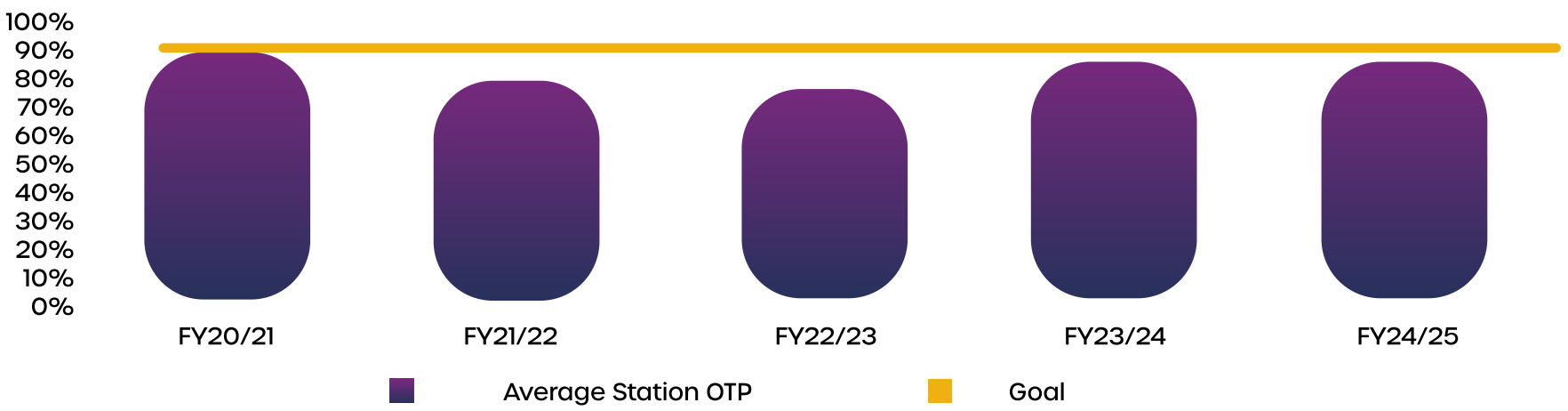
Ridership continues to climb. In FY26/27, ACE is projected to carry 985,141 passengers — a 5% increase from the prior year — with an average of 3,909 riders each day. This progress comes from targeted marketing, community outreach, and stronger brand recognition that keeps bringing new passengers aboard.

Ridership & Revenue Forecast

	FY24/25	FY25/26[1]	FY26/27 (Forecast)
Ridership	846,662	938,174	985,141
Revenue	$6,897,450	$7,218,512	$7,747,229

On-time performance is one of the most important ways the Rail Commission keeps current rider satisfaction high and attracts new riders. In the first half of FY25/26, ACE posted an average endpoint On-Time Performance (OTP) of 89%. The operations team will keep working hand-in-hand with UPRR and Caltrain to push these numbers higher. The Rail Commission will continue working in coordination with Union Pacific Railroad (UPRR) to increase track inspections in key areas, especially before and during bad weather, to protect safety and reliability.

On-Time Performance



Consistent delivery of clean, safe, and reliable equipment is critical to the success of the service and will ensure that the Rail Commission can maintain its legacy of high performance, which in turn, preserves the long-lasting relationship with ACE riders. In order for the Equipment Services team to retain this high standard, it is imperative to strategically plan for equipment needs in the immediate, near, and long term. For the ACE service, the focus has been on ensuring that the passenger rail equipment is maintained in a state of good repair. In FY26/27, a highlighted project includes the ACE Midlife Overhaul.

As part of the Rail Commission's commitment to maintaining assets in a State of Good Repair, work is continuing to overhaul 30 ACE railcars. The Rail Commission's Transit Asset Management Plan (TAM) identified midlife overhauls as a key initiative to ensure ACE's revenue fleet operates at maximum performance. The Project includes a new interior and exterior paint scheme, seats, flooring, and an onboard information system including digital audio and LCD screens, etc. These overhaul projects will improve passenger experience and reduce maintenance. This multi-year project started in FY19/20 and is scheduled to be completed in FY26/27.

These steps support our main operational priorities: strong safety and security programs, smooth connections with other transit services, ongoing facility maintenance and upgrades, and well-run special trains. Together, they deliver dependable service, help ridership grow, and give every passenger a better experience on ACE — now and in the years ahead.

Connecting Services

The ACE Connecting Services Program is a critical contributor to the overall success of the ACE rail service. Through a combination of inbound and outbound transit partnerships, ACE passengers rely on connecting services to complete their first- and last-mile trips.

1. FY25/26 ridership and revenue calculated through April 2026 and projected through year end for months May and June 2026.

Inbound connections are provided by regional transit partners, including Stanislaus Regional Transit Authority (STAN RTA) in Modesto, Manteca Transit, and Tracy TRACER. Outbound connections are supported through partnerships with Livermore Amador Valley Transit Authority LAVTA (Wheels), Contra Costa Transportation Authority (CCTA), and Santa Clara Valley Transportation Authority (VTA). Together, these services ensure ACE riders can reliably access employment centers and regional destinations.

Operating continuously since the launch of ACE service in 1998, the most successful element of the Connecting Services Program is the Great America Shuttle Program. Survey data indicates that 30% of shuttle users would not utilize ACE if the Great America Shuttles were no longer available, underscoring the essential role these services play in sustaining ACE ridership.

Eight (8) shuttle routes operating with nine (9) buses operate every weekday from the Great America Station, providing direct connections to major employment centers throughout Santa Clara County. Shuttle schedules are timed to meet the four (4) morning ACE train arrivals, with coordinated return service in the evening to support outbound commutes.

Management Transition: ACE Shuttle Program

The ACE Shuttle Program is transitioning to direct management by the Rail Commission, with full program governance anticipated by July 1, 2027. This transition strengthens accountability by aligning shuttle oversight with the agency responsible for the ACE rail service, allowing for clearer decision-making, improved coordination with operating partners, and a more seamless customer experience.

Over the next year, the Rail Commission will continue to work collaboratively with VTA to prepare for this transition. Key focus areas will include strengthening vendor oversight, standardizing performance metrics and reporting, improving ridership and customer feedback tracking, expanding employer partnerships to support ridership growth and shared shuttle costs, and increasing the agency's on-the-ground presence in Santa Clara County. These efforts will ensure a smooth handoff in 2027 and position the ACE Shuttle Program for long-term stability, integration, and growth.

IT Services

SJRRC's IT Services is a key contributor to driving innovation and alignment of SJRRC's technology with business strategies, and translates the needs of the agency and ACE service into effective solutions that enhance the efficiency and growth of the organization.

In FY26/27, the Rail Commission's Information Technology (IT) roadmap focuses on building a more resilient, collaborative, and ironclad digital infrastructure. Staff is prioritizing a modernized intranet paired with integrated cloud environments to bridge the gap between internal teams and external partners, ensuring seamless collaboration from any location.

Security remains the Rail Commission's cornerstone; IT is set to launch hardened internal networks fortified by end-to-end encryption, Multi-Factor Authentication (MFA), and rigorous machine-level security protocols to stay ahead of the evolving threat landscape.

Finally, staff is conducting an overhaul on data architecture to introduce reliable processing workflows and robust long-term storage solutions, providing every department with the high-integrity data environment they need to work smarter and scale securely.

Key projects in FY26/27 include:

- Technology on the ACE train remains a priority as a way to enhance the customer experience and satisfaction. Staff will conduct studies on methods to improve internet services. Staff will explore options such as StarLink as an alternative solution to sole connectivity over cellular technology.

- Technical staff continue to work with the Capital Projects team to develop state of the art facilities as part of the Valley Rail initiative. Capitalizing on technology to ensure solid communication systems to keep riders well informed of changes in service. Safety at Valley Rail stations is a high priority, staff work closely with design teams to integrate interactive surveillance and public announcement systems to help ensure public safety.

Safety and Security

Safety is a top priority at the Rail Commission. Every day, SJRRC works to protect ACE passengers, employees, contractors, and the communities along service routes. By partnering with federal, state, and local agencies, the Rail Commission strives to make steady improvements across the entire system.

Facilities cover multiple counties, and with Valley Rail Service expansion on the way, safety plans are updated to fit new areas while keeping the proven basics that work for ACE operations.

The Rail Commission continues a strong partnership with California Operation Lifesaver, Inc. (OLI). Since 1972, this nonprofit has educated the public on rail safety to help prevent collisions, injuries, and fatalities on the tracks and at railroad crossings. This work gives ACE passengers greater confidence and shows how seriously the Rail Commission takes safety in and around the railroad.

The Rail Commission has also partnered with the San Joaquin Family Justice Center and Truckers Against Trafficking to raise awareness about human trafficking. ACE onboard crews and frontline staff receive extra training to spot the signs and respond effectively. These steps help protect people who may be at risk and build trust with ACE riders and local communities.

Initiative	Description
Annual Risk Assessments	Work in coordination with host railroads each year to inspect the corridor, stations, and facilities. This helps to identify potential problems early, fix issues, and keep everyone more aware of safety needs.
Homelessness Mitigation and Response Plan	Working with local agencies to identify areas and with the host railroads to reduce trespassing and encampments along the tracks and at stations through targeted enforcement and deterrence.
Human Trafficking Response	Training for frontline staff to build awareness and response efforts.
Emergency Preparedness and Response Plan (EPREP)	Conducted drills with staff, first responders, law enforcement, and transit partners to improve readiness and coordination.
Joint Tabletop Exercise	Expand tabletop exercise to include host railroads, transit partners, law enforcement, emergency responders, and TSA to strengthen coordination during emergencies.
Internal Tabletop Exercise (TTX)	Improves emergency preparedness by allowing staff and crews to practice coordination and verify procedures in simulated emergency scenarios. This ensures staff can respond quickly and effectively during real emergencies.
Security Enhancement Through Assessment (SETA) Program	Uses realistic tests, such as placing unattended items, to evaluate and improve how crews respond to potential threats.
TSA Baseline Assessment for Security Enhancement (BASE)	Participate in TSA program to review the Rail Commission's safety and security plan against national standards and determine ways to improve.
Safety Training	Delivered first-aid, CPR/AED, bloodborne pathogens, and sharps safety training to onboard staff and other support staff.
Rail Security Training	Programs like First Observer Plus teach staff how to identify suspicious behavior or items.
De-escalation and Crisis Response Training	Equips our passenger service staff with practical skills to handle challenging situations calmly, leading to better communication and safer outcomes.

Initiative	Description
Learning Management System (LMS)	Makes it simpler for staff to complete required safety training and helps us track compliance.
Rail Maintenance Facility (RMF)	Add a guard and control booth at the entrance, increase camera coverage, and better lighting in key areas for stronger security.
CCTV Access Control System (Phase 1)	Upgrade camera systems, badge processes, card printers, and access readers for better monitoring and control.
Safety and Security Reporting QR Code	Riders can now scan a code right on the train to report concerns quickly and discreetly.

New ACE Ticketing System and Fare Increases

A new ticketing system was launched in FY25/26 to upgrade and modernize ACE's fare collection system, replacing mechanical ticket validators and phasing out paper tickets, and would allow for future integration with fare collection for other services, ensuring a seamless passenger experience. The first phase of the project was the launch of a Rider Portal and a new Mobile App in early August 2025. The Rider Portal allows passengers to create an account for both the Mobile App and Station Sales, and passengers can apply for Concession tickets through a digital approval process. In late October 2025, onboard handheld devices were introduced, which are a key component of the project. The devices allow for onboard to inspect Mobile App tickets and validation of the new ACE Paper ticket. These devices also allow staff to issue printable verbal warnings and citations. The final phase of the project was launched in May 2026, which introduced the Point of Sale (PoS) system and a Partner Portal. The PoS will print the new ACE Paper Ticket on demand, which is then validated by the onboard staff with the handhelds, removing the need for a mechanical validator. This now aligns both station sales and Mobile App ticket expirations and Special Train tickets, which were only sold on the Mobile App. The Partner Portal will allow ACE partners to bulk order tickets for their employees.

