

Regional Measure 3 Independent Oversight Committee

August 4, 2025

Agenda Item 5a

Regional Measure 3 (RM3) Independent Oversight Committee (IOC) Annual Report Format and Schedule

Subject:

An overview of the statutory requirements for the IOC Annual Report, a review of the format and approach used in the previous report, and a proposed timeline for completing the FY 2025 report.

Background:

Senate Bill 595 (2017) laid the legislative groundwork for RM3 by amending the California Streets and Highways Code (SHC) to include the RM3 expenditure plan and requirements, including adding Section 30923 to SHC, which required the Bay Area Toll Authority (BATA) to establish the IOC within six months of the effective date of the toll increase. This section describes the duties of the IOC as follows:

“The oversight committee shall annually review the expenditure of funds by the authority for the projects and programs specified in Section 30914.7 [the RM3 Expenditure Plan] and prepare and submit a report to the transportation committee of each house of the Legislature summarizing its findings”

SB 595 also added a section to the SHC requiring BATA to prepare an annual report on the status of the RM3 program and submit it to the legislature, which is submitted by BATA to the legislature separately from the IOC report.

The IOC met four times in 2024 and prepared and approved the first RM3 IOC Annual Report for FY 2023-2024 in November 2024. MTC staff submitted the approved reports to the transportation committees of the Legislature on the IOC’s behalf in December 2024.

Prior Report Format

The FY 2023-24 RM3 IOC Annual Report consisted of a short report describing RM3 background, processes, and actions during the fiscal year and summarizing the IOC’s review regarding MTC and BATA’s activities for the year. The report was prepared by MTC staff with

input from IOC members, including from an ad-hoc committee that was formed mid-year to collaborate on the report.

The RM3 IOC Annual Report also included the statutorily required RM3 Annual Report prepared by MTC/BATA as an attachment, to provide additional detail on the RM3 program and minimize duplicate work between the two reports.

The final FY 2023-24 RM3 IOC Annual Report (excluding attachments – the full report can be found on MTC’s website [here](#)) is included as an attachment to this item for reference. MTC staff are providing this as an example and template, to help guide the IOC’s work on the FY 2024-25 report.

IOC Report Preparation Process and Timeline

If the IOC follows a similar report preparation process this year as was done last year, MTC staff anticipate that the IOC members will provide input and guidance for the content of the FY25 report and MTC staff will compile this into a report draft to be reviewed by the IOC at the next meeting. MTC staff suggest the following timeline and activities.

Today, August 4, 2025:

- IOC reviews MTC/BATA Activities through July 2025
- IOC provides input about report content
- IOC plans for additional feedback to MTC if needed

Remainder of August 2025:

- Un-audited FY25 RM3 revenues sent via email update to IOC members
- Staff begins BATA RM3 Annual Report Preparation

October 2025:

- Audited RM3 Revenues available
- Production of full draft FY 2024-25 RM3 IOC Annual Report for November 7th review, with MTC staff support as requested

November 7, 2025:

- IOC meets to review the draft FY 2024-25 RM3 IOC Annual Report and considers approval. Possible actions include:
 - Approve as drafted
 - Approve with minor revisions made in meeting
 - Request significant revisions and defer approval to December

December 2025:

- Optional IOC meeting scheduled December 5, 2025 if needed to approve final annual report
- MTC staff submit IOC report to the transportation committees of each house of the legislature

Input from IOC

Per Section 30923 of the SHC, the purview of the IOC is to “ensure that any toll revenues generated pursuant to this section are expended consistent with the applicable requirements set forth in Section 30914.7”. Staff further suggest the IOC consider what it wants to communicate to the legislature and the public about its review of MTC and BATA’s RM3 implementation activities. While the content of the report is the responsibility of the IOC, MTC staff will provide support by compiling member feedback and background information to be included in the report, writing or editing portions of the report as suggested by the IOC, and submission of the report to the state legislature.

For the FY2024 report, the IOC selected an ad-hoc committee to develop a draft of the report to bring back to the full IOC for review and comment. The ad-hoc committee prepared draft findings for the report and instructed MTC staff to incorporate additional edits.

Issues:

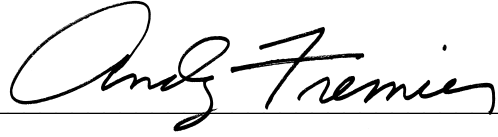
None.

Recommendation:

This item is information only.

Attachments:

- Attachment A: FY 2023-24 RM3 IOC Annual Report (w/out attachments)
- Attachment B: Presentation

A handwritten signature in black ink, reading "Andrew B. Fremier", written over a horizontal line.

Andrew B. Fremier

[https://bayareametro.sharepoint.com/sites/committees/CommitteeDocs/RM3 Independent Oversight Committee/_Meetings/2025/RM3IOC 08-04-2025/5a_25-0778_1_IOC Annual Report Overview.docx](https://bayareametro.sharepoint.com/sites/committees/CommitteeDocs/RM3%20Independent%20Oversight%20Committee/_Meetings/2025/RM3IOC%2008-04-2025/5a_25-0778_1_IOC%20Annual%20Report%20Overview.docx)