

OIG-HSR Recommendations

Recommendation Status	Description	Totals
Pending	Recommendation has been made, but the deadline for implementation has not passed	11
In-Progress	The Authority provided evidence that it is in the process of implementing the recommendation, but that it is not yet complete	3
Fully Implemented	The Authority provided evidence that supports it fully implemented the recommendation	5
Partially Implemented	The Authority has taken some action, but the OIG-HSR determined the recommendation is only partially implemented	5
Not Implemented	Deadline to implement the recommendation passed, but the Authority had not taken any action	4
Will Not Implement	The Authority stated it will not implement the recommendation	1
Not Applicable	Circumstances have changed such that the recommendation is not currently applicable	2
Total		31

Status of OIG-HSR Recommendations

The recommendations are grouped by issue area, with the associated number indicating the OIG-HSR publication in which each recommendation was made. An asterisk (*) denotes that the recommendation specifically pertains to information in the Authority's annual reports.

	Issue	Recommendation	Status	Comments
1	Funding Plans	Recommendation 23-PUR-01* 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	Partially Implemented	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

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		<p>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>		<p>fully implement our recommendation. We specified additional actions the Authority should take to improve its funding plan in Recommendations 24-BP-01, 24-BP-02, and 24-BP-03.</p>
2	Funding Plans	<p>Recommendation 24-BP-01*</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>	Not Implemented	<p>The Authority agreed with the general recommendation to continue to refine information on 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.</p>
3	Funding Plans	<p>Recommendation 24-BP-02*</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</p>	Will Not Implement	<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</p>

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		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>		be performed in the analytical support underlying the plan and is a necessary exercise.
4	Funding Plans	<p>Recommendation 24-BP-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 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>	Partially Implemented	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-BP-01 and 24-BP-02.
5	Funding Plans	<p>Recommendation 24-R-01-02*</p> <p>To ensure that state lawmakers have complete and accurate information about the amount of needed funding and the timing by which state funding decisions could enable the Merced-to-Bakersfield segment to stay on schedule, in the 2025 Project</p>	Partially Implemented	The 2025 Supplemental Project Update Report includes a funding plan that identifies that additional funding is needed but not when it is needed to keep the M-B segment on schedule.

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		<p>Update Report, the Authority should update its funding plan with information about when and how much funding it would need to meet the earliest and latest dates for completing the Merced-to-Bakersfield segment according to its most current schedule envelope. To the extent the Authority includes dates that account for its schedule contingency, it should disclose and explain those considerations. <i>(Funding Review of the Merced-to-Bakersfield Segment, October 2024)</i></p>		
6	Funding Plans	<p>Recommendation 24-R-01-03</p> <p>To determine whether federal loan programs could be effective in helping close the Merced-to-Bakersfield segment funding gap, the Authority should obtain consultations with federal lenders for the federal loan programs identified in the business plan. Those consultations should consider a range of potential loan amounts based on the unfunded Merced-to-Bakersfield segment costs that could remain depending on the outcomes of the Authority's federal grant applications. <i>(Funding Review of the Merced-to-Bakersfield Segment, October 2024)</i></p>	Pending	<p>The Authority told us it continues to meet with its federal partners and indicated it will evaluate the need for federal loans in the context of its overall funding situation. With new state funding proposed but not yet dedicated, cost estimates still in development, and schedule deadlines approaching, there continues to be a need for the Authority to pursue options for meeting its funding needs on the schedule it has identified.</p>

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7	Funding Plans	<p>Recommendation 24-R-01-04*</p> <p>To provide state lawmakers with better information about the feasibility of loans, the Authority should report to the Legislature in the 2025 Project Update Report the results of its consultations, including the anticipated timeframe and interest costs for potential loan amounts and the project benefits, such as schedule milestones, such loans could help secure. As part of that report, the Authority should describe any changes to the project's current state funding that lenders indicate would be necessary to qualify. (<i>Funding Review of the Merced-to-Bakersfield Segment, October 2024</i>)</p>	Not Implemented	The Authority agreed with the recommendation but did not include this information in its 2025 Supplemental Project Update Report.
8	Funding Plans	<p>Recommendation 25-SPUR-01*</p> <p>To address concerns that we identified in the supplemental report, the Authority should provide the following in its 2026 Business Plan, or sooner: A description of the actions it has taken, or that it needs to take, to secure financing to complete the M-B segment as scheduled, including the cost and timing of such financing. (<i>Review of Authority's 2025 Supplemental Project Update Report, November 2025</i>)</p>	Pending	

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9	Cost Estimates	<p>Recommendation 23-PUR-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>	Fully Implemented	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.
10	Cost Estimates	<p>Recommendation 25-SPUR-03*</p> <p>To address concerns that we identified in the supplemental report, the Authority should provide the following in its 2026 Business Plan, or sooner: A description of significant design changes that affect the cost. <i>(Review of Authority's 2025 Supplemental Project Update Report, November 2025)</i></p>	Pending	
11	Merced-to-Bakersfield Segment	<p>Recommendation 24-BP-05*</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</p>	Fully Implemented	The Authority included this information in the 2025 Supplemental Project Update Report.

