The final budget is presented to the Amtrak Board of Directors in September for approval. The goal of creating an budget that improves on results. Multiple rounds of refinements, reductions, and detailed reviews are conducted with the ultimate submission process key assumptions, initiatives, and strategies regarding their submission. Detailed departmental capital & operating budgets reviews are held in May in which departments begin in April/May.

- Operating Initial Submissions begin in April/May
- Capital Initial Submissions begin in March
- Multiple check-ins are conducted with departments to help answer any questions they may have

In the beginning of each calendar year, Financial Planning meets to establish dates, high level themes & assumptions, define the budget process between operating and capital for the next 5 years.

Growth, operating margins, and asset efficiency consistent with its overall corporate strategy, while at the same time enhancing revenue. Amtrak's budgeting process is designed to ensure funding is invested in a manner that is

**Consolidated Budget Process**
Annual Budget Process Flow

1. January: Annual kick-off
2. (April/May): Operating submission
3. (March): Capital submission
4. (May-June): Departmental reviews, budget review budget toward annual work
5. September: The Board approves the budget
6. (End of May):
Operating budget discussed with departments (Reduction to Overtime, Claims Management, etc.) for inclusion in the
In addition to COT approved initiatives, Corporate wide cost saving measures are reviewed and
Submission
Optimal initiatives are approved by the COT (Company Operating Team) who reviews, discuses and
debates the proposals and provides a final list of approved initiatives to be included in the budget.
and Agreement Hours will be provided by Financial Planning.
Management Headcount Operating Metrics and will be measured on changes to budget. Definition of Management Headcount
assumptions are consistently applied to both Revenue and Expense.
Train Operating & Fuel: Financial Planning works with the Operations team to ensure OTP % and Fuel
for calculating Ancillary spend and Transfer to Capital.
Overtime Rates & Benefits: Working with Accounting, Financial Planning distributes Full loaded
% for Non Agreement Employees, and EWG assumptions for agreement employees.
Labor & Employee expenses: Detailed assumptions for salary increases are provided to the departments. Merit
Forecasts: Marketing is asked to include any change in demand based on planned initiatives.
Assumptions and Definitions are provided for all major revenue and expense items including:
Assumptions and Definitions are provided for all major revenue and expense items including:
Field groups are required to submit 5 years of input and asked to submit a thoroughly reviewed zero
SWAT Analysis
Risks & Opportunities
Milestones

5 Year P&L including cost estimate and benefits
Detailed Scope & Business Justification

Milestones

Full Business Cases are required for all Programs and Projects and need to include metrics and risk.

Tier 3 or Enhancing Performance and New Initiatives respectively are scored based on alignment.

Each Tier is reviewed for funding regardless if a project is spread across multiple Tiers.

Projects are submitted and placed into one or more of the spending buckets or Tiers (Projects)

which incorporates seat replacement with other maintenance items such as lighting and A/C units

Mechanical – Project: Replace seat material on Amfleet I, coach cars & Program: Level 2 overhaul.

Flexibility for engineering to determine where to replace track due to day to day changes in track locations.

Engineering – Project: Replace track from mile post 2-3 vs. Program: track replacement Program

Level for funding:

Maintenance Projects (Tier 2), primarily Engineering, IT and Mechanical roles up the Program

Creation of three Capital Spending Buckets (called Tiers) that focused on Compliance (Tier 1),

Enhancing Performance and New Initiatives (Tier 3),
Examples of Capital Metrics

Examples of Operating Metrics

Key Operating and Capital Metrics are collected and measured against during the year.

Budgeted Metrics

- Casm
- FTEs
- Tons
- Revenue Related
- Other Specific
- Material Related
- Days to Complete the Project
- Days Work/FTE
- Hours Rate/FTE
- FTEs on Project
- Other Metrics

Other Specific

- Claim Score
- Claims Data
- Power & Fuel Usage
- Power & Fuel Prices
- OTR %
- FTEs

Revenue Related

- Core, Ancillary, Capital
- (Management Agreement)
- FTEs
- Hours by Type of Work
- ST & OF Hours

Other Specific

- Claim Score
- Claims Data
- Power & Fuel Usage
- Power & Fuel Prices
- OTR %
- FTEs

Other Metrics

- Claim Score
- Claims Data
- Power & Fuel Usage
- Power & Fuel Prices
- OTR %
- FTEs

Other Specific

- Claim Score
- Claims Data
- Power & Fuel Usage
- Power & Fuel Prices
- OTR %
- FTEs

Other Metrics
Route PIKs are available for the business and trains are measured against budget.

Revenues and expenses are assigned to a route. APT budget results match exactly to corporate budget with the only difference being that the

Corporate Development & Infrastructure
  - Reimbursable
  - Commercial
  - Computer
  - Auxiliary Service

Long Distance Service (LD)
State Supported Service (SS)
Northeast Corridor (NEC)
National Train Service (NTS)

The routes assigned in APT represent Amtrak's total business.

Sales, Fuel, Facility, Advertising and IT

Transactions without a train/route number are allocated to a route using operating statistics (i.e., Railroad Fees and Movements). Direct Charges are those transactions that have a train/route number (i.e., Labor, Commissary,

The budgeted amounts are assigned to routes using APT through a combination of direct

How are Amtrak's Revenue and Expense Results Assigned to Routes?

Amtrak Performance Tracking (APT)