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February 12, 2026

The Honorable John Harabedian
Chair, Joint Legislative Audit Committee
1020 N Street, Room 107
Sacramento, CA 95814

Received 2/12/2026

Re: Request for Audit on High-Speed Rail Budget and Accountability

Dear Chairman Harabedian:

I am writing to request an audit of the California High-Speed Rail Authority to provide transparency about the project's viability following recent cost overruns and funding reductions. California's high-speed rail project ranks among the most expensive megaprojects in world history. Since voters approved funding in 2008 to initiate construction, the project has been plagued by mismanagement, delays, cost overruns, and broken promises. A system that was originally sold to the public as a fully-funded \$34 billion rail line connecting San Francisco and Los Angeles/Anaheim by 2020 is now a \$128 billion proposal that is \$90 billion in the hole.

The current vision for the project is to complete a 171-mile connection between Bakersfield and Merced by 2032, but recent developments raise serious questions about the Authority's plan to deliver this segment. In particular, the state decided on the day before Christmas Eve to voluntarily drop a lawsuit and allow the federal government to move forward with defunding the project by \$4 billion. One month later, in January 2026, the Authority announced a settlement with one of its prime contractors that will increase costs by \$537 million. This half-a-billion-dollar overrun is not only the largest in this project's history (by over 100%), but it appears to be the single most expensive contract change in the history of construction. While this single contract change is notable for its size, it is not an anomaly. There have been 1,588 changes to the Authority's three construction contracts that have more than tripled the original contract price, with nearly \$6 billion in cost overruns.

At the same time, the Authority is rapidly making cost-cutting changes to the project that undermine its very purpose. For example, rather than terminating at a station in downtown Merced with connections to other rail systems, the Merced station will be moved to a pistachio orchard four miles southeast of the city with no proximity to businesses, transit, or ground transportation. Rather than running trains simultaneously in both directions between Merced and Bakersfield, the Authority only plans to build a single track that northbound and southbound trains must share.

Taxpayers have already spent over \$15 billion on this project. The Legislature last year chose to commit another \$1 billion per year for the next 20 years. An audit is necessary to provide critical oversight over the project's mismanagement and transparency about the project's budget. The scope of the audit should include:

1. Does the Authority have a realistic budget for completing any operable segment of high-speed rail given recent cost overruns and federal funding reductions? Will state taxpayers need to provide additional funding beyond the \$1 billion/year over 20 years that the Legislature committed last year?
2. How much of the \$537 million change order is attributable to delays and mistaken assumptions made by the Authority? Are the terms of this settlement reasonable and adequately justified? Has the Authority taken sufficient steps to control future cost overruns on its contracts?
3. Has the Authority implemented reasonable accountability measures to prevent further project delays?
4. Based on a review of input received by the Authority from potential private sector investors, what is the likelihood that the private sector will commit funding to this project? What additional taxpayer commitments would be necessary and what would be the terms for financing or private investment?
5. How do changes to the project's scope (e.g. single track and relocated Merced station) impact the project's financial sustainability? How much would these changes reduce ridership? How much will these changes increase the operating subsidy that taxpayers will need to provide in perpetuity for a Merced-Bakersfield train?

Thank you for your consideration of this request. Should you have any questions or would like additional information, please contact my Legislative Director, Bryce Pamer, at Bryce.Pamer@asm.ca.gov or (916) 319-2033.

Sincerely,



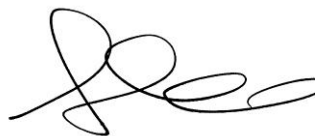
ALEXANDRA M. MACEDO
33rd Assembly District



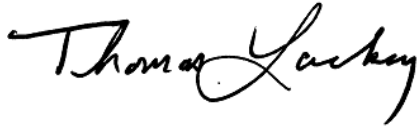
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