The new ticketing system will allow implementation of future fare changes to be more efficient. With PoS tickets printing on demand, the need for preprinted ticket stock is no longer necessary. Due to the rise in operating costs, primarily driven by fuel, personnel, and railcar maintenance, a fare increase was recommended to allow fares to more substantially contribute to the ACE revenue stream. At the June 5, 2026, meeting, the Commission approved the first fare increase since 2019. The first 10% fare increase is to take effect on July 1, 2026, and a second 10% fare increase on July 1, 2027. Also, fares will be rounded to the nearest whole dollar.

Staff will update the fare catalog in the new ACE Ticketing system, and on July 1, 2026, the ACE Mobile App and Station Point of Sale devices will reflect the new fares. Ticket stock from the January 2019 fare increase will be honored July 1, 2026, through December 31, 2026, for travel. This will align with the adoption of the new ACE Paper Ticket to help passengers utilize all ACE Legacy Paper Tickets.





PASSENGER EXPERIENCE & MARKETING

Program Overview

The Passenger Experience and Marketing program is focused on ensuring ACE is a service people understand, value, and choose — supported by strong data, clear communication, and meaningful partnerships.

In FY25/26, ACE launched its new Ticketing System in two Phases. The new ACE Mobile App was launched in August 2025 and the Station Sales Point of Sale system in May 2025. With the implementation of the new digital ticketing system, the Rail Commission is significantly advancing its analytics capabilities. Over the coming year, staff will leverage enhanced ridership, revenue, and travel pattern data to inform service planning, fare strategy, forecasting, and targeted marketing efforts. This includes expanding performance tracking, delay attribution analysis, elasticity modeling, and scenario planning to support both financial sustainability and ridership growth.

Marketing efforts will continue evolving toward more targeted, performance-driven campaigns, with an emphasis on commuter conversion, employer engagement, and corridor awareness between the Central Valley and Tri-Valley. Special trains and major regional events will serve as high-visibility opportunities to elevate the brand. Expanded email segmentation, digital advertising, and potential loyalty strategies will support retention and engagement.

Public relations and government coordination will remain proactive and strategic, reinforcing ACE's role as a regional mobility provider, economic connector, and responsible steward of public investment. Strengthened media relationships, community outreach, stakeholder engagement, and policymaker coordination will ensure consistent, aligned messaging.

Employer outreach, real estate engagement, and strategic partnerships will further position ACE as a practical commuting solution in growing employment and housing markets. Passenger experience initiatives — including appreciation events, upgraded passenger information systems, and exploration of improved Wi-Fi — will complement these efforts by maintaining a high-quality, customer-focused service.

Gaining deeper insights into passenger experience and the markets that we serve through biennial Onboard and Market Surveys has proven to be an effective strategy for the Rail Commission. In addition to learning about how riders feel about the experience onboard ACE, we also learn more about the profiles and demographics of prospective riders to inform our advertising approach. It is planned to have these surveys conducted again during the upoming fiscal year.

Together, these efforts align data, marketing, partnerships, and service enhancements to support sustained ridership growth and long-term stability for ACE.

Performance Tracking

With the introduction of the new digital ticketing system, the Rail Commission now has access to significantly enhanced data and analytics capabilities that will support a broader, more integrated analytics work program in the coming year. A primary focus will be leveraging this, and other data to track rider behavior, identify emerging trends, and optimize service offerings across the system. Metrics such as trip frequency, peak travel times, origin-destination patterns, fare product usage, and demographic insights will inform operational decision-making, service planning, and targeted marketing strategies. Building on this foundation, staff will advance the development of more detailed ridership and revenue forecasting models that incorporate economic indicators, holidays & seasonality, service levels, fare changes, special events, promotional activity, and evolving commuting patterns to improve both short- and long-term planning accuracy for the service.

In parallel, staff will expand analytics related to service reliability, on-time performance, and operational efficiency. This includes more granular delay attribution analysis, corridor-level performance monitoring, and scenario modeling to evaluate potential schedule adjustments, added frequencies, or future service expansions. Enhanced origin-destination and travel pattern modeling will be used to identify underperforming markets, growth opportunities, and first- and last-mile connectivity needs. Fare and pricing analytics will further assess elasticity, promotional effectiveness, and rider retention, helping refine fare policies and marketing initiatives.

Targeted analytical efforts will also focus on special event trains, test ride programs, and surge-demand periods to better understand demand drivers, rider conversion rates, and return on investment. More detailed Thruway ridership data analysis will assess corridor-level performance, transfer behavior, and partner connectivity, supporting coordinated service planning and growth strategies. Concurrently, mechanical tracking and reporting analytics will be advanced to strengthen oversight of fleet performance, maintenance trends, and asset reliability through the development of real-time dashboards and standardized executive and Board-level reporting.

During the coming year, staff will also support implementation of a potential fare adjustment through detailed financial and ridership analysis. Using historical fare, revenue, and ridership data, the agency will evaluate price elasticity, rider sensitivity by fare product and trip length, and the impacts of prior fare changes to determine the most effective strategy for balancing revenue stability with ridership retention. Scenario modeling will assess options related to the magnitude and timing of increases—including phased versus single-step adjustments, differential changes by fare category, and the potential role of targeted discounts or equity considerations. This data-driven approach will ensure that any fare increase is structured thoughtfully, aligns with long-term financial sustainability goals, and minimizes unintended impacts to core riders.

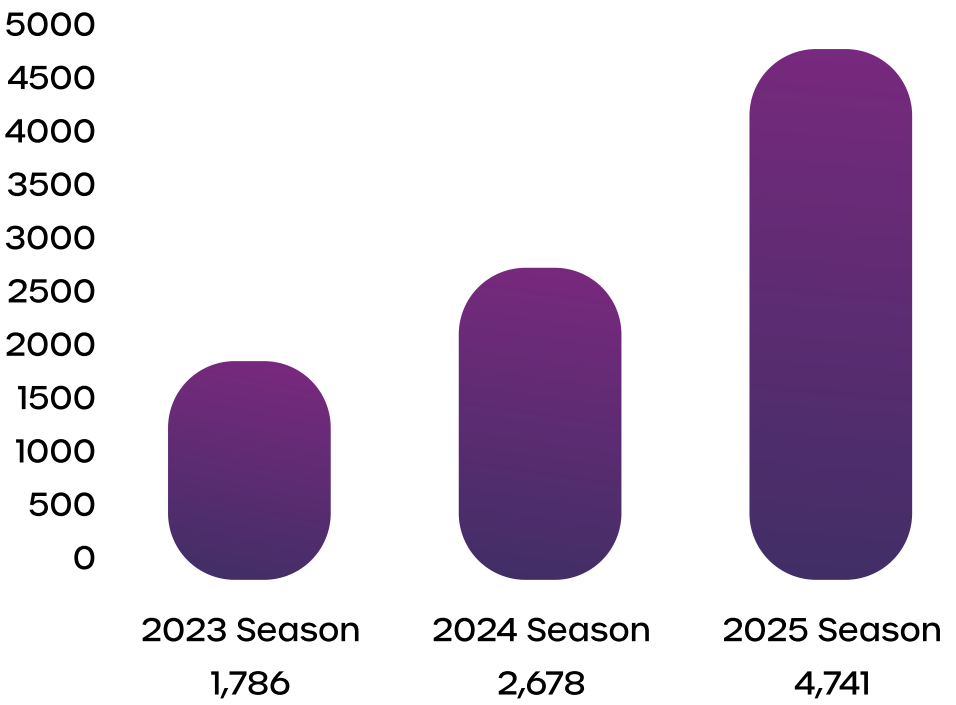
Marketing and Advertising

FY25/26 initiatives were centered on building onto the Rail Commission's foundational marketing channels and incorporating more out-of-home and exploration of LinkedIn. Paid media efforts made a strong impact, utilizing channels such as paid search, social media, and streaming radio, resulting in 7.6 million impressions and 114k clicks.





Special Event Ticket Sales





Special trains served as a key promotional moment and were amplified through a strong partnership with Levi's® Stadium and communicated through their own communication channels and engagement with the Rail Commission's organic and paid media channels. They were able to highlight the ACE service to ticket holders along the corridor by sending out an ACE-focused email for each home game the Rail Commission provided service to, working in tandem to drive up ridership.

Influencer and social media activity supported brand storytelling but stayed at a minimum, encouraging user-generated content and utilization across social feeds. The email program prioritized growing the newsletter ridership, decreasing bounce rate, and increasing the Rail Commission's open rate.

Onboard and station environments were enhanced through updated onboard digital screens and posters, as well as renewed station signage, creating new opportunities for advertising and passenger information. The ACE mobile app was also leveraged for both promotional advertising and passenger communications via in-app messaging.

In FY26/27, the Rail Commission will implement marketing efforts focusing on expanding brand visibility, ridership growth, and partner engagement through a mix of digital, out-of-home, and paid channels. The strategy will highlight the offerings of the Special Trains, commuters, employer engagement, and featured partnerships.

The Rail Commission will continue to increase brand visibility by utilizing LinkedIn as a paid media channel where there is strong support for business development, employer outreach, and organizational position within the transportation sector. Influencer and social media collaborations will be scaled to showcase the ACE travel experience, targeting both commuters and leisure riders through storytelling content.

Building an increased awareness of commuting from the Central Valley to Tri-Valley will be a focus for advertising and outreach efforts. Utilizing toolkits, engaging with employers, and geotargeted social media ads with creative specifically crafted for this audience will be put into place.

The email program will continue to expand through segmentation and automation to deliver service modifications, promotions, and content designed to increase engagement and ridership conversion. A potential loyalty program will continue to be explored to reward riders, encourage retention, and entice new riders. Out-of-home advertising will round out the marketing mix, utilizing billboards and commuter placements along the corridor to drive awareness and support major campaigns.

Public Relations

Public relations for SJRRC is not just about messaging — it is about protecting and strengthening the agency's long-term position. In a competitive transportation funding environment, the Rail Commission will have to be clear, consistent, and proactive in how ACE's value as a mobility provider, economic connector, and responsible steward of public investment are communicated.

Community engagement is the foundation. Ongoing relationships with chambers, major employers, educational institutions, advocacy groups, and regional partners ensure ACE remains visible and relevant in the communities served. Participation in local events, forums, and stakeholder meetings supports two-way communication and helps build understanding around service changes, capital projects, and special event operations before they become points of confusion.

Media engagement will be intentional and relationship-driven. The Rail Commission will continue cultivating trust with local and regional outlets through proactive story development, interviews, press materials, and timely response when needed. The Rail Commission's focus will remain on reinforcing ACE's reliability, infrastructure investments, passenger experience improvements, sustainability benefits, and broader economic impact across the Tri-Valley, Central Valley, and Bay Area.

Coordination with local and regional policymakers will further support funding and policy objectives. Maintaining strong working relationships with city councils, county boards, and regional partners is essential to securing operating support and discretionary funding. Clear, consistent communication reinforces SJRRC's credibility and performance.

At its core, this work ensures stakeholders understand the return on investment ACE provides — from congestion relief and air quality improvements to workforce access and regional economic vitality — positioning the agency for continued stability and future growth.







Employer Outreach and Partnerships

Employer outreach and partnerships will remain a key component of the Rail Commission's marketing strategy for ACE, recognizing that workplace commuters represent a significant portion of ridership. To strengthen employer relations, staff will organize on-site information sessions at major employment hubs, such as business parks, corporate campuses, and government offices, to educate employees on the benefits of using the service. Webinars and virtual events will be scheduled to reach remote and hybrid workers who may be looking for flexible commuting solutions.

Employer partnership development will focus on major employers in Tri-Valley and South Bay with large numbers of employees by encouraging the use of existing employee incentives as well as developing new ones. Employer outreach will include working with Human Resources (HR) departments, commuter and transportation departments, requesting data to see how many employees are commuting along the ACE corridor via car, and presenting the ACE train as an alternative form of transportation.

