



**California High-Speed Rail:  
Financial Reports Executive Summary**

July 2021 Report (Data through May 31, 2021)

# Executive Summary for July 2021 Report

## Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year May-20 Data	Prior Month Apr-21 Data	Current Month May-21 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$17.0	\$58.4	\$58.7
Number of Invoices Paid	253	274	271
Value of Invoices Paid	\$86.7	\$78.8	\$98.4
Number of In-Process Invoices	131	151	129
Value of In-Process Invoices	\$88.7	\$53.5	\$44.8
Total Number of Invoices Paid and In-Process	384	425	400

- The Authority has not made a penalty payment in over four years (52 months) and did not have any aged invoices in the May reporting period.
- The Authority currently has a total of \$58.7M in disputed invoices. The \$370K increase in total disputes from the prior month is primarily due to new disputed invoices with Perkin Coie, LLC. (\$172K) and Wong Harris (\$156K).

**Note:** The total number of invoices paid and in-process will fluctuate depending on the progress of the project.

## Cash Management Report

(\$ in millions)

	Prior Year May-20 Data	Prior Month Apr-21 Data	Current Month May-21 Data
Prop IA Bond Fund Ending Cash Balance	\$287.8	\$189.6	\$184.3
Cap and Trade Ending Cash Balance	\$2,382.8	\$1,813.1	\$1,746.8
Rail Property Management Fund Ending Cash Balance	\$9.1	\$10.6	\$10.7

- Prop IA Bond sales are conducted twice per year by the State Treasurer's Office (STO) in the spring and fall.
- Cap and Trade auctions occur four times per year (Aug, Nov, Feb, May) and are subject to administrative adjustments by the California Air Resources Board and the Department of Finance (e.g. fire fee, manufacturing tax exemption offsets, and foreign exchange rate adjustments).
- The Rail Property Management Fund receives revenues from leases/rents collected on property acquired but not yet delivered to the Design-Builders for construction. These funds are annually appropriated and used for the development, improvement and maintenance of the HSR system.
- The Authority is expected to receive \$228.9M from the May-21 Cap and Trade auction, which is the highest revenue amount received to date. Proceeds from the auction are not yet included in the Cap and Trade Cash Balance and will be reflected once the journal entry has been completed by State Controller's Office.

**Note:** Cap and Trade has significantly rebounded from the impacts of the COVID-19 pandemic. The last two auctions (Feb-21 and May-21) resulted in a total of \$391M for the Authority, which is a \$227M increase from the same quarterly auctions that occurred in the prior year (Feb-20 and May-20).

# Executive Summary for July 2021 Report

## Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year May-20 Data	Prior Month Apr-21 Data	Current Month May-21 Data
Budget (Fiscal Year)	\$58.3	\$73.0	\$73.0
Monthly Expenditures	\$4.5	\$3.7	\$6.1
YTD Expenditures	\$37.4	\$37.2	\$43.4
Percentage of Budget Expended YTD	64.1%	51%	59.4%
Percentage of Personal Services Budget Expended YTD	73.8%	59%	65.7%
Percentage of Operating Expenses and Equipment Expended YTD	36.5%	28.4%	41.7%
Percentage of Fiscal Year Completed	91.7%	83.3%	91.7%
Total Authorized Positions	271	356	356
Total Filled Positions	222	263	269
Vacant Positions	49	93	87
Vacancy Rate	18.1%	26.1%	24.4%

