



CALIFORNIA
High-Speed Rail Authority

2022-23 Fiscal Year Budget Request

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SUMMARY

In accordance with existing Board Policy HSRA11-001, which directs Board approval of the budget, Staff recommends Board approval of:

- The 2022-23 fiscal year Capital Budget of \$2.303 billion.
- The 2022-23 fiscal year Administrative Budget of \$93.3 million.

This presentation includes the following:

- Summary of bills enacted by the Legislature in June 2022 to provide new appropriations for the Authority.
- Review of revenues available for 2022-23 expenditures.
- Proposed expenditure budgets for 2022-23.
- Draft Board resolution and action to approve the 2022-23 budget.

JUNE 2022 BUDGET PACKAGE

SB 154 – Budget Bill (Chapter 43, Statutes of 2022):

- This is the 2022 Budget Act, and includes a state operations appropriation for 2022-23.
- These appropriations, and the continuously appropriated Cap-and-Trade funding, provide \$93.3 million for 2022-23.

AB 180 – Budget Bill Junior (Chapter 44, Statutes of 2022):

- This budget bill amends the 2021 Budget Act (or 2021-22 levels of appropriation).
- This bill includes the new Prop 1A capital outlay appropriation to spend the remaining \$4.2 billion of bond authority.

SB 198 – Budget Trailer Bill (Chapter 71, Statutes of 2022):

- This is the transportation budget trailer bill that amends statutory provisions related to Budget Act appropriations.
- This bill:
 - Specifies the \$4.2 billion Prop 1A appropriation is authorized for Merced to Bakersfield work;
 - Adds new legislative reporting requirements, including new schedule and cost estimates in the 2023 Project Update Report;
 - Establishes an Inspector General to provide independent oversight of the high-speed rail program; and
 - Specifies Cap-and-Trade dollars are to be prioritized on the Merced to Bakersfield work, existing Bookend projects, and up to \$500 million in other commitments that are cost-effective for the program.

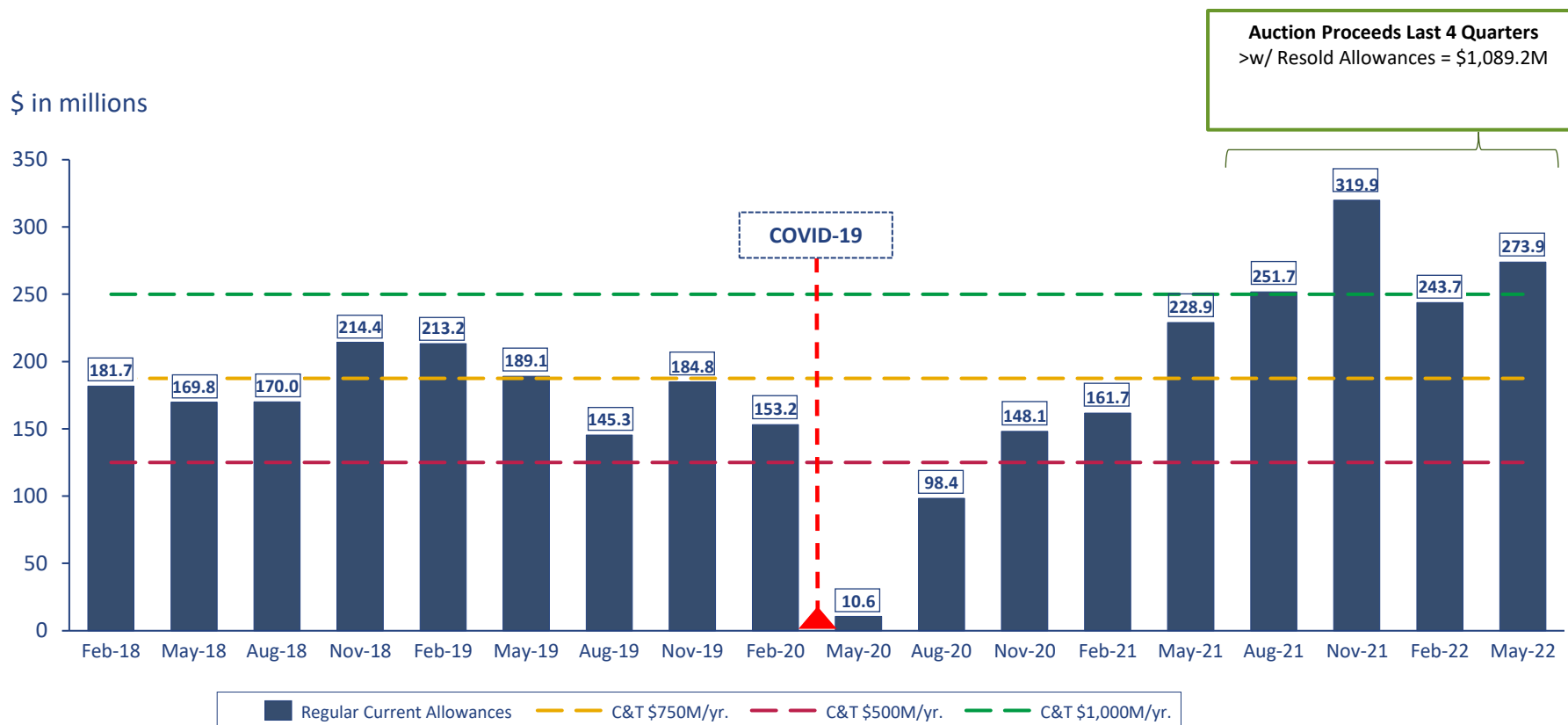
STEPS TO ACCESS PROP 1A FUNDS

- **Proposition 1A requires multiple steps to access bonds funds:**
 - » The Authority presents an initial Funding Plan (also called a “part c” Funding Plan”) to the Board and Legislature prior to requesting an appropriation – this was completed in February 2021.
 - » The Legislature appropriates the bond funds – this was completed in June 2022 through AB 180.
 - » The Authority presents a final Funding Plan (also called a “part d” Funding Plan”) to the Board and the Legislature prior to committing any proceeds of the appropriated bonds. The Authority anticipates bringing this Funding Plan to the Board for approval at the September Board meeting. This will make the \$4.2 billion available for Authority expenditures in 2022-23 and beyond.
- The Authority is working with the Department of Finance and the Treasurer’s Office to include the sale of Prop 1A bond in the Fall 2022 bond sale, so proceeds will be available for expenditure in 2022-23.



