

Date of Hearing: March 23, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

AB 1608 (Wilson) – As Amended March 10, 2026

SUBJECT: Office of the Inspector General, High-Speed Rail

SUMMARY: Makes changes to the Office of the Inspector General (OIG), High-Speed Rail to strengthen the independence and oversight capabilities of the office. Specifically, **this bill:**

- 1) Authorizes the Inspector General of the High-Speed Rail (IG) to use job classifications, associated salary ranges, and other forms of compensation already used by other state audit entities performing comparable oversight work.
- 2) Authorizes the IG to contract for goods and services up to \$1 million and for those exempts the IG from requirements of the Public Contract Code that require oversight, review, or approval by the Department of General Services or any other state agency.
- 3) Requires the IG upon completion of a report to publish the report on its website, provide notification of completion to the Governor and the High-Speed Rail Authority, and to submit a copy to the Legislature.
- 4) Authorizes the IG to hold a report it produces, or a portion of that report, confidential for a period of time if it determines that the report, or a portion of the report would describe or otherwise reveal weaknesses, including those involving information security, physical security, fraud detection controls, or pending litigation that would pose a substantial and articulable risk to the project or to state operations if publicly disclosed.
- 5) If the IG makes the determination above requires the IG to do all of the following:
 - a) Make publicly available any reasonable segregable portion of the report that does not pose the substantial and articulable risk identified;
 - b) Publicly disclose that a report or a portion of the report has been held confidential and provide the rationale for the determination;
 - c) Deliver a confidential report, or a confidential portion of the completed report, that describes and makes recommendations to resolve the identified weaknesses to state officials with oversight of the project, which may include the executive director and board chair of the High-Speed Rail Authority, the chairs of the Assembly Committee on Transportation and the Senate Committee on Transportation, or the Governor; and,
 - d) Requires a report, or portion of a report that is delivered to remain confidential only so long as the IG determines that public disclosure would continue to pose the substantial and articulable risk described above.
- 6) Within 120 days after making a determination about the confidentiality of a report, or a portion of a report, requires the IG to assess at least every 120 days thereafter whether continued confidentiality is warranted and provide a written determination explaining why continued confidentiality remains warranted.

- 7) Requires all books, papers, records, and correspondence of the IG to be public records subject to the California Public Records Act.
- 8) Prohibits the IG from destroying any papers or memoranda used to support a completed audit or review sooner than three years after the corresponding report is published and requires them to be filed at regularly maintained offices of the IG, except that none of the following items or papers of which these items are a part shall be released to the public:
 - a) Personal papers and correspondence of any person providing assistance to the IG concerning the existence of activity constituting a violation of laws, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to the public health and safety shall be kept private and confidential, when that person has requested such in writing and shall become public when that request is withdrawn;
 - b) Papers, correspondence, memoranda, or any substantive information pertaining to any audit or review not completed;
 - c) Papers, correspondence, or memoranda pertaining to any audit or review that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit or review;
 - d) Any survey of public employees or contracted staff that the IG determines should be kept confidential to deter retaliation if the employees or staff respond to the survey;
 - e) Any record of an investigation conducted under this division, including, but not limited to, all investigative files and work product, except that the IG, whenever the IG determines it necessary to serve the interests of the state, may issue a public report of the results of an investigation that has substantiated a violation of laws, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to the public health and safety. Except under specified circumstances, the IG may also release any findings or evidence supporting any findings resulting from an investigation conducted pursuant to this division whenever the IG determines it necessary to serve the interests of the state; and,
 - f) Specifies that these restrictions on public disclosure described in subdivision shall only apply to records in the possession or control of the IG, and shall not alter the responsibility of any other state or local agency to comply with all applicable laws regarding the disclosure of public records.
- 9) Specifies that an entity providing confidential information to the IG does not constitute a waiver of that confidentiality.
- 10) Changes the date of the annual reporting requirements to the beginning of each fiscal year.
- 11) Renames the IG in state law as the Office of Inspector General, High-Speed Rail and revises the title of the IG to the Inspector General of the High-Speed Rail.

EXISTING LAW:

- 1) Creates the HSRA in the California State Transportation Agency with 11 members: five appointed by the Governor, two appointed by Senate Committee on Rules, two appointed by the Speaker of the Assembly, and one each ex-officio member appointed by the Senate and Assembly to oversee the planning, construction, and operation of the high-speed rail system. (Public Utilities Code, Section 185020)

- 2) Requires HSRA to direct the development and implementation of an intercity high-speed rail service. (PUC §185030)
- 3) Establishes the High-Speed Rail Authority Office of the Inspector General as an independent office. (PUC §187020)
- 4) Establishes the IG's duties as the following: (PUC §187030)
 - Conducting independent fiscal estimates and reviews of the HSRA's plans and estimates for the project;
 - Conducting audits and investigations;
 - Making recommendations regarding best practices and ways to improve efficiency;
 - Reviewing change orders;
 - Reviewing contract and contracting practices to determine if they are consistent with state and federal laws and policies;
 - Reviewing proposed agreements to ensure they are in the best interest of the state; and,
 - Reviewing billing and invoices of any entity that receives project funds.
- 5) Requires the IG to report at least annually to the Legislature and the Governor a summary of its findings, reviews, investigations, or audits. (PUC §187038)

FISCAL EFFECT: Unknown

COMMENTS: Chapter 796 of 1996 (SB 1420, Kopp) established HSRA to plan and construct a high-speed rail system that would link the state's major population centers. In November 2008, voters approved Proposition 1A, which authorized the state to sell \$10 billion in general obligation bonds to partially fund the system and related projects. Proposition 1A also specified certain criteria and conditions that the system must ultimately achieve. For example, the measure requires that the system be designed to be capable of specified travel times along certain routes, such as nonstop travel from San Francisco to Los Angeles within two hours and forty minutes. The measure also specifies that passenger rail service operated by HSRA, or pursuant to its authority, will not require an operating subsidy.