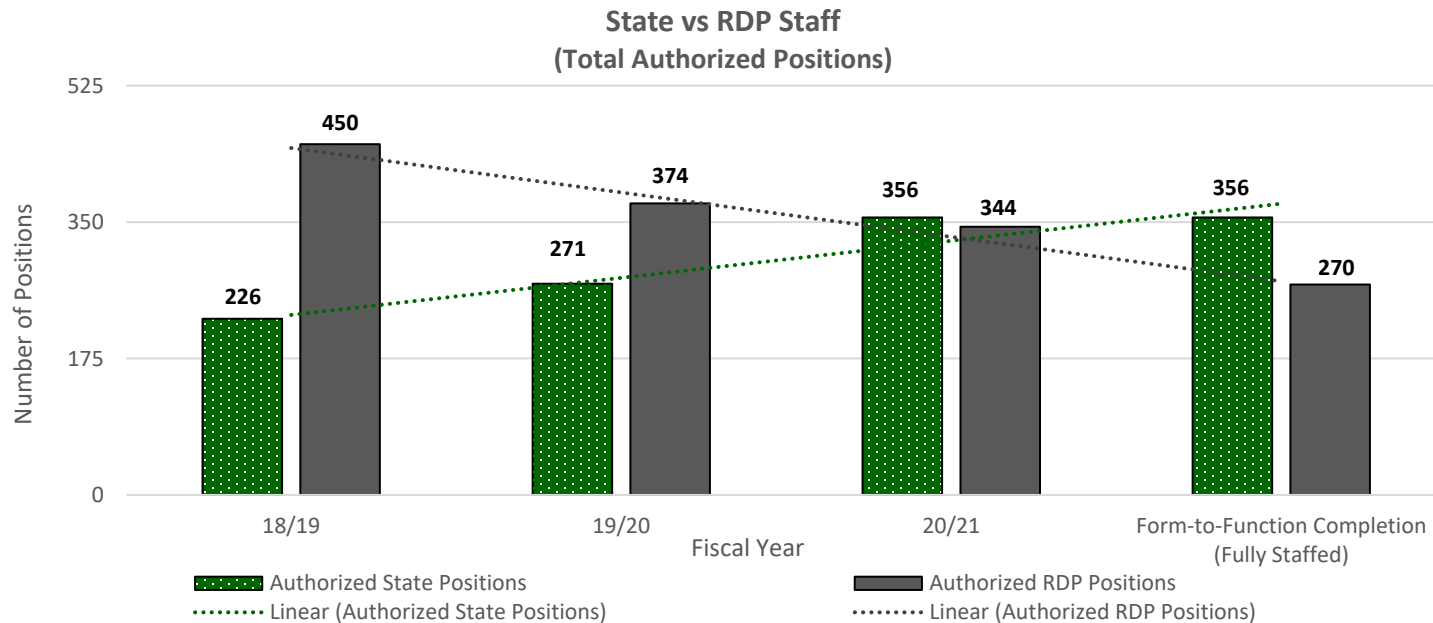
- At 91.7% of the Fiscal Year completed, \$43.4M or 59.4% of the Administrative Budget has been spent, resulting in a budget underutilization value of 32.3%. The budget underutilization is due to position vacancies and low OE&E spending.
- As of May 31, 2021, the Authority's vacancy rate is 24.4%, primarily due to the addition of 85 new state positions. The Authority has reduced its vacancy rate by 12.7% (from 37.1% to 24.4%) since the beginning of the fiscal year.
- The Authority has filled 207 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

**Note:** Monthly Expenditures for May-21 include a technical expenditure correction of \$1.9M, which is tied to invoices related to a ridership study that examines travel patterns, socio-economic data, growth estimations, and rail transit supply. The Authority will receive reimbursement from Caltrans to fund the study, as the model and associated data will be used to inform planning for future Caltrans projects.

# Executive Summary for July 2021 Report

## Form-to-Function Implementation: Consultant Staff and State Staff Comparison

	Positions	18/19	19/20	20/21	Form-To-Function Completion (Fully Staffed)
State	Filled	185	227	269	356
	Vacant	41	44	87	0
	Total Authorized	226	271	356	356
RDP	FTEs Filled	345	321	296	270
	Vacant	105	53	48	0
	Total Authorized	450	374	344	270



**Notes:**

- In July 2020, the Authority received 85 new state positions as part of a cost-saving workload adjustment that will reduce the reliance on contracted resources, while increasing state oversight of critical functions (Form-to-Function). Overall authorized staff resources fell from 676 to 626.
- RDP position counts use Full-Time Equivalents (FTE's) and filled positions by fiscal year are monthly averages by FY from October 2018 through April 2021.
- State Staff positions filled by fiscal year are data for the months of June 2019, June 2020, and May 2021.

# Executive Summary for July 2021 Report

## Capital Outlay Budget Summary

(\$ in millions)

	Prior Year May-20 Data	Prior Month Apr-21 Data	Current Month May-21 Data
Budget (Fiscal Year)	\$2,255.0	\$2,903.3	\$2,903.3
Monthly Expenditures	\$107	\$78	\$76.3
YTD Expenditures	\$1,280.1	\$946.8	\$1,023.1
Percentage of Budget Expended Year to Date	56.8%	32.6%	35.2%
Percentage of Fiscal Year Completed	91.7%	83.3%	91.7%

- At 91.7% of the fiscal year completed, YTD Capital Outlay expenditures are \$1.02B or 35.2% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$63.3M**, which includes: CPI - \$30M, CP2-3 - \$23.5M, and CP4 - \$9.8M.
- Design-Build (DB) Monthly Expenditures totaled **\$48M**, which includes: CPI - \$19.6M, CP2-3 - \$19.4M, and CP4 - \$9M.
- As of May 31, 2021, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 63.4%, CP2-3: 64.2%, and CP4: 69.9%.

