

Funding High-Speed Rail

California high-speed rail will fundamentally transform how people move around the state, spur economic growth, create a cleaner environment, and preserve agricultural lands and natural habitat.



FUNDING IN BRIEF

The California High-Speed Rail Authority (Authority) receives funding from federal and state sources. These funds are currently being used to construct high-speed rail between Merced and Bakersfield, and complete environmental planning and other early work for the entire Phase I System, consistent with state legislation and federal grant agreements.

Funding for California high-speed rail has come from the legislative appropriation of state special funds and from federal competitive grants. No funding comes from traditional state sources, such as the gas taxes or general fund dollars. For current detailed information on project funding and expenditures, see the [Finance and Audit Committee webpage](#). This subcommittee of the Board of Directors meets monthly to discuss a range of financial reports, including accounts payable, cash management, project expenditures and the capital outlay budget.

STATE SPECIAL FUNDS

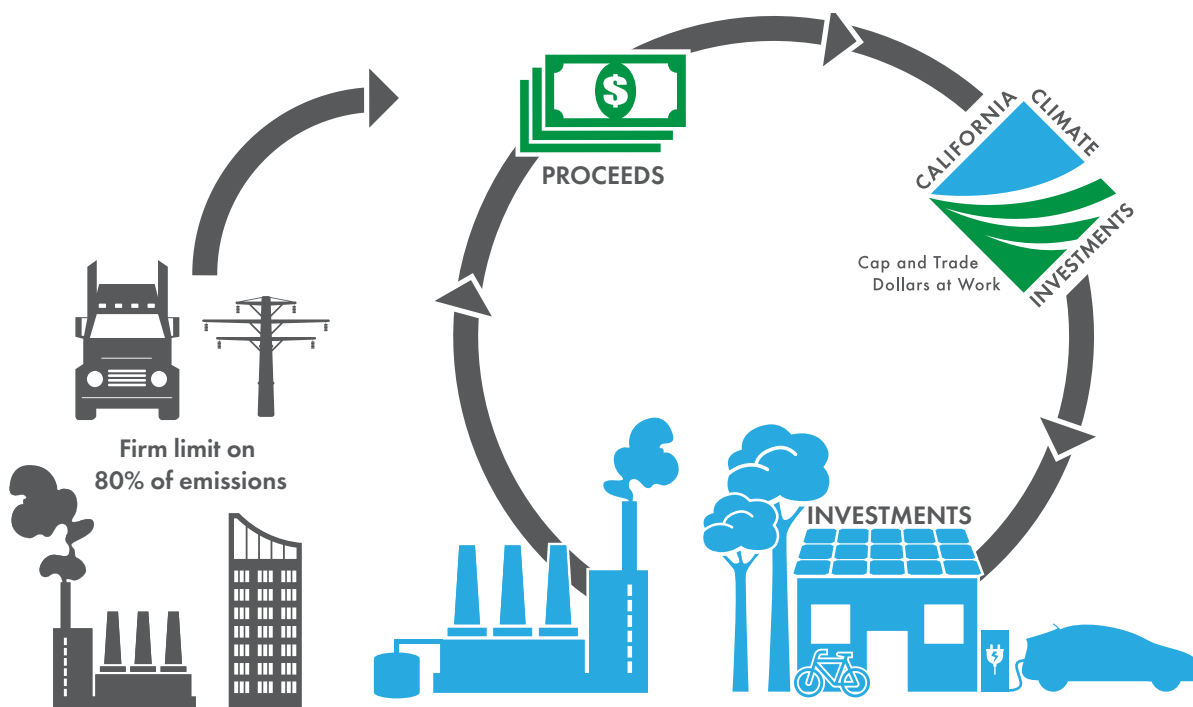
In 2008, California voters approved **Proposition 1A**, which provided a total of \$9.95 billion for high-speed rail planning and construction and regional connectivity projects. Of the

total, \$9 billion was earmarked for California high-speed rail. In 2012, the Legislature authorized **\$3.7 billion in Proposition 1A funds** for construction in the Central Valley, Caltrain electrification in Northern California, and the Link US and Rosecrans/Marquardt Grade Separation projects in Southern California. In 2022, the Legislature authorized the remaining **\$4.2 billion in Proposition 1A funds** to support completion of a two-track, electrified 171-mile high-speed rail segment between Merced to Bakersfield.

California's landmark [Cap-and-Trade Program](#), created by the California Air Resources Board in 2008, is also a source of funding for the high-speed rail project. This program generates revenue by selling quarterly greenhouse gas allowances, or permits, through an auction mechanism.

In 2014, the Authority received a one-time appropriation of **\$650 million** from California's Cap-and-Trade program and also received a 25% continuous funding appropriation from proceeds of the quarterly Cap-and-Trade credit auction. Through the November 2022 Auction, the Authority has received a total of **\$5.4 billion** of Cap-and-Trade funds. Quarterly auctions will provide the Authority an ongoing revenue stream for the duration of the Cap-and-Trade program.

CAP-AND-TRADE PROGRAM PROCESS



FEDERAL COMPETITIVE GRANTS

California’s high-speed rail project received funding through the Federal Railroad Administration’s (FRA) High-Speed Intercity Passenger Rail (HSIPR) Program, which was launched in 2009. California’s high-speed rail project received federal funding through the HSIPR program under the **American Recovery and Reinvestment Act of 2009 (ARRA)** and the **Consolidated Appropriations Act, 2010 (FY10)**.

- The Authority received approximately **\$2.55 billion in ARRA** grant funds. These funds have been fully expended for initial construction in the Central Valley and advancing engineering and environmental reviews along the entire 500-mile Phase 1 system connecting San Francisco/Merced to Los Angeles/Anaheim.
- The Authority was also awarded **\$929 million of FY10** funding to support construction and electrification components in the Central Valley. The Authority expects to begin expending these funds in 2024.

In 2021, the federal government passed the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL). This legislation makes tens of billions

in new federal funding available for intercity rail projects across the nation – including high-speed rail. The Authority will aggressively seek competitive grant funds from BIL programs and has already submitted over \$1.3 billion in grant applications, with additional grant applications to be submitted in the coming months and years. The Authority has already received two new grants from the **Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program**, both at or near the maximum award of \$25 million.

PRIVATE FUNDS

No private funding is currently being used for the California high-speed rail system. It is our intent and objective to secure private investment in the high-speed rail program. It is not a matter of whether we will pursue a private partnership—but when. We believe that private sector partners will invest in the construction and operation of the system once risks, returns and system operations are better understood and more advanced than where they are today.