To expand ACE's presence within organizations, an employer ambassador program will be established. These ambassadors—typically employees who already use ACE—will serve as internal advocates, sharing their positive experiences and encouraging coworkers to consider ACE as a viable commute option. Employers will also be engaged in discussions on commuter

benefit programs, subsidies, and transit incentives that could make ACE more attractive to their workforce. Employer ambassadors will also be featured in ACE marketing materials and communication channels such as social media.

Partnership development with organizations that align with the agency's mission to increase ridership and enhance community engagement will remain a focus. Renewing the relationship with Levi's® Stadium presents an opportunity to position ACE as the preferred transportation option for major sporting events and concerts, reducing traffic congestion and parking challenges. Marketing collaborations will include cross-promotions, targeted digital advertising, and co-branded content to encourage event attendees to ride ACE.

Looking ahead to global events such as the 2026 FIFA World Cup, staff will explore partnership opportunities with event organizers, local tourism boards, and hospitality groups. Research will be conducted to assess potential ridership demand for special event trains, focusing on weekend service viability. Marketing campaigns will highlight the convenience of using ACE to avoid traffic congestion while attending these high-profile events.

Beyond large-scale partnerships, the Rail Commission will work to strengthen Chamber of Commerce relationships, real estate associations, and local community organizations like Visit San Jose and Hacienda Business Park. Collaborations with groups like the Lathrop Chamber, the newly formed City of Mountain House, and the University of the Pacific Student Services will help ACE reach a broader audience, including students, faculty, and residents looking for sustainable travel options. Community outreach initiatives, including participation in local festivals, sponsorships, and public forums, will serve to raise awareness and build stronger connections with the communities ACE serves.

Similar to ACE corridor Stakeholders, local and regional realtors, and developers play a vital role in promoting the ACE service, improving local presence, increasing transportation education to new and future housing residents, and encouraging communities to ride the train from home to work once relocated. Realtor and developer education meetings, presentations, and partnerships are a key component of the outreach efforts. Realtor and developer stakeholders are classified as realtor associations, realtors, investor/owner, property managers, homeowner associations (HOAs), development professionals, property management agencies, apartments, condos, and brokers.

To accomplish continued engagement of key realtor and developer stakeholders, Rail Commission staff have developed and will continue to expand the contact list that includes neighboring Counties beyond the ACE corridor.



Passenger Experience

Passenger Appreciation events will be strategically coordinated and scheduled in alignment with ridership trends, major regional events, and targeted community outreach opportunities. Upcoming high-demand periods — including the FIFA World Cup, the 2026–2027 NFL season, and major concerts and regional events — are expected to influence ACE train schedules and passenger volumes. These occasions present valuable opportunities for SJRRC to engage riders, enhance customer experience, and deliver structured passenger appreciation initiatives.

During FY26/27, SJRRC will continue advancing initiatives to introduce and enhance onboard amenities that strengthen the ACE passenger experience and maintain a high standard of service. Planned improvements include upgraded Passenger Information Displays (PIDs) and exploration of alternative, stronger Wi-Fi connectivity to address dead zones. These initiatives will be progressed through SJRRC's cross-functional work groups, with a focus on delivering practical, achievable, and customer-focused outcomes.



CAPITAL PROGRAMS

Capital Programs

The Rail Commission is committed to improving ACE and Gold Runner services through targeted investments focused on on-time performance, expanded ridership, and delivery on statewide and regional priorities. The FY26/27 Workplan reflects these priorities with projects in key areas:

- Valley Rail
- Major Capital Program (Rail Commission, ACE, Gold Runner)
- Minor Capital Program (Rail Commission, ACE, Gold Runner)

Valley Rail

The Valley Rail Program (Valley Rail) is a coordinated regional rail expansion initiative led jointly by the San Joaquin Regional Rail Commission and the San Joaquin Joint Powers Authority. Valley Rail is designed to enhance and expand both ACE and San Joaquins service through a comprehensive program of capital improvements, including new stations, track and signal infrastructure, rail facilities, and fleet investments. The program represents a transformative investment in interregional mobility, improving connectivity between the Sacramento region, the Northern San Joaquin Valley, and the Bay Area while supporting California's broader passenger rail vision.

Delivery of the Valley Rail Program requires close coordination and concurrence with the host railroads, Union Pacific Railroad (UPRR) and BNSF Railway (BNSF). Major funding for the program has been provided through the Transit and Intercity Rail Capital Program (TIRCP), supplemented by ACE expansion funding authorized through SB 132 (2017). Full implementation of Valley Rail includes an ambitious portfolio of improvements consisting of 14 new stations, two (2) new rail facilities, significant track and signal upgrades, and approximately 119 miles of new track and rail sidings. Collectively, these investments will expand passenger rail access, improve operational reliability, and support future service growth throughout the corridor. Many program components have advanced through environmental clearance and final design and are preparing for construction delivery.

Over the course of program development, Valley Rail has experienced schedule and delivery challenges associated with evolving host railroad requirements, impacts from the COVID-19 pandemic, escalation in construction costs, utility coordination complexities, and broader market conditions affecting large-scale infrastructure delivery. In response, and at the direction of the Station/Facilities Development Committee, the Rail Commission has refined the program delivery strategy to prioritize near-term implementation, improve funding alignment, and reduce overall delivery risk.

The updated Valley Rail implementation approach focuses on advancing a defined set of projects within the Sacramento-San Joaquin Valley corridor that are necessary to initiate expanded passenger rail service in the near term. This phased strategy allows the Rail Commission to concentrate resources on fully funding and delivering critical infrastructure improvements while positioning the broader program for future expansion as additional funding opportunities become available.

Near-term capital improvements include new stations, siding construction, track and signal improvements, and development of a layover facility to support expanded operations. Concurrently, project development activities for future Valley Rail service expansion into the Stanislaus region will continue, including ongoing design advancement, stakeholder coordination, environmental activities, and pursuit of additional state and federal funding opportunities.

Major Capital Program

The Major Capital Program is comprised of projects over $2 million that span multiple budget cycles, project phases, and involve more complex rail, infrastructure, and engineering for delivery. These projects support both the expansion of service through the Valley Rail Program with a broad project list to enhance capacity, reliability, and long-term operational performance across ACE and Gold Runner services.

The Major Capital Program includes critical investments such as grade separations, track and signal upgrades, station development, and facility improvements that are necessary to maintain and advance the existing system and services, while positioning the Rail Commission to meet future ridership and service demands.

Due to their scale and complexity, Major Capital projects require extensive coordination with host railroads, regulatory agencies, and funding partners, and progress through multi-phase delivery, including but not limited to environmental clearance, design, right-of-way, and construction. A full list of projects is presented in the following table.

Minor Capital

The Minor Capital Program comprises projects that are less complex, with individual project budgets not exceeding $2 million and delivery typically within one to two budget cycles. While smaller in scale, these projects play a critical role in maintaining system performance and delivering incremental improvements across the Rail Commission, and the ACE and Gold Runner services.

The program focuses on targeted investments in stations, facilities, equipment, and passenger-facing systems that directly impact the day-to-day operations and the passenger experience. Due to their shorter delivery timelines, Minor Capital projects provide the Rail Commission with the flexibility to address immediate operational needs, implement practical enhancements, maintain a state of good repair on transit assets, and demonstrate visible progress within a single fiscal year.

In combination with the Major Capital Program, the Minor Capital Program serves as a complementary delivery track geared at advancing near term improvements while larger, more complex projects progress through design and construction. A full list of projects is presented in the following table.

Major/ Minor	Project Title	Short Project Narrative	Phase	Annual Amount 26/27
Major	ACE Platform Extensions	Six current ACE stations in Lathrop/Manteca, Tracy, Vasco, Livermore, Pleasanton and Fremont to have the platforms extended to accommodate 8-car trainsets. This expansion aims to facilitate efficient and safe boarding and alighting of passengers for the longer trainsets at these stations.	PSE CON	$1,181,756
Major	ACE Public Information Display System (PIDS)	The San Joaquin Regional Rail Commission (SJRRC) is advancing a systemwide modernization of passenger information display systems (PIDS) across all ACE stations to enhance real-time communication, safety, and the overall rider experience. This effort will utilize technical consulting support to assess existing conditions, define system requirements, and develop a comprehensive, federally compliant procurement package for new digital displays, signage, and wayfinding. The project will also establish a scalable and secure network infrastructure, ensure ADA and regulatory compliance, and integrate real-time data sources such as GTFS. Implementation support will carry through vendor selection, system deployment, and staff training to ensure long-term operational success.	OTHER	$100,000
Major	ACE Rolling Stock - Locomotive Options	The San Joaquin Regional Rail Commission (SJRRC) purchased an additional two (2) Tier IV SC-44 locomotives increasing the fleet of Tier IV locomotives to a total of 6 Tier IV Chargers locomotives. The new locomotives will be used in conjunction with existing equipment to create longer train sets that can transport more passengers between the Central Valley and the Bay Area. The project is scheduled to be completed within the next two years.	OTHER	$2,564,260
Major	ACE Rolling Stock - Revenue Service Vehicle Overhauls & Mid Life	As part of the San Joaquin Regional Rail Commission's (SJRRC) commitment to maintaining assets in a State of Good Repair, work is continuing to overhaul 30 ACE railcars. The SJRRC Transit Asset Management Plan (TAM) identified midlife overhauls as a key initiative to ensure ACE's revenue fleet operates at maximum performance. The Project includes a new exterior paint scheme, seats, flooring, interior cameras, and onboard information system including digital audio and LCD screens, etc. These overhaul projects will improve passenger experience and reduce maintenance.	OTHER	$1,700,000
Major	ACE Rolling Stock - Zero Emission Engine Conversion Study	To support further planning for the F40 Locomotive conversion, amendments to Tasks 1,2 and 3 of the Near Zero locomotive contract are proposed. The San Joaquin Regional Rail Commission (SJRRC) seeks to further evaluate hydrogen as a fuel to assess the economic viability of converting F40 locomotives to fuel cells and determine acceptable levels of risk related to hydrogen supply and operating costs. The proposed change will result in an extension to accommodate for the deliverables as outlined in the Amendment 03 scope. We anticipate this scope of work will be completed in FY26/27.	OTHER	$250,000
Major	ACE Rolling Stock - ISC PIS System Installation Revenue Vehicles	This is a continuing project to update the Passenger Information system on the ACE cars. The original specification for the CEM cars purchased did not include the new PIS system. The ACE legacy fleet has this system being installed as part of the extension of life overhaul currently underway. This will bring all ACE cars to the same configuration for the PIS system.	OTHER	$538,000
Major	ACE Rolling Stock - Capital Spares Program	The San Joaquin Rail Commission's (SJRRC) Capital Spares Program supports the procurement of critical spare parts, including but not limited to wheel axle sets, traction motors, and specialized tools. These parts are essential to keeping the ACE equipment and service running safely and reliably. When these high-wear components fail, having replacements on hand prevents long service disruptions and keeps railcars in operation. Specialized tools are equally important, allowing the maintenance team to quickly and properly repair complex systems. Without these spares and tools, even minor issues can lead to major delays and reduced service.	OTHER	$1,500,000