CAHSR HISTORICAL CAP-AND-TRADE AUCTION PROCEEDS OVERVIEW

CAHSR Quarterly C&T Auction Proceeds (in millions \$)



The Cap-and-Trade cash balance as of June 30, 2022 is \$2,104.7 million, which is available to support 2022-23 expenditures.

CAPITAL OUTLAY BUDGET

Fiscal Year 2022-23

Capital Outlay Budget (\$ in millions) - FISCAL YEAR 2022-23 PROGRAM BUDGET					
	FY2021-22 YTD Expenditures as of June 2022			FY21-22 to FY22-23 Budget	
	FY2021-22 Budget		FY2022-23 Budget	\$ Change increase/ (decrease)	% Change increase/ (decrease)
	A	B	C	(C-A)	(C-A)/A
Bond Fund (Prop 1A) - Project Dev. Phase I	\$ -	\$ -	\$ -	\$ -	0.0%
Federal Trust Fund (Brownfields) - Project Dev	\$ 0.17	\$ 0	\$ 0	\$ (0)	(39.0%)
Cap and Trade - Project Dev	\$ 145	\$ 53	\$ 177	\$ 32	22.1%
PROJECT DEVELOPMENT SUBTOTAL	\$ 145	\$ 54	\$ 177	\$ 32	22.0%
Bond Fund (Prop 1A) - Construction	\$ -	\$ -	\$ 1,876	\$ 1,876	100.0%
Cap and Trade - Construction	\$ 2,085	\$ 1,006	\$ 7	\$ (2,078)	(99.7%)
CONSTRUCTION SUBTOTAL	\$ 2,085	\$ 1,006	\$ 1,883	\$ (202)	(9.7%)
Bond Fund (Prop 1A) - Bookends (Local Assistance)	\$ 79	\$ 147	\$ 243	\$ 164	208.0%
Cap and Trade - Bookends (Local Assistance)	\$ 4	\$ 5	\$ -	\$ (4)	(100.0%)
BOOKEND PROJECTS SUBTOTAL	\$ 83	\$ 152	\$ 243	\$ 161	193.9%
Budget	\$ 2,313	\$ 1,212	\$ 2,303	\$ (10)	(0.4%)

ADMINISTRATIVE BUDGET

Summary by Office

Administrative Budget (\$ in millions) - FISCAL YEAR 2022-23 BUDGET					
	FY2021-22 YTD Expenditures as of June 2022			FY21-22 to FY22-23 Budget	
	FY2021-22 Budget	2022	FY2022-23 Budget	\$ Change increase/ (decrease)	% Change increase/ (decrease)
	A	B	C	(C - A)	(C - A)/A
Executive Office	\$ 3.4	\$ 1.7	\$ 3.4	\$ (0.0)	(1.2%)
Administration Office	\$ 10.0	\$ 8.0	\$ 10.0	\$ (0.0)	(0.3%)
Strategic Communications Office	\$ 2.0	\$ 1.7	\$ 2.0	\$ (0.0)	(0.3%)
Financial Office	\$ 9.0	\$ 6.5	\$ 9.3	\$ 0.3	3.4%
Legal Office	\$ 4.2	\$ 3.5	\$ 4.2	\$ 0.0	0.7%
Program Delivery Office	\$ 45.5	\$ 30.3	\$ 41.6	\$ (3.9)	(8.7%)
Northern California Region Office	\$ 1.2	\$ 1.0	\$ 1.2	\$ (0.0)	(2.1%)
Central Valley Region Office	\$ 1.2	\$ 1.0	\$ 1.2	\$ (0.0)	(2.0%)
Southern California Region Office	\$ 1.0	\$ 0.8	\$ 1.0	\$ 0.0	4.4%
Audit Office	\$ 2.0	\$ 1.9	\$ 1.9	\$ (0.1)	(2.8%)
Legislative Office	\$ 0.9	\$ 0.7	\$ 0.7	\$ (0.2)	(18.4%)
Information Technology Office	\$ 16.8	\$ 10.2	\$ 16.8	\$ (0.0)	(0.1%)
Budget	\$ 97.2	\$ 67.5	\$ 93.3	\$ (3.9)	-4.0%
POSITIONS	429		429	0	0.0%

CONCLUDING REMARKS

In accordance with existing Board policies, Staff recommends Board approval of the attached draft resolution:

The Board approves the FY 2022-23 Capital Budget of \$2.303 billion and the FY 2022-23 Administrative budget of \$93.3 million (subject to adjustments by the enacted State budget), that aligns spending for the next year with expected program revenues and spending priorities.

Staff is not requesting any updates to the multi-year Program Baseline Budget at this time. It should be noted that inflation is impacting infrastructure projects across the nation, and higher material costs are getting factored into change orders for existing contracts at the Authority. Staff will continue to monitor inflation and bring any adjustments to Program Baseline Budget to the Board as needed.

As required by SB 198, the Authority will comprehensively update Central Valley cost estimates with the 2023 Project Update Report (2023 PUR).

THANK YOU

Comments and Questions