The Legislature passed SB 198 (Committee on Budget and Fiscal Review), Chapter 71, Statutes of 2022 which in addition to other things, established an Office of the Inspector General (OIG-HSR) to conduct timely, independent oversight of the project and make recommendations to strengthen the planning, delivery, and operation of the project. The OIG-HSR is an independent office that is not a subdivision of any other governmental entity, including the HSRA.

The first IG was appointed in September 2023. Since that time, the office has completed four reviews of reports HSRA is statutorily required to produce and four operational reviews of the project. Consistent with state law, the OIG-HSR maintains a list of its findings and the status of the HSRA's efforts to address them and publishes the list on the office's website.

The OIG-HSR faces numerous challenges in part because it is new, small, and some of the issues it is encountering were not considered at the time the office was created. The OIG-HSR has been slowed in its ability to identify problems with the high-speed rail project and recommend solutions by the following factors:

Staff vacancies. The OIG-HSR does not have access to job classifications that match the skill set required of its staff. Thus, despite its recruitment efforts over the last two years, only four of eight staff positions are filled. OIG-HSR reviews and investigations have been delayed and will continue to be delayed by a lack of staff.

Lack of purchasing authority. Over many years of organizational development, state departments obtain delegations to execute contracts and procure IT goods and services. However, until then, many smaller state departments use the administrative services of their overseeing agency. Under state law, the OIG-HSR is an independent office and not a component part of any other agency. Thus, its procurements are processed by the Department of General Services or the California Technology Department, leading to significant delays and increased costs in acquiring the goods and services needed to fulfill its mission, including establishing a secure whistleblower hotline. This can result in delays in acquiring expertise needed to complete time-sensitive evaluations of the project and create excessive cost and administrative burdens on the OIG-HSR.

Unclear reporting requirements and protection of workpapers. State law does not direct the OIG-HSR to make its reports public, except for an annual summary of its work. In addition, state law does not give the OIG-HSR the authority to protect whistleblowers and to ensure that information that would pose a substantial and articulable risk to the project can be kept confidential. These are standard provisions for OIGs.

According to the author, “The Office of the Inspector General for High-Speed Rail serves as the public’s eyes and ears on one of California’s most consequential infrastructure projects. Californians depend on the OIG to surface contracting failures, project delays, and cost overruns. This bill strengthens that oversight by ensuring the office can hire the qualified staff it needs and by requiring its reports to be made public.

At the same time, the bill responsibly protects truly sensitive information. Safeguards related to security, fraud detection, and pending litigation are not about secrecy. They prevent bad-faith actors from exploiting the system. Transparency and accountability are strengthened, while the integrity of the project is preserved.”

Writing in support, the First Amendment Coalition writes “AB 1608 clarifies public reporting requirements of the inspector general. Specifically, the bill addresses an ambiguity in existing law that created the office, making clear the IG’s office has a mandate to produce and publish reports of its reviews and investigations on its website, subject to limited withholding provisions. And with the recent amendments, the withholding provisions are narrowly tailored, require an explanation of the reason for any withholding or redaction, and, notably, are not indefinite. Additional amendments ensure that routine records of the IG’s office are not subject to a blanket exemption to the Public Records Act.

“We appreciate the productive dialogue with your office and the committee in developing language that appropriately balances legitimate confidentiality needs with the public’s right to know. We hope it can serve as a model framework for similar watchdog agencies.”

Staff comments. It is critical to the success of the construction and operation of the state's high-speed rail project that there is effective, independent oversight of the project. Recommendations the OIG makes can help to ensure the state's resources are used effectively and efficiently. This bill strengthens the operations of the OIG by doing the following: giving it the tools necessary to hire qualified staff and procure services in a timely fashion and at the same time increasing the transparency of its work by ensuring that appropriate information is made publicly available.

Related legislation. SB 198 (Budget), Chapter 71, Statutes of 2020 required the authority to develop schedules for the delivery of specified tasks relating to the project for inclusion in the project update report and the business plan, required the authority to include certain other information in the project update report and the business plan relating to the Merced to Bakersfield segment of project and required the authority to notify the Legislature before submitting a federal grant application and before releasing a request for proposals after June 1, 2022, for contracts relating to specified aspects of the high-speed rail system. This bill established the High-Speed Rail Authority Office of the Inspector General and provided that the office is not a subdivision of any other governmental entity and authorized the inspector general to initiate audits and reviews related to the delivery of the high-speed rail project and the selection and oversight of contractors.

SB 1420 (Kopp), Chapter 796 Statutes of 1996 established the HSRA to plan and construct a high-speed rail system that would link the state's major population centers.

REGISTERED SUPPORT / OPPOSITION:

Support

First Amendment Coalition

Opposition

Two individuals

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