PAED PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENTATION

PSE PLANS, SPECIFICATIONS, AND ESTIMATES

ROW RIGHT OF WAY

CON CONSTRUCTION

OTHER DIRECT PURCHASE OR NO PHASE

Major/ Minor	Project Title	Short Project Narrative	Phase	Annual Amount 26/27
Major	ACE Ticketing Platform Project – Phase 1	The ACE Mobile App (August 2025) and Point of Sale for station sales (May 2026) were launched in FY25/26. There are passenger and staff requests from Phase 1 which SJRRC and the Vendor are working on in FY26/27 to enhance the experience on the front and back end of the software for both platforms. Staff will begin work for Phase 2 of the project, which is focused ticket integration with the Gold Runner and other transit agencies.	OTHER	$2,743,021
ACE Major Total				**$10,577,037**
Major	Cabral Annex	Rehabilitation of an existing parking lot and street side parking. New Cabral Annex building with meeting space and staff offices.	PSE CON	$791,959
Major	Del Paso Area Action Plan	The Del Paso Action Plan will present a preferred station development alternative and recommend enhancements to promote multimodal connectivity between the proposed Old North Sacramento Station and two existing SacRT light rail stations for Globe Avenue and Arden/ Del Paso.	OTHER	$180,000
SJRRC Major Total				**$971,959**
Major	ACE Extension Ceres Station & Trackwork (layover engineering)	Construction of a new Ceres station platform, additional track, pedestrian pathway connections and public right of way improvements. This project also include a layover facility to the south of the new station.	PSE	$300,000
Major	ACE Extension Ceres to Turlock Double Track	Construction of double track through the City of Turlock with 9 grade crossings improvements and pier protection at the SR99 and Golden State Overpasses. Construction of the second main track will be on the UPRR Fresno Subdivision from MP 117.43 to MP 124.78 and MP 125.27 to MP 128.49. Double track will tie into the north and south ends of the Turlock Station trackwork.	PSE	$224,000
Major	ACE Extension Del Paso Siding Extension	The Del Paso Siding Extension project is located in Sacramento County in the City of Sacramento, north of Main Avenue. The purpose of the project is to extend the existing siding south, over Arcade Creek, for a future second mainline track as required by Union Pacific Railroad (UPRR) for the implementation of the Valley Rail Program.	PSE CON	$1,336,461
Major	ACE Extension Elk Grove Station & Trackwork	The Elk Grove Station includes the construction of a center loaded platform with a pedestrian overcrossing to access the platform. Construction of the station includes roughly 1.6 miles of trackwork between MP 126.87 to 128.51 on the UPRR Sacramento Subdivision in the Northern portion of Elk Grove. This station includes bus turnouts, kiss and ride drop off area, and vehicle parking and is located near Laguna Blvd. and Dwight Road.	PSE ROW	$1,109,000
Major	ACE Extension Lathrop Station, Wye & Track Extension	This project includes a new wye track between UPRR's Oakland Subdivision at MP 84.10 and UPRR's Fresno Subdivision at MP 94.20, a connection that is required to route trains from Ceres/Merced to San Jose. In addition there will be a new station (completed under the Manteca Station Project) with center loaded platform station with a pedestrian undercrossing to access the platform. Approximately 3.5 miles of trackwork will be constructed between MP 94.20 to MP 97.7 on the UPRR Fresno Subdivision. Construction of the trackwork will necessitate modification of seven at-grade crossings thru the City of Manteca.	PSE	$1,279,000
Major	ACE Extension Lodi Station & Trackwork	The Lodi Station and Track Extension includes a passenger station just west of the City of Lodi. A center loaded platform with the pedestrian overcrossing will be constructed to access the platform. Construction of about 4.5 miles of trackwork is included in the station construction between MP 104.5 to MP 109 on the UPRR Sacramento Subdivision. The Lodi Station includes bus turnouts, kiss and ride drop off area, and vehicle parking (a portion of which is planned for a future construction phase).	OTHER	$224,000

Major/ Minor	Project Title	Short Project Narrative	Phase	Annual Amount 26/27
Major	ACE Extension Pollock to South Sacramento Yard Extension	The Pollock to South Sacramento Yard Extension will create a new double track section between the existing Pollock Siding and the existing South Sacramento Yard Siding. The Project will install approximately 1.3 miles of new track between Mile Post (MP) 132.8 and MP 134.1 in Sacramento. Existing power operated turnouts at MP 132.8 and 134.1 will be removed as part of the Project. Associated grading, drainage, civil improvements, utility relocations and other improvements will be required in order to support the construction of the new track and signal infrastructure.	PAED	$224,000
Major	ACE Extension Ripon Station & Track Extension	The Ripon Station includes a center loaded platform station with the pedestrian overcrossing to access the platform. Almost one mile of track will be constructed as part of this project between MP 103.2 to MP 104.11. SJRRC is working closely with the City of Ripon to define the project requirements and anticipates the inclusion of a bus stop, kiss and ride drop off area, and two areas for passenger parking. To enhance the access to the station, roadway improvements at and around the station are planned for this project as well.	PSE	$224,000
Major	ACE Extension Sacramento City College	Construction of a single side loaded platform passenger station west of the existing mainline tracks adjacent to the Sacramento Regional Transit City College Station. No parking is planned for this station due to its proximity to the City College Campus and location between the two rail lines. Minor trackwork is required to accommodate the station installation at MP 136.22 on the UPRR Sacramento Subdivision.	ROW	$112,000
Major	ACE Extension Stanislaus River Bridge & Track Extension	Construction of a railroad bridge over the Stanislaus River at MP 104.4 and associated trackwork on the UPRR Fresno Subdivision just to the South of Ripon. Almost 3.5 miles of track will be constructed between the limits of MP 103.8 to MP 107.22.	PSE	$224,000
Major	ACE Extension Tuolumne River Bridge & Track Extension	Construction of a railroad bridge over the Tuolumne River and associated trackwork between MP 113.78 and MP 113.98 on the UPRR Fresno Subdivision just to the South of Modesto. Less than one mile of track will be constructed between the limits of MP 113.48 and 114.73.	PSE	$224,000
Major	ACE Extension Turlock Station & Track Extension	Construction of a center load platform with pedestrian overcrossing that connects to the Turlock Transit Center and new parking. The station is located adjacent to the intersection of Fulkerth Rd. and N. Golden State Blvd. The project includes modification of 2 grade crossings. Trackwork modifications are needed to accommodate the station center platform between MP 124.78 to MP 125.27 on the Fresno Subdivision. Trackwork will connect to the Ceres to Turlock Double Track Project on either end of the station.	PSE	$224,000
Major	ACE Extension Valley Rail General Program	The project includes general program, project management and seconded staff consulting services associated with the Valley Rail Program and Projects.	OTHER	$75,000
Valley Rail Major Total				**$17,132,375**
Major	BNSF CP Lake to CP Escalon	The Lake to West Escalon Project will connect two existing segments of double track on the Burlington Northern Santa Fe (BNSF) Stockton Subdivision by adding a second main track and related improvements between Lake and West Escalon in Escalon, California.	CON	$486,911
Major	Cabral Annex	Rehabilitation of an existing parking lot and street side parking. New Cabral Annex building with meeting space and staff offices.	PSE CON	$791,959
Major	High-Speed Rail/Early Train Operator Coordination	High-Speed Rail/Early Train Operator Coordination Support includes the following projects: Business Class Study, Grant Support, Operational Preparedness, Service Plan Coordination, and Ticketing Integration.	OTHER	$622,000

Major/ Minor	Project Title	Short Project Narrative	Phase	Annual Amount 26/27
	High-Speed Rail/Early Train Operator Coordination Support 26/27 ABP below	High-Speed Rail/Early Train Operator Coordination Support includes the following projects: Business Class Study, Grant Support, Operational Preparedness, Service Plan Coordination, and Ticketing Integration.	OTHER	$2,723,356
Major	Madera Station Relocation Project	Relocation of the San Joaquin's Intercity service's Madera Station from Madera Acres to a location just north of Avenue 12 to connect to future California High Speed Rail. The relocated station will include access road, parking, bus circulation a 600 foot platform and associated station track.	PSE ROW CON	$2,256,247
Major	Madera High Speed Rail Station Full Build	Environmental and Preliminary Engineering for the Madera HSR Station Phase 3. CEQA/NEPA documents and supporting planning and engineering for Phase 3. Phase 3 will be the full build of the Madera High Speed Rail Station. This phase will expand on Phase 2 to enable express services.		$650,000
Major	Oakley Station & Track Improvements	SJJPA, in coordination with the City of Oakley, Amtrak, and BNSF Railways, completed the design phase of the project in 2025. Construction is slated to begin for the Oakley Station Platform Project in the middle of 2025.	ROW	$7,876,157
Major	San Joaquin Street Paint & Station Enhancements	Restore, repair or replace deteriorated components at the Gold Runner San Joaquin Street Station.		$2,000,000
Major	San Joaquin St Layover & Access Improvements	The project is located in Stockton, at the existing San Joaquin Street Station along the BNSF Stockton Subdivision. The project will construct layover track, reconfigure parking lot, and install street lighting along San Joaquin Street between Hazelton Avenue and Worth Street in Stockton. The project will increase passenger safety and security as well as increase train storage capacity at the station.	PAED	$396,000
SJJPA Major Total				**$17,802,630**
Minor	ACE Station & Facilities Program	The ACE Station and Facilities Program cost will include painting of the ticketing kiosks and drought tolerant landscaping at the Robert J. Cabral station.	OTHER	$80,500
Minor	ACE Locomotive Simulator	Purchase from Cory's Inc., of a locomotive simulator that uses the same Siemens Charger locomotives currently running on ACE trains. This simulator will let crews practice operating over the full ACE route in a safe, virtual setting where they can train for different situations, including emergencies, without any risk to passengers or equipment. It will help crews build skills and confidence while improving overall safety. The simulator is also designed to be expanded later to support new routes or future service growth, allowing ACE to keep training programs effective as the service develops.	OTHER	$484,440
Minor	ACE Wi-Fi	The ACE Wi-Fi program is currently in a maintenance phase, with existing onboard hardware supported through routine maintenance and as-needed part replacement. While this approach continues to provide baseline connectivity for riders, service gaps remain in certain corridor segments. In the upcoming fiscal year, ACE will initiate testing of satellite-based solutions to improve coverage consistency and reduce existing dead zones. These efforts are intended to enhance overall reliability and introduce higher-quality connectivity options that support increased rider productivity.	OTHER	$342,826
ACE Minor Total				**$907,766**
Minor	BNY Debt Service	Annual debt service of Rail Maintenance Facility 2021 Refunded Certificates of Participation paid semi-annually.	OTHER	$1,764,650
Minor	East Channel Street Improvements	Project will complete improvements along East Channel Street between North Aurora and a ½ block west of North Stanislaus Street. Improvements will include new sidewalks, curb ramps, bulb-outs, street trees, pedestrian-scaled lighting, and road resurfacing.	CON	$78,000

Major/ Minor	Project Title	Short Project Narrative	Phase	Annual Amount 26/27
Minor	UPRR Stockton Yard Crossover	The UPRR Stockton Yard South Crossover Project provides crossovers between tracks in the Union Pacific Yard that will maintain access to BNSF east-west tracks during the Stockton Diamond Grade Separation construction project and provide alternative routing from the yard to the various remaining at-grade connections between the two railroads into the future. Due to the location and configuration of the maintenance yard, trains have to see-saw (back up and pull forward) several times to make moves into and out of the yard. Several phases of the Stockton Diamond project construction exacerbate this or require trains to stop altogether. By allowing continuous movements of trains through the yard that are destined for the connections to the BNSF tracks, significant noise and pollutants will be reduced from the braking and starting of trains in the see-saw movements. This project area located south of the Stockton Crosstown Freeway is an area of very significant and continual poverty. And the Rail Commission is partnering with the City of Stockton for several other greenbelt, grade separation, and grade crossing improvement projects in this area and have prioritized this effort on the San Joaquin Council of Governments 'One Voice' federally significant project list.	PSE	$224,000
Minor	Robert J. Cabral Building Improvements	This project includes flooring, painting and related building improvements at the Robert J. Cabral Station.	OTHER	$1,250,000
Minor	SJ COG Debt Service	Annual debt service of SJ COG Consolidated Loan paid annually.	OTHER	$1,118,012
SJJRC Minor Total				**$4,434,662**
Minor	Gold Runner Station Signage Project	The rebranding of the service presents a timely opportunity to modernize signage and wayfinding across both existing and future stations, consistent with the signage and wayfinding manual completed last fiscal year. The San Joaquin Joint Powers Authority will lead this effort, coordinating closely with local municipalities and the service operator to implement updates in a phased approach. Initial improvements will be delivered at a select group of stations this year, allowing staff to refine standards and establish best practices. These early deployments will inform a broader, corridor-wide rollout to ensure a consistent, intuitive customer experience.	PSE CON	$375,000
Minor	Facility & Station Improvements Program	The San Joaquin Joint Powers Authority is continuing to take a more active role in the oversight of Gold Runner stations and facilities, requiring dedicated funding to support station leases and ongoing maintenance needs. This effort reflects a broader shift toward greater agency control of the passenger environment and long-term asset management. Through a more coordinated and proactive approach, SJJPA will ensure stations remain safe, functional, and aligned with service standards. These investments establish a strong foundation for delivering a consistent and reliable customer experience across the corridor.	CON	$331,200
Minor	Gold Runner Minor Capital Program	The Minor Capital Program objective is to identify and implement projects along the Gold Runner Corridor to improve station structures and amenities that will help reduce safety and security issues and enhance the Gold Runner passenger experience.	CON	$622,000
Minor	Mini-High Platforms	The Mini-High Platform Boarding Project addresses passengers' accessibility needs with the new single-level Siemens Venture railcars in California's Intercity Passenger Rail system. The raised platform will be positioned so a plate/device can be extended from the bottom of the train's door opening to the 48-inch-high raised platform allowing level boarding for individuals needing assistance.	OTHER	$1,311,816
Minor	San Joaquin Valley Network Integration	The San Joaquin Valley Network Integration Action Plan will analyze the integration of multiple transit and passenger rail services, increase transportation mobility options to enhance connections to transit, and promote TOD land use planning and implementation in targeted locations.	OTHER	$500,000
SJJRC Minor Total				**$3,140,016**



