
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY

Senator Blakespear, Chair

2025 - 2026 Regular

Bill No: SB 1411
Author: Stern
Version: 4/16/2026
Urgency: No
Consultant: Heather Walters
Hearing Date: 4/22/2026
Fiscal: Yes

SUBJECT: Greenhouse Gas Reduction Fund: funding conditions: high-speed rail

DIGEST: This bill deletes the restriction for the High-Speed Rail Authority to not enter into funding commitments to cumulatively exceed \$500 million in funds from the state’s Cap-and-Invest program, on project activities outside of the Merced to Bakersfield segment, as specified, and adds additional permissible activities said funds can be used for to include projects developed through public-private partnerships and activities related to early works, as defined.

ANALYSIS:

Existing law:

- 1) Establishes the California High-Speed Rail Authority (Authority) and vests with it the responsibility to develop and implement a high-speed rail system in California. (Public Utilities Code (PUC) §185000 et seq.)
- 2) Authorizes the sale of \$9 billion in general obligation bonds to partially fund the development and construction of California's high-speed rail system. (Streets and Highways Code (SHC) §2704 et seq.)
- 3) If funds are available, continuously appropriates \$1 billion annually the GGRF for the high-speed rail project. (Health and Safety Code (HSC) §39719)
- 4) 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 and gives it specific duties and responsibilities relating to reviewing the Authority’s business plans and project update reports. (PUC §187020)
- 5) Defines “Merced to Bakersfield segment” to mean a 171-mile electrified dual-track segment that is usable for high-speed rail service in the central valley from Merced to Bakersfield, with a new combined station in downtown

Merced, and connections to the Amtrak San Joaquins and the Altamont Corridor Express (ACE). (PUC §187010)

- 6) Defines “fully funded” to mean the Authority has secured funding to complete the Merced to Bakersfield segment within the timelines identified in the most recent business plan or project update report and the OIG has confirmed that the Authority has secured that funding. (HSC §39719.3)
- 7) Declares it is the intent of the Legislature that, beginning with the 2022–23 fiscal year, the Authority prioritize use of the funds provided from the GGRF to complete the Merced to Bakersfield segment. (HSC §39719.3)
- 8) Beginning with the 2022–23 fiscal year, restricts the Authority from entering into new funding commitments with funds provided by the GGRF for activities outside the Merced to Bakersfield segment, except for the following purposes:
 - 9) Completion of environmental clearance activities and planning activities required by federal grant agreements or other existing agreements;
 - 10) State operations activities related to construction management and project development and enterprisewide capital expenditures;
 - 11) Additional activities, not to cumulatively exceed \$500 million, activities that maximize the efficiency of delivering the project, outside of the Merced to Bakersfield segment. (HSC §39719.3)

This bill:

- 1) Deletes the restriction for the Authority to not enter into funding commitments to cumulatively exceed \$500 million in funds from the state’s Cap- and-Invest program, on project activities outside of the Merced to Bakersfield segment, as specified.
- 2) Expands the permissible uses of the continuous GGRF appropriation to HSR to further include:
 - a) Projects developed through public-private partnerships; and
 - b) Activities related to early works.
- 3) States that any funding commitments undertake for the above shall maximize the efficiency of delivering the project and not delay the completion of the Merced-to-Bakersfield segment.

Background

- 1) *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 the California State Transportation Agency (CalSTA), and is governed by an eleven-member Board of Directors. The Governor appoints five members of the board, the Senate Rules Committee appoints two, and the Assembly Speaker appoints two. Additionally, the board includes two ex-officio, non-voting members, one member of the Assembly and one member of the Senate.

In 2008, voters approved Proposition 1A, the Safe, Reliable, High-Speed Passenger Train Bond Act, a \$9.95 billion general obligation bond to fund the proposed California high-speed rail project and related improvements. As envisioned at the time of the ballot measure, the project was to consist of an 800-mile dedicated high-speed passenger rail system capable of speeds up to 220 miles per hour, initially serving the major metropolitan market of San Francisco through the Central Valley into Los Angeles and Anaheim (Phase I), with service eventually extending to Sacramento, the Inland Empire, and San Diego (Phase II).