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		Project Update Report. <i>(Review of Authority's 2024 Business Plan, May 2024)</i>		
12	Merced-to-Bakersfield Segment	<p>Recommendation 24-BP-06*</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-BP-05 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>	Fully Implemented	The Authority performed these actions for the 2025 Supplemental Project Update Report.
13	Merced-to-Bakersfield Segment	<p>Recommendation 24-BP-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, 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</p>	Fully Implemented	The Authority included this information in the 2025 Supplemental Project Update Report.

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		service. <i>(Review of Authority's 2024 Business Plan, May 2024)</i>		
14	Merced-to-Bakersfield Segment	<p>Recommendation 25-R-01-01*</p> <p>To ensure that the Merced-to-Bakersfield schedule includes an achievable timeline for procurement activities, the Authority should establish a new procurement timeline that incorporates its reconsidered procurement strategy. The Authority should present that timeline and a discussion of the impacts it is likely to have on the Merced-to-Bakersfield schedule, and whether those impacts can be mitigated, along with the Merced-to-Bakersfield schedule update in the 2025 Project Update Report. If the Authority determines that it cannot provide this information in time to publish its results as part of the 2025 Project Update Report, it should describe in that report the status of its efforts and the anticipated timeline for completing them, and it should then publish the results upon completion. <i>(Merced-to-Bakersfield Segment Schedule Review, February 2025)</i></p>	Partially Implemented	The 2025 Supplemental Project Update Report includes discussion of the procurement strategy and some new procurement timeline information for track and systems and certain construction materials, but it does not include the timeline for procuring construction of the extensions for the Merced-to-Bakersfield segment.
15	Merced-to-Bakersfield Segment	<p>Recommendation 25-R-01-02</p> <p>To ensure that the high-speed rail project proceeds in a manner consistent with the priorities established in state law, the Authority should</p>	Pending	The Authority disagreed that it is not prioritizing the pursuit of funding opportunities for the Merced-to-Bakersfield segment and stated that it is working on revised strategies to continue advancing and funding the

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		<p>maintain its stated priority to pursue available funding opportunities for the purpose of completing the Merced-to-Bakersfield segment. (<i>Merced-to-Bakersfield Segment Schedule Review, February 2025</i>)</p>		<p>project, the result of which it would provide no later than the 2026 Business Plan.</p>
16	Merced-to-Bakersfield Segment	<p>Recommendation 25-R-01-04*</p> <p>To help ensure the reliability of the Merced-to-Bakersfield schedule and the Authority's ability to identify and manage risks to the schedule, the Authority should conduct a risk analysis of the Merced-to-Bakersfield schedule and publish the results, including the Authority's confidence level in its target date for completing the Merced-to-Bakersfield segment and how it determined the amount of contingency time added to establish an envelope for uncertainty and risk. If the Authority determines that it cannot conduct the analysis in time to publish its results as part of the 2025 Project Update Report, it should describe in that report the status of its efforts and the anticipated timeline for completing the analysis, which it should then publish upon completion. (<i>Merced-to-Bakersfield Segment Schedule Review, February 2025</i>)</p>	Partially Implemented	<p>A schedule risk analysis was done by the Authority; however, it was not described in the 2025 Supplemental Project Update Report.</p>

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17	Merced-to-Bakersfield Segment	<p>Recommendation 25-SPUR-02*</p> <p>To address concerns that we identified in the 2025 Supplemental Project Update Report, the Authority should provide the following in its 2026 Business Plan, or sooner: A description of the actions it has taken, or that it needs to take, to engage lawmakers to put in place mitigations it has identified as critical to ensuring the schedule is achievable. <i>(Review of Authority's 2025 Supplemental Project Update Report, November 2025)</i></p>	Pending	
18	Merced-to-Bakersfield Segment	<p>Recommendation 25-SPUR-04*</p> <p>To address concerns that we identified in the supplemental report, the Authority should provide the following in its 2026 Business Plan, or sooner: Ridership and service planning information that includes the ACE rail line. <i>(Review of Authority's 2025 Supplemental Project Update Report, November 2025)</i></p>	Pending	
19	Construction Quality	<p>Recommendation 24-BP-04</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</p>	Not Implemented	The Authority responded that it agreed with the recommendation and would include the identified information in the 2025 Project Update Report. That report included a discussion of the construction quality issue, but did not include an update about the status of

