
THIRD READING

Bill No: AB 1608
Author: Wilson (D)
Amended: 8/5/26 in Senate
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 9-4, 6/23/26

AYES: Cortese, Archuleta, Arreguín, Blakespear, Gonzalez, Grayson, Menjivar, Richardson, Wiener

NOES: Strickland, Dahle, Seyarto, Valladares

SENATE JUDICIARY COMMITTEE: 11-2, 6/30/26

AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab, Weber Pierson, Wiener

NOES: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 52-20, 5/4/26 - See last page for vote

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

SOURCE: Author

DIGEST: This bill renames the High-Speed Rail Authority Office of the Inspector General and makes changes to strengthen the independence of the office.

ANALYSIS:

Existing law:

- 1) Creates the California High-Speed Rail Authority (Authority) in the California State Transportation Agency (CalSTA). (Public Utilities Code Section (PUC) 185020)

- 2) Requires the Authority to direct the development and implementation of an intercity high-speed rail service. (PUC 185030)
- 3) Establishes the Office of the High-Speed Rail Inspector General (OIG) and gives it the authority to initiate an audit or review of the Authority. (PUC 187020)
- 4) Enumerates the duties and responsibilities of OIG. (PUC 187030)
- 5) Requires OIG to report at least annually to the Legislature and the Governor a summary of its findings, reviews, investigations, or audits. (PUC 187038)

This bill:

- 1) Makes finding and declarations regarding the importance of the independence of OIG.
- 2) Renames the High-Speed Rail Authority Office of the Inspector General as the Office of the Inspector General, High-Speed Rail and the High-Speed Rail Authority Inspector General as the Inspector General of the High-Speed Rail.
- 3) Authorizes OIG to adopt and make use of the classifications, associated salary ranges, and other forms of compensation established or otherwise used by other state agencies, if certain conditions are met.
- 4) Exempts OIG from all contract requirements that require oversight, review, or approval from the Department of General Services (DGS) or any other state agency, and any information technology project requirements of the Government Code, for any contract up to \$1 million in value.

Comments

- 1) *Purpose of the bill.* 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.”

- 2) *California High-Speed Rail*. Development of high-speed rail in California began nearly 30 years ago. SB 1420 (Kopp, Chapter 796, Statutes of 1996), created the Authority to direct development and implementation of intercity high-speed rail service that would be fully coordinated with other public transportation services. The Authority is part of CalSTA and is governed by an eleven-member Board of Directors.

Beginning in 2008 with Proposition 1A, billions of dollars have been allocated to the Authority from a variety of sources to construct an operating high speed rail train between San Francisco and Los Angeles. This includes Proposition 1A funds, federal funds, and Greenhouse Gas Reduction Funds (GGRF). In total, the project has received roughly \$20 billion to date, and is anticipated to receive an additional \$20 billion over the next 20 years from GGRF. However, from the start, the project has been plagued by cost overruns and delays. The most recent business plan, released in Spring 2026, places the total cost for the project at an estimated \$128 billion and expects the project to be completed decades behind schedule.

In order to address these shortcomings, the Authority has recently proposed an overhaul of the project. Specifically, the Authority has proposed a number of scope changes, such as moving station locations, reducing the amount of dual track segments, attempting to bring in private funding, and exploring various forms of value-capture and ancillary revenues. However, many of these changes are controversial and would require major statutory changes. Furthermore, the Authority lacks specific details or authority to implement many of these proposed plans.

- 3) *High-Speed Rail Office of the Inspector General*. In part to address ongoing concerns with the project, in 2022, the Legislature created the High-Speed Rail Office of the Inspector General. The purpose of OIG is to conduct timely, independent oversight of the high-speed rail project and make recommendations to strengthen the planning, delivery, and operation of the project. OIG is an independent office, appointed by the Governor from a list of candidates provided by the Joint Legislative Audit Committee. OIG is not a subdivision of any other governmental entity, including the Authority.

The first OIG was appointed in September 2023. Since that time, the office has completed four reviews of reports the Authority is statutorily required to produce and four operational reviews of the project, including reviews of the Authority's contracting practices. Consistent with state law, OIG maintains a

list of its findings and the status of the Authority's efforts to address them and publishes the list on the office's website.

- 4) *OIG Challenges*. Due to OIG's nature as a new and small office, they have faced a variety of challenges getting up and running. Many of these issues were not anticipated by the Legislature at the time of the office's creation. These issues have meant OIG has been slowed in its ability to identify problems with the high-speed rail project and recommend solutions. Key issues include:
- a) *Ongoing staff vacancies*. Namely, OIG 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 reviews and investigations have been delayed and will continue to be delayed by a lack of staff.
 - b) *Lack of purchasing authority*. In general, big state agencies gain the authority to execute contracts and procure goods or services over time as their needs grow. In contrast, most small or new agencies, like OIG, use the administrative services of their overseeing agency. However, OIG is an independent office and is therefore not a component part of any other agency. Thus, its procurements are processed instead by DGS or the California Technology Department, which have led to significant delays and increased costs in acquiring the goods and services needed to fulfill its mission, including establishing a secure whistleblower hotline. Specifically, this has resulted in delays in acquiring software and other tools needed to complete time-sensitive evaluations of the high-speed rail project and has created excessive cost and administrative burdens on OIG.
 - c) *Unclear reporting requirements*. State law does not direct OIG to make its reports public, except for an annual summary of its work. The current OIG has been releasing public reports on all of its investigations, however this is not statutorily required. Furthermore, current statute does not clearly delineate when information obtained by OIG can be held confidential for security and privacy reasons, and when information must be publicly disclosed in the interest of transparency.

The issue of unclear reporting requirements was addressed in a previous version of this bill, whose language was subsequently incorporated into the transportation budget trailer bill SB 169 (Committee on Budget and Fiscal Review, Chapter 82, Statutes of 2026). Namely, this language added more specific guidelines regarding when OIG must publish reports and about the public release of OIG documents.

- 5) *AB 1608 seeks to address remaining OIG challenges.* The current iteration of this bill addresses the remaining issues by fleshing out OIG's authorizing statutes. Specifically, this bill contains two major provisions. The first provides OIG access to classifications and salary ranges used by other state agencies carrying out similar types of work. This will allow OIG to hire additional staff with the skills required to fill vacancies, and do so with competitive salary and benefits. Second, this bill provides OIG with independent purchasing authority on contracts up to \$1 million in value. This change will allow OIG to acquire the services and software they need to carry out their responsibilities in an efficient and timely manner.

Beyond these major provisions, this bill also renames OIG's official title and office title to emphasize OIG's independence from the Authority.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 8/10/2026)

Association of Inspectors General

OPPOSITION: (Verified 8/10/2026)

None received

ASSEMBLY FLOOR: 52-20, 5/4/26

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Ávila Farías, Berman, Boerner, Bonta, Bryan, Calderon, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Bains, Castillo, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

NO VOTE RECORDED: Arambula, Bauer-Kahan, Bennett, Caloza, Chen, Muratsuchi, Patel, Schiavo

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