

Table – OIG-HSR Recommendations

Since the first Inspector General was appointed in September 2023, the Office of the Inspector General, California High-Speed Rail (OIG-HSR) has made a number of recommendations to better ensure the success of the high-speed rail project. The table below identifies by issue area—such as funding plans, cost estimates, and project segment—every recommendation that the OIG-HSR has made in its reviews of the High-Speed Rail Authority’s (Authority) annual reports and operations, as well as the status of those recommendations.

Key to the Table’s Status Symbols:

✓ Fully Implemented Δ Partially Implemented X Not Implemented

Issue	Recommendation	Status	Comments
Funding Plans	<p>Recommendation 24-01</p> <p>Beginning with its 2024 business plan, the Authority should provide in its annual report funding plans greater specificity regarding when additional funds need to be identified and committed for any unfunded Merced-to-Bakersfield segment components. At a minimum, this additional detail should provide state lawmakers with a range of timeframes, spanning from ideal to critical, for additional funding that would help keep the Merced-to-Bakersfield segment on schedule, including an analysis of the prospects of receiving federal funds for unfunded components and the potential need for additional state funds. <i>(Review of Authority’s 2023 Project Update Report, January 2024)</i></p>	Δ	<p>The Authority improved its funding plan by identifying federal grant opportunities for unfunded components of the Merced-to-Bakersfield segment and specifying the last dates to secure funding and still complete the segment inside the 2030-2033 schedule "envelope." However, these actions did not fully implement our recommendation. We specified additional actions the Authority should take to improve its funding plan in Recommendations 24-03, 24-04, and 24-05.</p>

Issue	Recommendation	Status	Comments
Cost Estimates	<p>Recommendation 24-02</p> <p>Prior to publishing its 2024 business plan, the Authority should draft and seek board approval for a policy that describes the conditions under which it will update cost estimates in its annual reports. The policy should include a description of how the status of key design milestones—including records of decision—affects decisions to update cost estimates. <i>(Review of Authority’s 2023 Project Update Report, January 2024)</i></p>	✓	<p>In April 2024, the Authority implemented this recommendation when it proposed, and its board adopted, a policy outlining the circumstances under which it will update capital cost estimates in its annual reports.</p>
Funding Plans	<p>Recommendation 24-03</p> <p>To provide state lawmakers and other project stakeholders with the information they need to make key decisions, the Authority should continue to refine its published funding plan and the underlying analytical support for that funding plan to provide, for each unfunded component, a range of dates by which funding must be identified and secured that aligns with both ends of the segment’s schedule “envelope.” <i>(Review of Authority’s 2024 Business Plan, May 2024)</i></p>	X	<p>The Authority agreed with the general recommendation to continue to refine information of program funding, but did not specifically respond to the recommendation that it should provide a range of dates for when funding would have to be secured to keep the project on target for the front end of its project schedule window, which currently is the December 2030.</p>

Issue	Recommendation	Status	Comments
Funding Plans	<p>Recommendation 24-04</p> <p>To provide state lawmakers and other project stakeholders with the information they need to make key decisions, the Authority should continue to refine its published funding plan and the underlying analytical support for that funding plan to analyze the relative prospects of receiving federal funds from the named programs in time to keep the Merced-to-Bakersfield segment on schedule and should summarize this analysis in its annual reports. <i>(Review of Authority's 2024 Business Plan, May 2024)</i></p>	X	<p>The Authority stated it believes it would be counterproductive to provide the recommended analysis as part of its funding plan. The OIG-HSR maintains that establishing realistic prospects for specific sources and timing of project funds could be performed in the analytical support underlying the plan and can be appropriately summarized in its annual reports.</p>
Funding Plans	<p>Recommendation 24-05</p> <p>To provide state lawmakers and other project stakeholders with the information they need to make key decisions, the Authority should continue to refine its published funding plan and the underlying analytical support for that funding plan to provide state lawmakers with clear information on whether and when additional funds, beyond those that can be reasonably expected to be obtained from federal sources, must be identified in order to keep the Merced-to-Bakersfield segment on schedule. <i>(Review of Authority's 2024 Business Plan, May 2024)</i></p>	X	<p>The Authority responded that it agreed with the recommendation and added a statement to the final business plan to partially address it by stating the desirability of stabilizing state funding sources in the 2025-26 legislative session. However, the added statement does not provide state lawmakers with the specific information described in our recommendation—information that will require the Authority to fully implement Recommendations 24-03 and 24-04.</p>

Issue	Recommendation	Status	Comments
Construction Quality	<p>Recommendation 24-06</p> <p>To ensure that its 2025 Progress Update Report provides state lawmakers and project stakeholders with complete, balanced, and fairly presented information, the Authority should provide information on the implementation status of recommendations stemming from the independent review of its construction quality assurance and quality control processes. <i>(Review of Authority's 2024 Business Plan, May 2024)</i></p>	X	The Authority responded that it agrees with the recommendation and will include the identified information in the 2025 Project Update Report.
Merced-to-Bakersfield Segment	<p>Recommendation 24-07</p> <p>To provide stakeholders updated and necessary information on key strategic concerns related to the completion and operation of the Merced-to-Bakersfield segment, the Authority should review and, to the extent necessary, revise its schedule for completion and operation of the segment and publish the results in its 2025 Project Update Report. <i>(Review of Authority's 2024 Business Plan, May 2024)</i></p>	X	The Authority responded that it agrees with the recommendation and will provide the related results in the 2025 Project Update Report.

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Merced-to-Bakersfield Segment	<p>Recommendation 24-08</p> <p>To provide stakeholders updated and necessary information on key strategic concerns related to the completion and operation of the Merced-to-Bakersfield segment, in implementing Recommendation 24-07 the Authority should also review and revise the associated schedule envelope, identifying and documenting opportunities to mitigate delays that have already occurred and to prevent future delays. <i>(Review of Authority's 2024 Business Plan, May 2024)</i></p>	X	The Authority responded that it agrees with the recommendation and will provide the related results in the 2025 Project Update Report.
Merced-to-Bakersfield Segment	<p>Recommendation 24-09</p> <p>To provide stakeholders updated and necessary information on key strategic concerns related to the completion and operation of the Merced-to-Bakersfield segment, the Authority should, working with its partners for the Central Valley service, fulfill its commitment to refining and publishing the results of its ridership model, along with the other information necessary to provide the most reliable data possible about the likely need for operating subsidies for the service. <i>(Review of Authority's 2024 Business Plan, May 2024)</i></p>	X	The Authority responded that it agrees with the recommendation and will provide the related results in the 2025 Project Update Report.

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