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		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>		recommendations stemming from the independent review.
20	Schedule	<p>Recommendation 25-R-01-05</p> <p>To help ensure the reliability of the Merced-to-Bakersfield schedule and the Authority's ability to identify and manage risks to the schedule, the Authority should revise its project scheduling process to specify when a risk analysis, as recommended by the U.S. Government Accountability Office and the U.S. Department of Transportation, must be conducted and updated. <i>(Merced-to-Bakersfield Segment Schedule Review, February 2025)</i></p>	Not Implemented	The Authority did not respond directly to this recommendation but did not dispute our characterization of its processes or the applicable criteria from the U.S. Government Accountability Office and U.S. Department of Transportation.
21	Staged Project Delivery	<p>Recommendation 25-R-02-01</p> <p>To further reduce the risk of beginning construction of the extensions too early, by May 2025 the Authority should finalize its staged project delivery process procedures and better implement the purpose of these procedures by revising them to specifically require staff to include the status of all relevant deliverables in the materials for meetings related to advancing a</p>	In-Progress	As of May 2025, the Authority's staged project delivery process procedures were still in draft form and had not yet been revised to address our recommendation.

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		<p>project to a new stage. The procedures should specify that if a deliverable has not been met, meeting materials should include a justification for why a project should still proceed to the next stage. <i>(Merced-to-Bakersfield Pre-Construction Activities Review, February 2025)</i></p>		
22	Third-Party Agreements	<p>Recommendation 25-R-02-02</p> <p>To improve its ability to process and review third-party agreements in a timely manner, by May 2025, the third-party agreements branch and the contracts and procurement branch should develop procedures with defined timeframes for their internal review processes. These should include defined timeframes for how long staff at each level should attempt to resolve an issue before escalating it. <i>(Merced-to-Bakersfield Pre-Construction Activities Review, February 2025)</i></p>	In-Progress	<p>The contracts and procurement branch and third-party agreements branch have begun developing procedures in response to the recommendation, but these procedures are not yet finalized.</p>

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23	Third-Party Agreements	<p>Recommendation 25-R-02-03</p> <p>To improve its ability to process and review third-party agreements in a timely manner, by May 2025, the Authority should modify its internal tracking tools so that it can monitor whether internal timeframes are met and analyze the causes of common or persistent delays across third-party agreements. (<i>Merced-to-Bakersfield Pre-Construction Activities Review, February 2025</i>)</p>	Fully Implemented	The Authority completed the recommended modifications to its internal tracking tool.
24	Third-Party Agreements	<p>Recommendation 25-R-02-04</p> <p>If the Authority believes it needs additional legal staff to improve its ability to process and review third-party agreements in a timely manner, it should assess its legal staffing and determine the most expeditious way to hire additional staff, including reviewing other vacant positions in the Authority that could be re-purposed or requesting additional positions for fiscal year 2026-27. (<i>Merced-to-Bakersfield Pre-Construction Activities Review, February 2025</i>)</p>	Pending	The Authority is continuing to assess its ongoing workload needs and will make a final determination about future legal staffing resources after hiring a permanent Chief Counsel.

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25	Third-Party Agreements	<p>Recommendation 25-R-02-05</p> <p>To improve the Authority's ability to engage with third parties and complete early works activities in a timely manner, the Authority should seek the assistance of the task force on third parties and work with state lawmakers to identify specific changes to statute that it believes will improve its ability to accomplish these activities, including the following potential changes to state law:</p> <ol style="list-style-type: none"> 1. Adding intent language describing and declaring the high-speed rail system's importance to state transportation priorities and the public good and calling on local government entities and state-regulated utility owners within the system's alignment to make the timely completion of the system a high priority. 2. Authorizing the Authority to promulgate regulations governing third-party review and approval timeframes for agreements and designs. 3. Providing the Authority with the ability to proceed with necessary designs and utility relocations if third parties are non-responsive after the period of time specified in the Authority's regulations. 	In-Progress	<p>The Authority reported it is engaging with the Governor's administration on this issue, but that those efforts have yet to determine a specific policy solution or course of action. We appreciate that the Authority is engaging in this process; but given the importance to the project of finding a tangible and practical solution, we continue to monitor the Authority's efforts and the outcomes thereof.</p>

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26	Procurement	<p>Recommendation 26-R-01-01</p> <p>To help ensure that procurements are completed in a timely manner, the Authority should immediately revise its draft procedures for all types of procurements to standardize the practice of establishing for each procurement a schedule that includes clear deadlines for internal stakeholders.</p> <p><i>(Procurement on the High-Speed Rail Project Review, January 2026)</i></p>	Pending	In response to the recommendation, the Authority stated that it will strengthen front-end planning and governance by standardizing the development of procurement schedules for all procurement types
27	Procurement	<p>Recommendation 26-R-01-02</p> <p>To better ensure the effectiveness of its efforts to identify and prevent organizational conflicts, the Authority should do the following:</p> <ol style="list-style-type: none"> 1. Immediately adopt the practice of using readily available information to proactively and independently identify potential conflicts for all procurements. To facilitate this practice and quickly verify whether a proposer has an existing contract with the Authority that could create a potential organizational conflict of interest, the Authority should create an information repository, such as an excel spreadsheet or 	Pending	The Authority stated that it will continue to optimize access to current and complete information related to potential conflicts, and work with relevant stakeholders to update the Organizational Conflict of Interest Policy to reflect the suggested changes.