In July 2012, the Legislature approved SB 1029 (Committee on Budget and Fiscal Review, Chapter 152, Statutes of 2012), that appropriated nearly \$8 billion in federal and state funds to begin the construction between Madera and Bakersfield. SB 1029 funded three components of the project, including \$5.8 billion (\$3.2 billion from federal grants and \$2.6 billion from Proposition 1A) to fund the construction of the high-speed rail “backbone” in the Central Valley; \$819 million of Proposition 1A bonds for “connectivity” projects on existing rail and transit systems throughout the state; and \$1.1 billion for the “bookends” projects in the Bay Area and Southern California (\$600 million for the electrification of Caltrain and \$500 million for projects in the Los Angeles Basin) to improve existing rail corridors for eventual use by the high-speed rail system. Specifically, to date, the funding for the bookends have been allocated as follows: \$714 million for Caltrain electrification, \$423 million for Los Angeles Union Station (LinkUS) project, \$84 million for the San Mateo grade separation, and \$77 million for the Rosecrans/Marquardt grade separation. All of these projects are completed except for the LinkUS project, which has not started construction.

Further, the 2014-15 state budget trailer bill SB 862 (Committee on Budget and

Fiscal Review, Chapter 36, Statutes of 2014), continuously appropriated 25% of the revenues derived from the state's Cap-and-Trade program to the project.

Additionally, as a companion measure to the 2022-2023 State Budget that apportioned the remaining \$4.1 billion of Proposition 1A bonds to the Authority, the Legislature approved SB 198 (Committee on Budget and Fiscal Review, Chapter 71, Statutes of 2022). SB 198 required the Authority to focus its resources on finishing a usable high-speed segment from Merced to Bakersfield, which is defined as a "171-mile electrified dual-track segment that is usable for high-speed rail service in the Central Valley from Merced to Bakersfield, with a new combined station in downtown Merced, and connections to the Amtrak San Joaquins and the Altamont Corridor Express (ACE)."

Finally, in 2025, through AB 1207 (Irwin, Chapter 117, Statutes of 2025) and SB 840 (Limon and McGuire, Chapter 121, Statutes of 2025), the Legislature extended the Cap-and-Trade program through 2045, renaming it Cap-and-Invest. SB 840 also allocated, if funds are available, \$1 billion of Cap-and-Invest funds annually to the Authority through 2045.

Comments

- 1) *Purpose of Bill.* According to the author, "We cannot build a 21st-century, high-speed rail network without leveraging investment from private capital. Senate Bill 1411 is about removing limitations, specifically the \$500 million spending cap on work outside the Central Valley to allow the California High-Speed Rail Authority the flexibility needed to finally tap into the massive influx of private capital waiting on the sidelines. If we are serious about connecting Los Angeles to the Bay Area and maximizing the ridership potential of this project, we have to move beyond just relying on annual state allocations and start leveraging public-private partnerships that can accelerate construction and bring in private expertise to manage costs.

"This isn't about diverting resources, but rather building a robust, bankable system that allows the private sector to see a realistic return on investment, which in turn benefits the entire statewide portfolio. SB 1411 unlocks that potential by enabling the authority to advance critical, high-yield segments concurrently rather than waiting years, ensuring the project remains viable and competitive. We have a duty to create a structure where private investors, not just taxpayers, are sharing the risk and funding the future of California's infrastructure, and this bill is the key to unlocking that partnership."

- 2) *Still waiting for the train.* As described in the background section above, the nearly 30 years since the California HSR project began have been marked with a number of delays, cost overruns, and other unanticipated delays. The ongoing situation was complicated even further by actions taken under the current federal government.

In July 2025, U.S. Department of Transportation (USDOT) Secretary Sean Duffy announced that the Federal Railroad Administration (FRA) was terminating the cooperative grant agreement with the Authority and rescinding roughly \$4 billion in federal funds. Specifically, this includes \$3.07 billion for the Federal State Partnership program grant awarded to the Authority in 2023 and \$929 million from Fiscal Year (FY) 2010 appropriations. The first Trump Administration also attempted to rescind the FY 2010 funds. The funds were restored by the Biden Administration after settling a lawsuit brought by the State of California.