**Note:** On June 10, 2021, the Authority and the FRA reached a final settlement, restoring the FY10 agreement and the associated \$928.6M in grant funding.

## Capital Outlay Expenditure Breakout

Expenditure Category (\$ in millions)	FY Budget	FY Forecast	Monthly Expenditures	YTD Expenditures	% Spent (Budget)	% Spent (Forecast)
Percentage of Fiscal Year Complete: 92%						
<b>Construction</b>	<b>\$2,408.9</b>	<b>\$1,586.7</b>	<b>\$70.6</b>	<b>\$933.7</b>	<b>39%</b>	<b>59%</b>
Design Build with TIA Payment*	\$1,312.6	\$891.5	\$48.0	\$614.5	47%	69%
Design Build Contracts w/o TIA Payment*	(\$1,312.6)	(\$891.5)	(\$48.0)	(\$603.5)	46%	68%
Time Impact Analysis (TIA) Payments**	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	(\$11.0)	1%	1%
Right-of-Way / Third Party	\$328.2	\$228.7	\$7.7	\$150.8	46%	66%
PCM / RDP / ETO / Legal	\$205.4	\$178.9	\$8.8	\$149.1	73%	83%
Environmental Mitigation / Resource Agency	\$42.2	\$12.0	\$2.3	\$7.9	19%	66%
Other Construction (SR 99, Stations, etc.)	\$69.6	\$18.2	\$3.8	\$11.4	16%	63%
Fiscal-Year Project Contingency	\$450.7	\$257.4	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Fiscal-Year Project Contingency – Transferred Out*	(\$63.3)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	(14%)	<i>n/a</i>
<b>Project Development</b>	<b>\$145.1</b>	<b>\$74.5</b>	<b>\$5.7</b>	<b>\$50.3</b>	<b>35%</b>	<b>67%</b>
<b>Bookend Projects (Local Assistance)</b>	<b>\$349.4</b>	<b>\$149.4</b>	<b>\$0.0</b>	<b>\$39.1</b>	<b>11%</b>	<b>26%</b>
<b>TOTAL</b>	<b>\$2,903.3</b>	<b>\$1,810.6</b>	<b>\$76.3</b>	<b>\$1,023.1</b>	<b>35%</b>	<b>57%</b>

\*Numbers in parenthesis are non-adds but included to provide additional detail. FY Project Contingency starting budget was \$514M.

\*\*Time Impact Analysis (TIA) payment includes a \$11M settlement for CP4 (December Invoice).

# Executive Summary for July 2021 Report

## Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	Percentage of Total Expenditures
Construction	\$6,350.9	76%
Project Development	\$1,295.4	15%
Local Assistance	\$417.5	5%
Support Funding – Project Development	\$87.3	1%
Support Funding – Construction	\$86.2	1%
Administration	\$140.4	2%
<b>Total</b>	<b>\$8,377.9</b>	<b>100%</b>

## State Match to ARRA and State Match Liability

Fund Type (\$ in millions)	Total Match	FRA Approved Match to Date	Pending FRA Approval	Total Approved and Submitted to FRA	Remaining Match	Percentage Approved and Submitted Match to Date
State Funds	(A)	(B)	(C)	(D) = (B + C)	(A - D)	(D / A)
State Match to ARRA	\$2,499.5	\$2,167.9	\$349.7	\$2,517.6	\$0.0	100.7%

- The Authority has submitted the final invoices to complete the State Match to ARRA requirement.
- The State Match to ARRA and State Match Liability table above reflects FRA Approved Match to Date in the amount of \$2,167.9M and Pending FRA Approval in the amount of \$349.7M, Total Approved and Submitted to FRA in the amount of \$2,517.6M (100.7%) as of May 31, 2021.

**Note:** Local Match to ARRA has been consolidated into State Match to ARRA as state funds were used to complete both obligations.