PLANNING, GRANTS, & PROGRAMMING

The Rail Commission strives to be an essential asset to the communities it serves by connecting residents to jobs, housing, services, and leisure activities; stimulating local economies; improving the environment, health, and quality of life of community members; and becoming a leader in increasing resilience to climate change. The Rail Commission is also committed to reducing greenhouse gas emissions and vehicle miles traveled (VMT), which will lead to future climate impacts, and, most importantly, ensuring that the ACE service is accessible to everyone. With these goals and aspirations in mind, the Rail Commission's Planning, Grants, and Programming Department has strategically aligned its resources and processes for FY26/27 to improve efficiency and the agency's position in the industry.

In FY26/27, the Rail Commission will continue planning efforts for expanded and improved ACE service. It is also making progress on the Valley Rail Program; securing strong support for ACE service improvements; and pursuing additional funding for ACE's planning, capital, and operational needs. In addition, the Rail Commission will manage and administer various grants and funding programs; as well as build and maintain partnerships and positive working relationships with stakeholders, local and regional partners, and funding partners. Key Rail Commission planning, grants, and programming activities for FY26/27 are highlighted in the following sections.

Planning

Valley Rail

"Valley Rail" is the joint program between the Rail Commission and the Authority to expand both the ACE commuter rail service and Gold Runner intercity passenger rail service. Valley Rail's extensive program includes the introduction of a number of new stations and a series of track improvements between Sacramento and the San Joaquin Valley. This new rail infrastructure will increase passenger rail service frequencies and create new connections throughout the Central Valley, Sacramento area, and the Bay Area, allowing for the implementation of additional round-trip service for Gold Runner and improving connections for those traveling between the San Joaquin Valley and Sacramento area. For the ACE service, these initiatives will extend and add new connectivity between Sacramento, San Joaquin Valley, and the Bay Area.

By expanding passenger rail service and coordinated transportation infrastructure, Valley Rail strengthens regional connectivity and links communities across the Central Valley, greater Sacramento area, and Bay Area. Increased train frequency and expanded service will provide a reliable alternative to traffic and long commutes by improving mobility and making travel more efficient for workers, students, families, and visitors.

In addition, Valley Rail supports broader statewide goals by reducing roadway congestion, improving air quality,

increasing access to passenger rail and public transit across Northern California, and lowering greenhouse gas emissions in support of California's long-term sustainability objectives. As a central part of a more integrated rail and bus system, Valley Rail also provides a foundation for California's future rail network by connecting local communities to regional, intercity, and future high-speed rail services.

The Valley Rail program encompasses a series of major and minor capital projects that require a methodical and incremental delivery schedule which has always been envisioned as a program that would be implemented over time. The Rail Commission developed an updated program delivery schedule for the Valley Rail Program in FY25/26. This new schedule (referred to as the "Valley Rail Progression") is largely driven by outcomes and benefits for the services and communities along their routes, layered project construction dates, coordination with host railroads for infrastructure improvements, balanced by current assumptions about funding availability for construction and operation of additional service, and when ridership will justify additional service.

The service progression will serve as the basis for preparation of the ACE Expansion Service Plan, which will include analysis of market demand and operating concepts for ACE service included in the FY26/27 Work Program & Budget, identification of a refined service plan and schedules, validation of capital requirements for service implementation, and operations and maintenance funding requirements.

Coordination and Integration with High-Speed Rail

In support of the California High Speed Rail Authority's (CHSRA) 2026 Business Plan, the Rail Commission is working with CHSRA staff to provide inputs for improved ACE connectivity to future HSR service. Connectivity to ACE and Gold Runner is key to the success of the HSR Early Operating Segment (EOS) between Merced and Bakersfield. The Authority approved an initial memorandum of understanding (MOU) with CHSRA and California State Transportation Agency (CalSTA) on November 20, 2020, which identified the Authority as the operating agency for the HSR EOS. In 2022, the Authority requested and received $2 million in planning funds from the state to advance planning for the initial HSR operations, network integration and connectivity, and to develop more detailed inter-agency agreements. This work began in late 2023. In FY26/27, the Rail Commission will continue to work with the Authority, CHSRA, Caltrans, and CalSTA to advance the planning for integrating ACE and Gold Runner services with future HSR operations.

San Joaquin Valley Network Integration Study

The San Joaquin Valley Regional Policy Council created a new "Passenger Rail, Transit, and Land Use" Working Group to further collaborate and advocate for the San Joaquin Valley's various efforts around rail and transit connectivity and transit-oriented land uses. This working group is led by the Rail Commission staff. To further these efforts, the Authority secured grant funding through the Caltrans Sustainable Transportation Planning Grant program to bring resources to the group. The focus for these resources is to produce a Valley-Wide Transit Action Plan to further connectivity and network integration for the various San Joaquin Valley rail and transit services, and their relationship to HSR and expanded ACE and Gold Runner services. This coordinated "Network Integration" planning work was initiated in FY25/26 and is designed to identify actionable opportunities and provide connections between rail and transit systems to maximize ridership, including integration between ACE and transit providers in the corridor, as well as identifying focused areas for transit-oriented development (TOD) where connectivity and economics converge to make transit-supportive intensities and uses feasible. This San Joaquin Valley Network Integration planning study will be completed by the end of FY26/27.

Corridor Identification and Development Program

In FY26/27, the Rail Commission and the Authority will advance planning efforts for Valley Rail to closely coordinate with Caltrans in its administration of the Federal Railroad Administration's (FRA) Corridor Identification and Development Program (CIDP). This program establishes a national service development planning and project development process leading to a federal priority project pipeline based on capital project inventories for individual intercity passenger rail corridors. It also includes federal funding for planning, environmental review, and design stages. Valley Rail is uniquely

positioned to leverage current and near-term planning and environmental approvals into capital construction funding through CIDP. The partnership between Caltrans, the Rail Commission, and the Authority will look to secure CIDP capital funds for the Valley Rail Program soon after clearing the CIDP planning phase. This funding will further advance integration between ACE and Gold Runner services as envisioned in the Valley Rail plan. Caltrans intends to continue working on the initial CIDP planning phase, including a corridor Service Development Plan, in coordination with the Rail Commission during FY26/27.

Coordination and Partnership with Valley Link

The Rail Commission will continue to coordinate with, integrate service planning, and partner with the Tri-Valley – San Joaquin Valley Regional Rail Authority (Valley Link). On December 4, 2020, the Rail Commission approved an initial memorandum of understanding (MOU) with Valley Link with the goal of the Rail Commission serving as the agency responsible for Valley Link operations. This was an important step towards the implementation of Valley Link and continued the strong collaboration between the two agencies. The Rail Commission provides consulting services for the Valley Link Project, including the review of preliminary engineering documents, interagency agreements, early service development and operating plans, and procurement documents. In FY25/26, the Valley Link Board took action to prioritize an initial phase of Valley Link service to connect Dublin/Pleasanton BART with ACE at Vasco Station in Livermore. The Rail Commission is working with Valley Link to ensure a seamless connection between future Valley Link service and ACE at Vasco Station. In FY25/26, Rail Commission staff continued coordination with Valley Link staff to review project delivery progress and infrastructure concepts for integrating future ACE service on the Valley Link corridor alignment and continued to support Valley Link's inclusion in the San Joaquin Valley's "Valley Voice" as a passenger rail priority. The Rail Commission will continue to coordinate with Valley Link staff on Caltrans/SJCOG's I-205 Managed Lanes Environmental Impact Report (EIR) and on the possibility of shared ACE/Valley Link infrastructure in the future. The Rail Commission will also continue to assist in progressing the Valley Link project, which complements ACE expansion in the Altamont Corridor. In FY26/27, the Rail Commission will coordinate with Valley Link's continued planning efforts and identify opportunities to augment and enhance passenger rail to the Bay Area.

ACE Shuttles & Transit Connectivity

The Rail Commission is working to ensure that current and future service connectivity is aligned at a local, state, and federal level. Locally, working in coordination with the Santa Clara Valley Transportation Authority (VTA), assessment of potential modifications to connecting ACE Shuttle operations is underway. The goal is to optimize route performance and revenue; reduce operating costs; and identify a preferred governance model for long-term administration and operation of the shuttle service for discussion with VTA leading up to its next bi-annual service change in FY26/27. This analysis is driven by operations cost increases presented by VTA for the ACE Shuttles it operates, and uncertainty about regional funding support for sustaining the services. Route concepts for ACE Shuttles and recommendations for future operations are documented in the ACE Shuttle Optimization Study completed in FY25/26, which will contribute towards ongoing coordination with VTA and other partner agencies to optimize our service. In FY26/27, the Rail Commission will also coordinate with other transit agencies in the Bay Area and San Joaquin regions in developing strategies to improve mobility and establish connected transit networks, including working with San Joaquin Council of Governments (SJCOG), San Joaquin Regional Transit District (RTD), and the cities of Lathrop and Mountain House on planning for shuttle services between River Islands and the ACE Lathrop/Manteca Station and from Mountain House to the ACE Vasco Station in Livermore.

Short Range Transit Plans

A Short-Range Transit Plan (SRTP) for ACE service was prepared by Rail Commission staff as required by the SJCOG to meet both state and federal mandates. The SRTP planning horizon is ten years. Per SJCOG guidelines, the plan includes an overview of existing ACE service, an evaluation of the performance of ACE, agency goals to meet state and federal standards, operations plan and budget for ACE expansion in the short term (less than five years) and longer-term (beyond five years), and a capital improvement program for the planned ACE service expansion. This SRTP will be

presented to the Rail Commission Board on June 5, 2026. For FY26/27, the Rail Commission will prepare another ACE Short-Range Transit Plan for the Bay Area that is required by the Metropolitan Transportation Commission (MTC). Rail Commission staff will participate in MTC's guideline process in late 2026 and initiate SRTP development in early 2027, consistent with MTC timelines.

Transit-Oriented Development

While Valley Rail improves geographic equity throughout the Central Valley and Bay Area, continuing to leverage and incentivize transit-oriented development and regional Sustainable Communities Strategies will be important in serving priority populations within the service corridors. In FY26/27, the Rail Commission will continue to actively engage with partner agencies in the planned Valley Rail corridor to support the planning and development of TOD and affordable housing in areas surrounding planned ACE stations. These efforts will include emphasis on support for affordable housing and access to new rail, transit, and active transportation options in disadvantaged communities. Specific activities to support the Work Program are described below:

City of Stockton Downtown Planning and Active Transportation: The Rail Commission successfully partnered with the City of Stockton to secure State funds from the Active Transportation Program to construct the East Channel Street Project and fill the gap in the active transportation network between the downtown core, RTD Downtown Transit Center, and Robert J. Cabral Station (Cabral Station). Rail Commission staff will provide support to the City of Stockton in completing the East Channel Street project in FY26/27. In 2023, the Rail Commission and City of Stockton also partnered to secure planning grant funding through Caltrans for the Downtown Stockton Mobility Action plan project, or "Move Downtown." This planning effort was recently completed by the City of Stockton, with support from the Rail Commission, and includes plans to improve connections between Cabral Station (served by ACE), San Joaquin Street Station (served by the Authority), and Downtown. In FY26/27, the Rail Commission will continue supporting the City of Stockton in implementing short-term recommendations from the Move Downtown plan to enhance the vibrancy and livability of the area.