Specifically, the FRA initiated a compliance review of the project and determined that the Authority “will not be able to deliver the operation of a Merced-to-Bakersfield corridor by the end of 2033.” California once again sued. The Authority later announced that they had arrived at an agreement with FRA so that the funds could not be reallocated to other projects unless a new Notice of Funding Opportunity (NOFO) was released. In September 2025, the FRA issued a NOFO which included \$2.4 billion in funding previously awarded to the Authority. Subsequently, the state asked the court for an injunction to prevent the reallocation of funds. However, in December 2025, the Authority announced the state was withdrawing their lawsuit and giving up the federal funds. The Authority has stated that they ended the litigation after it became clear that the current federal administration is not a reliable partner.

- 3) *No brakes, all gas?* It bears repeating that the agreement this bill undoes—SB 198 (Chapter 71, Statutes of 2022)—was less than five years ago, and explicitly stated that the Merced-to-Bakersfield segment would receive half of the allocated HSR funds from GGRF. The amendments taken in Senate Transportation Committee made efforts to uphold the spirit of that commitment and required any funds authorized by this bill outside of what would have been eligible under SB 198 do not delay the completion of the Merced-to-Bakersfield segment.

To the extent that SB 1411 is able to attract additional private funding to the HSR project, it may help the project move forward to completion, even in spite of recent loss of federal funds. Attracting said additional private funding

appears to be the author's intent with this bill. Nevertheless, there is nothing in this legislation that specifically would require or suggest such funds. While removing a barrier to funds outside of the Merced-to-Bakersfield segment would be necessary in order to use such funds outside of that segment, it is not alone sufficient.

DOUBLE REFERRAL:

This measure was heard in Senate Transportation Committee on April 14th, 2026, and passed out of committee with a vote of 11-1.

Related/Prior Legislation

SB 1425 (Cortese) -- Would authorize the Authority to issue permits for activities on its right-of-way and establishes process for issuing such permits. Makes any person who damages the high-speed train system or any portion of the Authority's right-of-way guilty of a misdemeanor. *SB 1425 is pending in the Senate Transportation Committee*

SB 840 (Limon, Chapter 121, Statutes of 2025) -- Allocates funding from the GGRF, including, if funds are available, continuously appropriates \$1 billion annually for the high-speed rail project.

AB 377 (Tangipa, Chapter 81, Statutes of 2025) -- required the Authority as part of the business plan due on or before May 1, 2026, to provide a detailed funding plan for the Merced to Bakersfield segment.

SB 545 (Cortese, 2025) – Would have required the Office of Land Use and Climate Innovation (LCI), on or before July 1, 2027, to commission a study and submit a progress report to the Legislature on funding and economic opportunities along high-speed rail corridors, as specified, with a final report due January 1, 2028. *This bill was held in the Assembly Appropriations Committee.*

SB 1260 (Niello, 2024) – Would have required Authority Office of Inspector General (OIG) to conduct two independent reviews related to the high-speed rail project. *This bill failed passage in the Senate Transportation Committee.*

SB 198 (Committee on Budget and Fiscal Review, Chapter 71, Statutes of 2022) -- Appropriated the remaining \$4.2 billion Proposition 1A bonds for the high-speed rail project, established the OIG, and limited funding for construction of the project to the Merced to Bakersfield segment, until it is fully funded.

SB 862 (Committee on Budget and Fiscal Review, Chapter 36, Statutes of 2014) – Continuously appropriated 25% of the revenues derived from the state’s Cap-and-Trade program to the project.

SB 1029 (Committee on Budget and Fiscal Review, Chapter 152, Statutes of 2012) – Appropriated nearly \$8 billion in federal and state funds to begin the construction between Madera and Bakersfield

SOURCE: Author

SUPPORT:

California Conference of Carpenters
Californians for Electric Rail
Climate Action California (UNREG)
Los Angeles County Metropolitan Transportation Authority
Railpac - Rail Passenger Association of California
Southern California Regional Rail Authority (METROLINK)
Streets for All

OPPOSITION:

City of Merced
Merced County Association of Governments

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