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	<p>other simple database, to centralize its information about active and prospective contractors and subcontractors.</p> <p>2. Revise its policy by March 2026 to state that, in addition to requiring disclosures from proposers, it will use readily available information to proactively and independently identify potential conflicts.</p> <p>3. Immediately inform all contract managers of steps they should take to identify any conflict mitigations they should be monitoring, in addition to the conflict determinations that are part of their existing contract records.</p> <p>4. Adopt in policy or procedure by March 2026 a standard method for informing contract managers of mitigations that the Authority has determined are necessary to prevent organizational conflicts. <i>(Procurement on the High-Speed Rail Project Review, January 2026)</i></p>		

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28	Procurement	<p>Recommendation 26-R-01-03</p> <p>To ensure that its contracts and contract amendments comply with state law, the Authority should do the following:</p> <ol style="list-style-type: none"> 1. Immediately adopt a practice of clearly documenting on its contracts and contract amendments whether legal review and approval has occurred and revise relevant procedures accordingly. 2. By March 2026, ensure that staff with delegated authority to sign contracts or amendments have taken training to understand the Authority's contracting policies and procedures so that they can adhere to those policies and procedures. (<i>Procurement on the High-Speed Rail Project Review, January 2026</i>) 	Pending	<p>The Authority stated in its response to our procurement report that it recognizes that additional documentation would strengthen its process and that it intends to add thorough documentation requirements during the decision-making process for contracts and contract amendments. The Authority did not respond directly to the recommendation that it ensure staff with the authority to sign contracts or amendments have taken training on the Authority's contracting policies and procedures.</p>
29	Procurement	<p>Recommendation 26-R-01-04</p> <p>To mitigate the risk of inconsistent or inappropriate practices and help ensure effective use of various procurement methods to meet the Authority's needs, the Authority should do the following:</p> <ol style="list-style-type: none"> 1. Fulfill its plan to establish procedures for the A&E IDIQ procurement before it formally awards that contract. 	Pending	<p>The Authority verified that it will finalize procedures for the A&E IDIQ before awarding the contract later in 2026. It did not respond directly to our recommendation that it commit to a timeline for finalizing draft procedures for other types of procurements.</p>

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		<p>2. Commit to a timeline for finalizing draft procedures for other types of procurements that will enable the Authority to provide its staff with definitive guidance for processing those procurements by the time they are tasked with doing so. <i>(Procurement on the High-Speed Rail Project Review, January 2026)</i></p>		
30	Funding Plans	<p>Recommendation 24-R-01-01* To better inform state lawmakers and other stakeholders about funding-related risks to the Merced-to-Bakersfield segment schedule, the Authority should strengthen its presentation of federal funding prospects in its 2025 Project Update Report and subsequent annual reports. The presentation should discuss the following information: (1) Current remaining funding for targeted grant programs; (2) Relevant limits on grant award sizes for the prospective programs; (3) The Authority's assumptions about the availability of additional future funding being approved by the federal government; and; (4) Based on the above, more detailed discussion of its prospects for receiving adequate grant funding, including a range of possible</p>	Not Applicable	<p>The posture of the current federal administration toward the high-speed rail project has led OIG-HSR to deem this recommendation as not applicable for the time being.</p>

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		<p>dollar amounts and timeframes. To the extent the Authority has reason to believe that publishing certain information about specific grant programs or applications would hurt its prospects of receiving federal funding, it should nonetheless ensure its underlying analysis accounts for that information. <i>(Funding Review of the Merced-to-Bakersfield Segment, October 2024)</i></p>		
31	Merced-to-Bakersfield Segment	<p>Recommendation 25-R-01-03*</p> <p>To ensure that the high-speed rail project proceeds in a manner consistent with the priorities established in state law, the Authority should provide information in the 2025 Project Update Report about feasible options for initiating service on a limited section of the Merced-to-Bakersfield segment by 2033, if necessary, and the estimated costs to realize them. If the Authority determines that it cannot provide this information in time to publish its results as part of the 2025 Project Update Report, it should describe in that report the status of its efforts and the anticipated timeline for completing them, and it should</p>	Not Applicable	The federal government canceled the grant requiring the contingency plan for initiating service on a limited section of the Merced-to-Bakersfield segment.

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	then publish the results upon completion. (<i>Merced-to-Bakersfield Segment Schedule Review, February 2025</i>)		