Sacramento Del Paso Station Area Action Plan: The Rail Commission collaborated with the Sacramento Area Council of Governments (SACOG), City of Sacramento, and Sacramento Regional Transit to secure planning funding for transit-oriented development and infrastructure action plans for the Del Paso area surrounding the future "Old North Sacramento" station in 2023. Rail Commission staff agreed to lead the planning effort for the station area in coordination with local and regional stakeholders, beginning in FY25/26. Dubbed the "Del Paso Station Area Action Plan," this effort will be completed by the end of FY26/27.

Lodi Valley Rail Station Study: The Rail Commission coordinated with the City of Lodi to secure planning grant funding through Caltrans for the Lodi Multimodal Transportation Network and Land Use Compatibility Plan. This plan will identify and evaluate improvements for connecting the planned Lodi Valley Rail station, located outside of the city on the Union Pacific Railroad (UPRR) Sacramento Subdivision, with the existing Gold Runner Lodi Station and Downtown Lodi for improved connectivity and integrated service. Additionally, the plan will leverage work from Lodi's Downtown Specific Plan Update to harmonize these passenger rail and transit connections with enhanced land use policies to best realize local economic development. This work is expected to be initiated in FY26/27 by the City of Lodi, with support from the Rail Commission.

Modesto Station Area Planning: The Rail Commission supported the City of Modesto's efforts to secure planning grant funding in 2025 to develop the Downtown Modesto Multimodal Transportation Network and Land Use Compatibility Action Plan. In FY26/27, the Rail Commission will provide staff support in creating a focused plan to expand regional access, encourage multimodal travel options among residents, and encourage infill development in downtown Modesto — surrounding the Modesto Transit Center/future Modesto ACE station area.

Agency and Organization Coordination

A critical ongoing "Planning" responsibility is coordination with agencies and organizations throughout the Bay Area, San Joaquin Valley, and Sacramento. This includes ongoing communications with local and regional agencies and participation in these agencies' meetings, working with Bay Area, Sacramento, and San Joaquin Valley transportation and planning related organizations, and monitoring and working to influence initiatives affecting ACE and Gold Runner services – including expansion plans, funding for capital improvements and operational and maintenance costs, and improving connectivity with other transit services. Rail Commission staff build and maintain partnerships and positive working relationships with stakeholders, local and regional partner agencies, as well as funding partners to support ongoing ACE and Gold Runner services and service expansion programs.

Grants – Strategic Investment Planning

Many projects within the Valley Rail Program experienced significant cost increases due to design changes and inflation. To fully meet the commitment to deliver the Valley Rail Program, the Rail Commission is working with SJJPA, stakeholders, and funding partners to reprioritize existing programmed TIRCP funds to priority projects and to pursue additional funding from federal, state, and local grant programs to fill the funding shortfalls. In addition, the Rail Commission is seeking to close an operating funding gap by the end of 2026 and beyond through a focused key stakeholder outreach and a targeted investment planning strategy. The Rail Commission plans to pursue the following grants and funding programs for the operations and capital improvements in FY26/27:

- USDOT's Better Utilizing Investments to Leverage Development (BUILD) Grant for Modesto Station
- FRA's Consolidated Rail Infrastructure and Safety Improvement (CRISI) Program for Cabral Track Extension and Lodi Station and Track
- FRA's Federal-State Partnership Program (FSP) for San Joaquin Street Layover, Del Paso Siding, and Natomas Station and Layover
- Alameda CTC's I-580 Toll Revenue for ACE Operation
- CalSTA's Transit Intercity Rail Capital Program for Newark-Albrae Siding and Cabral Track Extension
- VTA and Alameda CTC's TCFA funds for ACE Operation
- CTC's Local Partnership Program for Cabral Track Extension

Programming – Grant Management and Compliance

The Rail Commission administers various grants and funding programs for the existing and future service. A critical component of grant management is the compliance requirements for the funding arrangements. Both pre-award and post-award responsibilities include regulatory audits to ensure the accuracy of financial reporting, project deliverables, compliance, and third-party contracting practices.

To manage the complex capital, planning, and operations funding portfolio, the Rail Commission procured and implemented a grant management system (GMS) to enhance grant management and compliance activities in FY25/26. In FY26/27, historical data will be migrated into the new system, and all records will be validated for accuracy. The GMS implementation will further improve and streamline the grant life cycle from application to close-out, and staff will be able to use analytics and reporting tools to track key metrics and monitor compliance with grant requirements.



RAIL SUPPORT SERVICES

SJRRC is the owner and operator of the ACE service, and as the Managing Agency of SJJPA, is authorized to facilitate operational, funding, and administrative activities for the Gold Runner Intercity Passenger Rail Service. SJRRC's continued recognition and success in its primary responsibilities has extended its responsibilities and resources to serve in the capacity of Rail Support Services (RSS) for other transportation entities and rail-related initiatives. RSS, through the Managing Agency Agreement and other partnerships, has expanded to include activities such as mechanical oversight, equipment maintenance, operability testing, and workforce development program.

Expenses related to the State-provided equipment, utilized by the Gold Runner and Capitol Corridor, are included in both the SJJPA and RSS budgets, and expenses for the workforce development program, known as The Rail Academy of Central California (TRACC), are also included in the RSS budget.

Rail Support Services and Other SJRRC Activities (TRACC and State-Owned Equipment)

In recent years, the Rail Maintenance Facility (RMF) and its utilization have increased exponentially, and the RMF has established itself as a hub for passenger rail maintenance and innovation for Central and Northern California. For the Equipment Services team, FY26/27 means a year of continuing to push projects forward as well as introducing new activities that are aimed at improving passenger rail for the region by diversifying the Rail Commission's revenue stream, reducing operational costs for the State, and continuing to stimulate the local workforce. Highlighted projects for this year include:

- Caltrans Truck Overhaul
- State-Owned Venture Car Acceptance
- Mechanical Responsibility of the State Provided Northern California Passenger Rail Fleet
- Bi-Level Fleet Modification

Caltrans Truck Overhaul

SJJPA and the California Department of Transportation (Caltrans) entered into an agreement to overhaul the State-Owned Northern California Bi-level Passenger Rail Cars (Cal1 and Surfliner) and Southern California (Surfliner) fleet, which has a total of 88 vehicles. Increasing the utilization of the RMF provides additional revenue streams to defray facilities costs and increases workforce utilization. As part of Caltrans' State of Good Repair Projects for the equipment, this project began in Fall 2023 and is a multi-year project. Work is being completed in Stockton at the RMF utilizing the Rail Commission's mechanical contractor. Initially, the project started as only the trucks and running gear. However, the scope was changed to include couplers/draft gear and end portal diaphragms. The project schedule includes 18

vehicles per year (based on vehicle availability) until all vehicles are completed. The multi-year project is expected to be completed by 2030. Rail Commission staff time and facility usage are reimbursed as part of the project. Funding is provided in full by the State of California.

State-Owned Venture Car Acceptance

Caltrans purchased 49 single-level Siemens Venture Cars (Venture Cars) for use on the Gold Runner service and entered into an agreement with SJJPA to utilize the Rail Commission's mechanical contractor (TASI) to perform commissioning and acceptance activities as part of the State of California's procurement. The acceptance and commissioning work began in 2020, is being performed at the RMF by Rail Commission staff, Caltrans' inspectors, and TASI.

The Venture cars are near completion and in the final close-out phase of the project. It is anticipated that the last cars will be made available to SJJPA in December 2026. Once all 49 cars have been accepted, the Gold Runner will have seven trainsets with seven cars each, including the cab car with limited seating and checked baggage storage.

Maintenance of State-Provided Northern CA Intercity Fleet

The Rail Commission, as the Managing Agency of SJJPA, is responsible for all maintenance of the State-Provided Northern California Passenger Rail fleet. The responsibility for the maintenance of the equipment fully transitioned on August 1, 2025. The transition allows for more direct oversight of equipment activities to SJJPA, CCJPA, and Caltrans, allowing for the implementation of a higher standard of maintenance practices for the two (2) services, while adding to the equipment maintenance workforce. The maintenance work will be completed at the Oakland Maintenance Facility (OMF), with the equipment being rotated to Stockton only as needed for periodic inspections or repairs. Full funding is provided by the State of California.

Bi-Level Fleet Modification

SJJPA plays an advisory role for the Bi-level Legacy Fleet Modernization program led by Caltrans. The program aims to improve and modernize the aesthetics and functionality of the legacy fleet. SJJPA, in coordination with CCJPA and Caltrans have developed a project plan for the modernization initiative designed to extend the service life of the legacy fleet by at least 15 years, ensuring continued operation through 2043. Caltrans is working with Staff to complete an agreement with the Rail Commission as the Managing Agency of SJJPA to manage the Program. The initial scope encompasses 51 California bi-level cars, with workstreams addressing deferred maintenance, state of good repair restoration, and customer-focused refurbishment. The program will be structured in three phases – initiation, pilot vehicle, and serial production – with a preliminary completion target of February 2033 at an estimated cost of $1.4 million per coach car in today's dollars. The full scope of work is still in development. Full funding will be provided by the State of California and grant funds secured by SJJPA and CCJPA.



The Rail Academy of Central California (TRACC)

Overview and Transition

The Rail Academy of Central California (TRACC) is a rail workforce development program collaboration between leading educational and transportation entities. This partnership ensures that the programs are academically rigorous and highly relevant to the industry, equipping interested students with the skills and knowledge they need for a successful career in Railroad Operations.

TRACC offers a one-of-a-kind West Coast Railroad Operations program for students passionate about becoming railroad conductors or engineers. This program, which includes a certificate of completion and an associate's degree for interested students, opens the door to an exciting and financially rewarding career in the United States railroad industry.

The Railroad Operations program, a comprehensive 16-unit, five-course curriculum, has been meticulously designed and approved by the Rail Commission, Sacramento City College (Sac City), and the Federal Railroad Administration (FRA). Sac City uses its resources and expertise to oversee the educational aspects of TRACC, including student enrollment and faculty hiring.

TRACC is taught by a designated full-time instructor, who was hired in Q4 of 2025, and two adjunct professors. Sac City hired a Student Support Specialist in Q3 of 2025 to assist with students' academic success. All Railroad Operations faculty are currently employed in, or recently retired from, the Railroad Industry.

TRACC started on January 16, 2024, and a total of four cohorts (44 students) have graduated. TRACC operates in two cohorts each Academic Year: a Spring Cohort that starts in January and graduates in August, and a Summer Cohort that starts in May and graduates in December. The TRACC Curriculum covers topics related to Railroad Careers, Railroad Operations, Railroad Safety, Quality, and Environment, and the General Code of Operating Rules (GCOR). GCOR covers employee responsibilities, signaling equipment, procedures for safe train movement, dealing with accidents, and other topics that directly and indirectly affect railroad safety.

Each TRACC cohort can accommodate up to 30 students, with courses offered through in-person instruction or self-paced online modules (asynchronous format) and are beginning to offer synchronous online learning options. Each cohort reserves space for 15 dual-enrollment program high school students in San Joaquin region. In January 2026, the largest TRACC cohort to date started with 30 students enrolled and is scheduled to graduate on August 2, 2026.