# Executive Summary for July 2021 Report

## Contracts and Expenditures Report

(\$ in millions)

	Prior Year May-20 Data	Prior Month Apr-21 Data	Current Month May-21 Data
Number of Contracts	196	203	207
Total Value of Contracts	\$7,692.1	\$8,482.7	\$8,490.5
Number of Purchase Orders	48	46	48
Total Value of Purchase Orders	\$1.1	\$3.2	\$2.7
Total Value Contracts and Purchase Orders	\$7,693.2	\$8,485.9	\$8,493.2
Small Business Utilization Rate	21.1%	22.2%	22.3%

- Contracts are predominately issued for a variety of services, such as design-build and environmental work, while purchase orders are generally used to acquire goods (i.e. office supplies).
- As of May 31, 2021, the Authority had 207 active contracts and 48 active purchase orders (PO's) with a total value of \$8.5B.
- Month-over-Month the value of contracts increased \$7.8M, primarily due to executed change orders for CP 2-3 (\$1.4M) and one new contract with County of Madera (\$6.3M).
- The Jul-21 report (May-21 data) reflects a Small Business Utilization Rate (SBU) of 22.3%. The current rate represents a 6.1% increase from the inception of SBU reporting in Feb-15 of 16.2%.
- The Authority anticipates SBU to increase as construction activity ramps up moving closer to the SBU goal of 30%, per the Small and Disadvantaged Business Enterprise Policy approved in Aug-12.
- As of April 30, 2021, there are **621** small businesses actively working on the high-speed rail project, including **200** DBE's and **68** Certified DVBE's.

# Executive Summary for July 2021 Report

## Contingency Summary (data is cumulative from the May 2019 Project Budget Update through May 31, 2021, \$ in millions)

Contingency Category	CP1 Total Alloc.	CP1 Cumul. Authorized	CP1 Balance	CP2-3 Total Alloc.	CP2-3 Cumul. Authorized	CP2-3 Balance	CP4 Total Alloc.	CP4 Cumul. Authorized	CP4 Balance	Other Total Alloc.	Other Cumul. Authorized	Other Balance	Total Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$1,237	\$898	\$339	\$1,085	\$850	\$235	\$340	\$230	\$110	\$0	\$0	\$0	\$2,662	\$1,978	\$684
Unallocated Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$426	\$6	\$420	\$426	\$6	\$420
Interim Use/Project Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208	\$54	\$154	\$208	\$54	\$154
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$297	\$19	\$278	\$297	\$19	\$278
<b>Total</b>	<b>\$1,237</b>	<b>\$898</b>	<b>\$339</b>	<b>\$1,085</b>	<b>\$850</b>	<b>\$235</b>	<b>\$340</b>	<b>\$230</b>	<b>\$110</b>	<b>\$931</b>	<b>\$79</b>	<b>\$852</b>	<b>\$3,593</b>	<b>\$2,057</b>	<b>\$1,536</b>

### Notes:

#### Contingency Summary Table (above):

- Total Allocation (Total Alloc.) shown in the above table has not been updated for the approved 2020 Business Plan and reflects the initial contingency allocation set at the 2019 Baseline Budget.
- Contingency Category "Other" refers to Non-Design Build Central Valley Scope and Non-Central Valley Scope.
- Cumulative Authorized (Cumul. Authorized) is the total amount of individual contingency transfers \$25M and over that have received approval through the HSR governance process for which a change order/amendment has not been executed and all executed change orders/amendments involving the transfer of contingency.
- Balance is the remaining contingency balance after all HSR approved contingency transfers \$25M and over for which a change order/amendment has not been executed and all executed change orders/amendments involving the transfer of contingency.

#### HSR Governance Actions Table (right):

- All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in the table to the right.
- Authorization totals include rounding adjustments.

#### Table Code Legend

Code	Item
A	Scope Change
B	Cost Change
C	Unallocated
D	Other

## HSR Governance Actions (Monthly Activity)

### May 2021 Activity

Category/Contract	Project	Contract #	Code (See legend)	Authorizations (\$ in millions)	Comments
<b>Contingency Category: Project Contingency</b>					
Authorizations >25 million					None
Authorizations <25 million	CP 1, 2-3, 4	Various	A/B	\$38	Various Executed Change Orders
<b>Monthly Subtotal</b>				\$38	
Previously Approved Authorizations				\$1,940	
Total Cumulative Authorizations				\$1,978	
<b>Contingency Category: Unallocated Contingency</b>					
Authorizations					None
<b>Monthly Subtotal</b>					
Previously Approved Authorizations				\$6	
Total Cumulative Authorizations				\$6	
<b>Contingency Category: Interim Use/Project Reserve</b>					
Authorizations					None
<b>Monthly Subtotal</b>					
Previously Approved Authorizations				\$54	
Total Cumulative Authorizations				\$54	
<b>Contingency Category: Other</b>					
Authorizations	Project Develop.	HSR14-39	A/B	\$3	Prelim. Work LA-Anaheim
<b>Monthly Subtotal</b>					
Previously Approved Authorizations				\$16	
Total Cumulative Authorizations				\$19	
<b>Grand Total Cumulative Authorizations</b>				<b>\$2,057</b>	