Current Partnerships

ACE operator, TASI, UPRR, Amtrak, and Terminal Switching Services (TSS) have played crucial roles in supporting TRACC. Each organization is committed to not only interviewing successful program graduates but also providing staff mentorship opportunities. TRACC is also supported by Women in Transportation Seminar's Central California Chapter (WTS CenCal), and they have provided scholarship opportunities for TRACC's women students for the last two years. This robust support system ensures graduates are prepared for the industry, making TRACC a reliable choice for career opportunities in the railroad industry.

TRACC is also promoted by our community partners, including San Joaquin County Office of Education, San Joaquin Community Foundation, San Joaquin Family Justice Center, Child Abuse Prevention Council, Vocational Rehabilitation Services Inc. (VRSI), San Joaquin County WorkNet, Ready to Work, Friends Outside, Interns II Pros, and the Love Never Fails IT Biz Academy.

Program Success

Ten TRACC graduates have received job offers in the industry following their graduation from the program. Two of the graduates accepted job offers with the Union Pacific Train Crew in Roseville, CA; three have joined Terminal Switching Services in Lathrop, CA, as conductors; one has joined the Rail Commission as a Passenger Services Representative; three have joined TASI as a coach cleaner, a Mechanic/Utility Worker II, and a Supervisor of Maintenance of Equipment; and one has joined Amtrak as a Train Attendant in Oakland, CA.

Grant Funding

Operations: The Rail Commission was awarded the Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 award of $300,000 in FY24 and was awarded the Federal Railroad Administration's (FRA) Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant for $2,000,000 in FY24 for TRACC operational costs. The CRISI grant funding for TRACC operating costs was allocated in March 2026. The Rail Commission received pre-award authority and tapered match approach (non-proportional spending) from FRA, which will allows the Rail Commission to access the TIRCP funding first. Simultaneously, the Rail Commission is requesting TIRCP allocation at the June California Transportation Commission (CTC) meeting. The Rail Commission committed the initial $310,000 in Operating Funds for the TRACC pilot program. In addition, in coordination with multiple partners, the Rail Commission will continue to pursue funding opportunities to secure the additional funding needed for operation as the initially allocated funds have tailored off. Sacramento City College supports TRACC with instructors and enrollment.

Rail Commission Staff are currently evaluating the first two years of operation of the Rail Academy pilot program with sectoral partners to identify both successes and challenges within the program curriculum and metrics of success. Sacramento City College and Rail Commission staff created a TRACC Advisory Council and have begun meeting with educational and industry professionals to analyze the Rail Academy's progress. Staff have started analyzing data for detailed budget and grant funding needs and have begun drafting an Executive Business Plan for the Rail Academy that will be presented to the Rail Commission board members. Staff will work with public and private partners to continue to pursue funding for TRACC Operations and the future classroom.



Program Outreach

In FY24/25 Rail Commission board members and staff attended the San Joaquin Council of Governments' (SJCOG's) annual federal advocacy trip, One Voice®, in Washington, D.C., to advocate for federal support of TRACC, and as a result, District 10 US Representative Josh Harder delivered remarks at the July 2025 TRACC Graduation Ceremony.

In FY25/26 TRACC participated in local outreach events in Stockton, Sacramento, and Lodi. Rail Commission staff continued to provide outreach through presentations and Career Fair events hosted by Stockton Unified School District (SUSD), Manteca Unified School District (MUSD), and Ripon Unified School District (RUSD) high schools, San Joaquin County WorkNet Center, San Joaquin Delta College, San Joaquin County Office of Education, Sacramento City College, and future dual enrollment opportunity partners in LodiTracy, and Sacramento. TRACC will also be represented at Sacramento City College events, including the Celebrate City Open House on the Sacramento City College Campus, and the California Capital Airshow.

Future for TRACC

In FY25/26 Rail Commission continued to work with San Joaquin Delta College on curriculum development for a future Rail Maintenance and Mechanical program as part of TRACC. In FY27/28, TRACC program administration will transition to San Joaquin Delta College for the current Railroad Operations Program, so Delta will oversee both programs under TRACC's overarching umbrella. Rail Commission staff are planning to visit the National Academy of Railroad Sciences (NARS) offered by Johnson County Community College in partnership with BNSF in FY26/27, to receive insight to continue to grow the current Railroad Operations program offering and develop the Rail Maintenance and Mechanical Program. Delta College aims to begin both the TRACC Railroad Operations and Railroad Maintenance and Mechanical program in July 2027. Delta College's TRACC program administration lead will allow the Rail Commission to maintain industry oversight as a partner.



OPERATING BUDGET OVERVIEW

FY26/27 Work Program Operating Budgets for Administrative, Managing Agency, and Rail Support Services

The Rail Commission is a California joint powers authority that is dedicated to the management and improvement of current and future rail services and programs that connect to San Joaquin County. Primarily, the Rail Commission is the owner and operator of the ACE passenger service train and is governed by an eight-member board, consisting of six voting Commissioners all of which are elected officials of a city council within San Joaquin County or member of the Board of Supervisors and are appointed by the San Joaquin Council of Governments, and two special voting Commissioners residing in Alameda County and representing areas served by the ACE Corridor, the latter appointed by the Alameda County Transportation Commission.

The Rail Commission is the managing agency for the Gold Runner Intercity Passenger Rail service, and is authorized to facilitate operational, funding, and administrative duties for the service with oversight from the Authority board.

The Authority board is comprised of ten member agencies, including Alameda County, Contra Costa Transportation Authority, Fresno Council of Governments, Kings County Association of Governments, Madera County Transportation Commission, Merced County Association of Governments, Sacramento Regional Transit, the Rail Commission, Stanislaus Council of Governments, and Tulare County Association of Governments. The Gold Runner is a state-supported intercity passenger rail service that is funded through the State of California's Public Transportation Account.

The Rail Commission's continued success has extended its responsibilities and resources to serve in the capacities of RSS of other rail corridors and executing RSS that advance rail initiatives throughout the region. RSS has expanded to include mechanical oversight, equipment maintenance and operability testing, capital and operational program delivery, financial management, and workforce development. Expenses related to the maintenance of the State-provided equipment utilized by the San Joaquins and Capitol Corridor are included in both the Authority's and RSS budgets.

SJRRC Budget

	FY25/26 SJRRC Budget	FY26/27 SJRRC Budget	Change	%
Project Management, Services, Supplies				
Salaries/Benefits/Contract Help	4,496,450	4,029,309	(467,141)	-10%
Office Expenses & Postage	18,866	24,157	5,291	28%
Subscriptions/Periodicals/Memberships	10,291	34,217	23,926	232%
Office Equipment Leases/Supplies/Maintenance/Furniture	22,766	30,300	7,534	33%
Computer Systems	406,500	326,000	(80,500)	-20%
Communications	1,847	840	(1,007)	-55%
Motor Pool	11,940	23,550	11,610	97%
Transportation/Travel	46,497	62,315	15,818	34%
Training	46,982	19,539	(27,443)	-58%
Audits & Regulatory Reporting	32,090	28,040	(4,050)	-13%
Professional Services Legislative	226,425	294,557	68,132	30%
Professional Services Legal	232,500	105,000	(127,500)	-55%
Professional Services General	825,100	803,155	(21,945)	-3%
Publications & Legal Notices	11,550	12,500	950	8%
Special District Fees & Assessments on SJRRC Owned Property	111,722	109,825	(1,897)	-2%
Total	**6,501,526**	**5,903,305**	**(598,221)**	**-9%**
Contracted Services				
Maintenance of San Joaquin Facilities	127,770	162,888	35,118	27%
Maintenance of Headquarters Structures & Grounds	45,789	98,856	53,067	116%
Parking & Train Layover Leases	29,000	29,000	-	0%
Insurance	276,506	364,988	88,482	32%
Insurance Management Fees	7,280	7,000	(280)	-4%
Security Services & Safety Programs	63,010	116,126	53,116	84%
Marketing & Passenger Experience	84,120	84,120	-	0%
Total	**633,474**	**862,978**	**229,504**	**36%**
Overall Total	**7,135,000**	**6,766,283**	**(368,717)**	**-5%**
Operating Revenue				
Measure K	7,000,000	6,636,283	(363,717)	-5%
Valley Link	30,000	30,000.00	-	0%
MTC reimbursement	30,000	-	(30,000)	-100%
Non Transportation Revenue	75,000	100,000.00	25,000	33%
Total	**7,135,000**	**6,766,283**	**(368,717)**	**-5%**

ACE Budget

	FY25/26 ACE Budget	FY26/27 ACE Budget	Change	%
Project Management, Services, Supplies				
Salaries/Benefits/Contract Help	5,143,841	4,998,968	(144,873)	-3%
Office Expenses & Postage	16,827	16,510	(317)	-2%
Subscriptions/Periodicals/Memberships	17,000	14,500	(2,500)	-15%
Office Equipment Leases/Supplies/Maintenance/Furniture	15,587	20,400	4,813	31%
Computer Systems	5,000	5,000	-	0%
Communications	6,155	1,120	(5,035)	-82%
Motor Pool	44,265	31,400	(12,865)	-29%
Transportation/Travel	55,557	71,120	15,564	28%
Training	65,000	13,117	(51,883)	-80%
Audits & Regulatory Reporting	52,540	54,210	1,670	3%
Professional Services Legislative	140,000	-	(140,000)	-100%
Professional Services Legal	65,000	30,000	(35,000)	-54%
Professional Services General	356,932	472,912	115,981	32%
Publications & Legal Notices	12,500	5,000	(7,500)	-60%
Title IV	93,750	93,750	-	0%
Total	**6,089,953**	**5,828,007**	**(261,946)**	**-4%**
Contracted Services				
Maintenance & Improvements System Wide ACE Stations	79,000	79,000	-	0%
Maintenance of Headquarters Structures & Grounds	161,452	131,756	(29,696)	-18%
ACE Operations & Maintenance	12,877,700	12,945,858	68,158	1%
Positive Train Control	535,870	464,700	(71,170)	-13%
Consumables & Repair Parts	2,000,000	2,000,000	(0)	0%
Parking & Train Layover Leases	263,088	347,652	84,564	32%
Fuel	2,600,000	3,000,000	400,000	15%
Railroad Maintenance, Oversight & Dispatching	2,853,721	3,091,265	237,544	8%
Insurance	6,251,870	6,418,188	166,318	3%
Insurance Management Fees	162,750	161,000	(1,750)	-1%
Security Services & Safety Programs	1,010,598	964,566	(46,032)	-5%
Marketing & Passenger Experience	1,036,720	974,127	(62,593)	-6%
Special Trains	268,000	281,000	13,000	5%
Ticketing Services	754,581	821,125	66,544	9%
Professional Services Operations	314,742	324,828	10,086	3%
Communications Operations	119,422	120,740	1,318	1%
Communications & WI-FI & PIDS	461,000	758,106	297,106	64%
Emergency Ride Home & Emergency Bus Bridges	60,000	40,000	(20,000)	-33%
Rail Maintenance Facility	1,450,844	774,947	(675,896)	-47%
Total	**33,261,358**	**33,698,858**	**437,501**	**1%**
Shuttle Services				
Shuttle Services	3,219,900	3,601,100	381,200	12%
Total	**3,219,900**	**3,601,100**	**381,200**	**12%**
Host Railroad Fees				
Host Railroad Fees - Capital Maintenance	4,500,000	4,500,000	-	0%
Host Railroad Fees - Capital Access Fees	3,242,516	3,242,516	(0)	0%
Total	**7,742,516**	**7,742,516**	**(0)**	0%
Overall Total	**50,313,727**	**50,870,482**	**556,755**	**1%**
Operating Revenue				
Fare Revenue	7,000,000	7,747,229	747,229	11%
Amtrak Revenue	75,000	75,000	-	0%
Special Trains - Fare Revenue	268,000	281,000	13,000	5%
Measure BB	4,107,454	5,070,984	963,530	23%
LTF	12,244,069	13,000,000	755,931	6%
STA	1,441,975	2,900,000	1,458,025	101%
STA MTC	321,171	323,604	2,433	1%
Santa Clara VTA Local	4,632,702	4,809,759	177,057	4%
SB-125 SJCOG	7,198,657	-	(7,198,657)	-100%
SB-125 MTC	1,828,837	-	(1,828,837)	-100%
FTA 5307	2,759,106	6,395,792	3,636,686	132%
FTA 5337	6,282,977	7,851,976	1,568,999	25%
LCTOP	602,220	734,169	131,949	22%
Measure K	1,551,559	1,680,969	129,410	8%
Total	**50,313,727**	**50,870,482**	**556,755**	**1%**

SJJPA Budget

	FY25/26 SJJPA Budget	FY26/27 SJJPA Budget	Change	%
Project Management, Services, Supplies				
Salaries/Benefits/Contract Help	4,620,670	3,489,422	(1,131,248)	-24%
Office Expenses & Postage	21,010	14,276	(6,734)	-32%
Subscriptions/Periodicals/Memberships	13,800	39,449	25,649	186%
Office Equipment Leases/Supplies/Maintenance/Furniture	20,000	31,410	11,410	57%
Computer Systems	5,460	20,000	14,540	266%
Communications	4,200	5,000	800	19%
Motor Pool	20,953	19,250	(1,703)	-8%
Transportation/Travel	42,800	103,665	60,865	142%
Training	9,917	24,000	14,083	142%
Audits & Regulatory Reporting	47,580	47,580	0	0%
Professional Services Legislative	270,400	480,508	210,108	78%
Professional Services Legal	167,280	167,280	-	0%
Professional Services General	438,711	557,942	119,231	27%
Publications & Legal Notices	12,500	12,500	-	0%
Professional Services Grants	254,800	125,052	(129,748)	-51%
Professional Services Planning	230,000	150,000	(80,000)	-35%
Total	**6,180,081**	**5,287,333**	**(892,748)**	**-14%**
Contracted Services				
Maintenance of Headquarters Structures & Grounds	221,424	834,310	612,886	277%
Insurance	170,432	337,148	166,716	98%
Insurance Management Fees	10,000	17,000	7,000	70%
Security Services & Safety Programs	121,066	121,066	(0)	0%
Professional Services Operations	21,939	128,000	106,061	483%
Communications Operations	15,105	15,190	85	1%
Total	**559,966**	**1,452,714**	**892,748**	**159%**
Overall Total (Admin)	**6,740,047**	**6,740,047**	**0**	**0%**
Community Engagement & Marketing	1,656,000	1,750,000	94,000	6%
New Service Advertising	94,000	-	(94,000)	-100%
Total	**1,750,000**	**1,750,000**	**-**	**0%**
San Joaquin Intercity Rail Operations (Amtrak Contract)	54,964,851	44,605,642	(10,359,209)	-19%
San Joaquin Intercity Rail Operations (Other Contracts)	45,686,200	65,350,673	19,664,473	43%
Total	**100,651,051**	**109,956,315**	9,305,264	9%
Overall Total	**109,141,098**	**118,446,362**	**9,305,264**	**9%**
Operating Revenue				
Admin & Ops - State of California	6,740,047	6,740,047	0	0%
Marketing - State of California	1,750,000	1,750,000	-	0%
Operations - State of California	100,651,051	109,956,315	9,305,264	9%
Total	**109,141,098**	**118,446,362**	**9,305,264**	**9%**

RSS Budget

	FY25/26 RSS Budget	FY26/27 RSS Budget	Change	%
Project Management, Services, Supplies				
Salaries/Benefits/Contract Help	838,483	969,525	131,042	16%
Total	**838,483**	**969,525**	**131,042**	**16%**
Contracted Services				
State Owned Equipment Maintenance	35,900,000	41,045,000	5,145,000	14%
Pre Revenue Venture Car and Truck Overhaul Service Agreement	17,176,944	4,426,862	(12,750,082)	-74%
Rail Maintenance Facility	95,189	148,696	53,507	56%
Total	**53,172,133**	**45,620,558**	**(7,551,575)**	**-14%**
Overall Total	**54,010,616**	**46,590,083**	**(7,420,533)**	**-14%**
Operating Revenue				
Other Revenue - State Maintenance Program	53,915,427	46,441,387	(7,474,040)	-14%
Rail Commission - Other Managing Activities Revenue	95,189	148,696	53,507	56%
Total	**54,010,616**	**46,590,083**	**(7,420,533)**	**-14%**

TRACC Budget

	FY25/26 TRACC Budget	FY26/27 TRACC Budget	Change	%
Project Management, Services, Supplies				
Salaries/Benefits/Contract Help	164,256	169,304	5,048	3%
Total	**164,256**	**169,304**	**5,048**	**3%**
Contracted Services				
The Rail Academy of Central California	475,344	663,241	187,897	40%
Total	**475,344**	**663,241**	**187,897**	**40%**
Overall Total	**639,600**	**832,545**	**192,945**	**30%**
Operating Revenue				
SJRRC Contribution	90,000	-	(90,000)	-100%
TIRCP	300,000	100,000	(200,000)	-67%
CRISI	249,600	732545	482,945	193%
Total	**639,600**	**832,545**	**192,945**	**30%**

SJRRC RESOLUTION 26/27- 4

RESOLUTION ADOPTING THE FISCAL YEAR 2026/2027 OPERATING AND CAPITAL BUDGETS: SJRRC OPERATING BUDGET ($6,766,283), SJRRC-RAIL SUPPORT SERVICES ($46,590,083), SJRRC–TRACC ($832,545), ACE OPERATING BUDGET ($50,870,482), SJJPA OPERATING BUDGET ($118,446,362), AND COMBINED CAPITAL BUDGET ($54,966,445)

WHEREAS, on an annual basis, the San Joaquin Regional Rail Commission (Rail Commission) adopts a Work Program that serves to communicate the planned activities of the agency in the coming fiscal year, as well as outlines the Operations and Capital Project Budget; and

WHEREAS, the adoption of an operating and capital budget is necessary for obtaining Federal, State, and Local funds to support the Rail Commission; and

WHEREAS, staff presented a comprehensive preview of the draft Fiscal Year 2026/2027 (FY26/27) Work Program and Budget at the April 30, 2026, and June 5, 2026, Rail Commission meetings.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Joaquin Regional Rail Commission Adopts the Fiscal Year 2026/2027 Operating and Capital Budgets: SJRRC Operating Budget ($6,766,283), SJRRC-Rail Support Services ($46,590,083), SJRRC–TRACC ($832,545), ACE Operating Budget ($50,870,482), SJJPA Operating Budget ($118,446,362), and Combined Capital Budget ($54,966,445).

FURTHERMORE, BE IT RESOLVED that in the event there is a delay in the timely adoption of the budgets for the 2027/2028 fiscal year, the 2026/2027 budgets shall be renewed and carry over into the 2027/2028 fiscal year until such time as the 2027/2028 budgets are adopted.

PASSED AND ADOPTED, by the Board of Commissioners this 8th day of July 2026, by the following vote:

AYES: 6 - Marchand, Salwan, Fugazi, Lackey, Vice-Chair Zuber, Chair Craig-Hensley
NOES: 0
ABSENT: 2 - Arriola, Canepa
ABSTAIN: 0

ATTEST:

SAN JOAQUIN REGIONAL RAIL COMMISSION

CHRIS ORLANDO, Secretary

LISA CRAIG-HENSLEY, Chair

SAN JOAQUIN REGIONAL RAIL COMMISSION
Special Meeting of July 8, 2026

STAFF REPORT

Item 5 **ACTION**

Adopt a Resolution Adopting the Fiscal Year 2026/2027 Operating and Capital Budgets: SJRRC Operating Budget ($6,766,283), SJRRC-Rail Support Services ($46,590,083), SJRRC–TRACC ($832,545), ACE Operating Budget ($50,870,482), SJJPA Operating Budget ($118,446,362), and Combined Capital Budget ($54,966,445)

Rail Commission and Work Program Overview:
The San Joaquin Regional Rail Commission (Rail Commission) is a California joint powers authority established in 1995 by the County of San Joaquin and the cities of Stockton, Lodi, Tracy, Manteca, Escalon, Ripon, and Lathrop, to provide passenger rail for residents of San Joaquin County and neighboring communities. Through the Cooperative Services Agreement with Alameda County Transportation Commission (Alameda CTC) and Santa Clara Valley Transportation Authority (VTA), the Rail Commission represents a strategic partnership between San Joaquin, Alameda, and Santa Clara Counties to relieve congestion and provide alternative transportation to commuters accessing the job centers of the Tri-Valley and Silicon Valley. Each year, the Rail Commission prepares a Work Program and Budget that serves to communicate the planned activities of the agency in the coming fiscal year, as well as outline the Operations and Capital Program Budget.

The Rail Commission serves as the Managing Agency for the San Joaquin Joint Powers Authority (Authority), and a brief description of the Work Program and Budget for the Gold Runner Intercity Rail Service is included. The Authority secures its own funding and directs spending on the Gold Runner service and programs, and the Rail Commission budget must include these expenses and revenues on behalf of the Authority. In addition, the Authority designated the Rail Commission as the lead agency to implement all shared Valley Rail Program stations and facilities.

Through the annual Work Program, the Rail Commission ensures that projects, operations and activities within the fiscal year are aligned and consistent with its Mission, Vision, and Values, and meet the goals and purpose of the agency.

Strategic Framework:
The coming years will be transformational for the Rail Commission and the Authority. The passenger rail services provided by the Rail Commission and the Authority continue to make year-over-year ridership gains and the Valley Rail Program is set to begin construction.

The Strategic Framework (Framework), which is the product of a series of agency-wide planning sessions, is intended to align agency priorities and to focus resources and efforts on those initiatives that are most critical to the Rail Commission and Authority's success. The Framework is centered on building a high-performing, resilient, and forward-looking passenger rail and multi-modal system that delivers immediate value while positioning the organization for long-term growth.

The Strategic Framework is built around four key pillars: Driving Service Quality, Expanding Services and Infrastructure, Scaling Business Processes, and Maintaining Fiscal Stability. These priorities focus on delivering safe, reliable, and passenger-focused service; advancing major initiatives like the Valley Rail Program; modernizing internal operations and organizational capacity; and ensuring long-term financial sustainability to support future growth and improved regional mobility.

Together, the pillars create a balanced and integrated approach, one that strengthens today's operations, delivers meaningful improvements for riders, and lays the groundwork for a more connected, reliable, and sustainable transportation future. To advance, track, and ultimately, achieve the pillars and objectives described within the Strategic Framework, the Work Program includes Key Performance Indicators (KPIs) for continuous monitoring and assessment and specific Strategic Initiatives within each pillar that were identified to drive success. An outline of the specific KPIs and Strategic Initiatives will be included in the Final Work Program.

FY26/27 Work Program and Budget:
The Fiscal Year 2026/2027 (FY26/27) Work Program encompasses a continued focus on the existing ACE trunkline service, increasing ridership, and the delivery of the Valley Rail expansion in accordance with recent actions and direction provided by both the Rail Commission and the Station/Facilities Development Committee.

The FY26/27 Work Program is organized into the following sections:

1. Executive Summary
2. Operations
3. ACE Equipment Services
4. Passenger Experience & Marketing
5. Capital Programs
6. Planning, Grants, and Programming
7. Rail Support Services and Other Activities
8. Budgets
    a. Operations – Rail Commission, ACE, and Authority
    b. Capital – Rail Commission, ACE, and Authority
    c. Rail Support Services and Other Activities

Staff presented a comprehensive preview of the draft FY26/27 Work Program at the April 30, 2026, Rail Commission special meeting, and at the June 5, 2026, meeting, staff also presented the draft FY26/27 Operating and Capital Budget. The Final FY26/27 Work Program and Budget is attached for adoption.

Fiscal Impact:
There is no fiscal impact.

Recommendation:
Adopt a Resolution Adopting the Fiscal Year 2026/2027 Operating and Capital Budgets: SJRRC Operating Budget ($6,766,283), SJRRC-Rail Support Services ($46,590,083), SJRRC–TRACC ($832,545), ACE Operating Budget ($50,870,482), SJJPA Operating Budget ($118,446,362), and Combined Capital Budget ($54,966,445).