Regional Measure 3 Independent Oversight Committee

November 7, 2025 **Agenda Item 5a**

Staff Update on Regional Measure 3 (RM3) Activities

Subject:

Update on RM3 allocations, expenditures, and other activities to date.

Background:

At the August 4, 2025 meeting of the Independent Oversight Committee (IOC), staff presented an update on the RM3 revenue collection through May 2025, and allocations and expenditures through July 2025. Today's committee item includes recent updates to revenue collection, allocations, and expenditures.

Revenue Collection

BATA collected $278 million in RM3 bridge toll revenues in FY 2024-25, and collected another $84 million in July, August, and September 2025. As of September 2025, the balance in the RM3 Capital fund was $573.6 million and the balance in the RM3 Operating fund was $3.9 million. The RM3 Operating fund represents the portion of toll revenues that have been collected in the current fiscal year and set aside for operating programs but have not yet been disbursed.

Additionally, Streets and Highways Code Section 30914.7(c) provides that, to the extent that funds made available for the ferry component of the RM3 operating program are not requested for expenditure by the San Francisco Bay Area Water Emergency Transportation Authority (WETA) in a given year, the funds will be held in a reserve account, until such time that WETA requests these funds for an operating or capital purpose. As of September 2025, the WETA Operating Reserve amount was $94 million.[1]

Over the period spanning FY 2018-19 to FY 2021-22, $23.9 million in RM3 funding for express bus operating assistance was accrued but not disbursed while RM3 was under legal challenge. In

[1] The WETA Operating Reserve balance includes FY 2024-25 RM3 revenues to date which are apportioned to WETA, as well as FY 2024-25 RM3 Operating Program funds that have been allocated to WETA but are not yet drawn, including RM3 WETA Reserve allocations.

May 2023, the Commission directed staff to make these funds available to eligible operators in addition to the annual express bus operating program to assist with navigating budgetary shortfalls. $9.4 million of these funds were allocated in FY 2025-26, leaving $14.5 million available for future allocations. RM3 Operating Program funds generated during this time period for ferry service are included in the WETA reserve, and prior years' funds for Transbay Terminal operations were allocated in FY 2022-23.

Updates to the Expenditure Plan

The RM3 statute gives MTC discretion to approve changes to the scope of projects within the RM3 expenditure plan or reassign funds to another project within the same bridge corridor, provided MTC consults with the program or project sponsor and holds a public hearing. No new changes to the expenditure plan were proposed or approved since the last IOC meeting.

Two prior public hearings and expenditure plan changes were approved since the implementation of RM3; these have been presented at previous IOC meetings. Changes to the expenditure plan are formalized in MTC Resolution No. 4621, Revised, which is included as Attachment A.

Programming, Allocations, and Expenditures

RM3 Allocation Process Overview

The RM3 expenditure plan lists specific amounts available for capital projects, and percentage-based amounts available for operating projects. RM3 allocations and expenditures are governed by the RM3 Policies and Procedures (MTC Resolution No. 4404, Revised).

For the operating program, MTC adopts an annual program that sets the funding limits for the eligible operators each fiscal year. For the capital program, some projects are named in the expenditure plan and eligible for allocation without additional action by MTC, but for programmatic projects or those with multiple sponsors, MTC may adopt programming that distributes the funds to sponsors or specific projects.

For both the operating and capital programs, eligible sponsors must follow the Policies and Procedures to request an allocation of funds consistent with the RM3 statute and adopted programming, if relevant. Payments to project sponsors for eligible expenses are made on a reimbursement basis.

Operating Program Allocations and Expenditures

In May 2025, the Commission adopted MTC Resolution No. 4706 to establish the FY 2025-26 RM3 Operating Program. The program was revised in July 2025 to allocate additional funds for the Golden Gate Bridge, Highway and Transportation District (GGBHTD) in support of express bus service related to the Marin-Sonoma Coordinated Transit Service Plan (MASCOTS), as well as to draw from prior years' RM3 express bus funds accrued between FY 2018-19 and FY 2021-22 to program an additional $9.4 million for AC Transit express bus service. In total, the program provides $4.3 million for Transbay Terminal operations, $31.3 million for ferry service, and $27.7 million for RM3-eligible express bus operators. Express bus funds are primarily apportioned according to the remaining FY 2025-26 standardized shortfalls projected by RM3-eligible operators, as outlined in the November 2024 revision of MTC Resolution No. 4619.

In June 2025, the Commission adopted a revision to MTC Resolution No. 4677 to allocate $9.8 million from the RM3 WETA Reserve for FY 2025-26 ferry operations. This allocation of reserve funds supplements the FY 2025-26 revenues programmed in MTC Resolution No. 4706.

A total of $13.3 million in allocations for FY 2025-26 were approved via the Commission and the Executive Directors Delegated Authority in August through October. Details of these actions are provided in Attachment B, Index of Commission Allocation Actions, including links to each month's Commission materials.

Capital Allocations and Expenditures

For capital projects in which MTC or BATA is a sponsor or co-sponsor and that need further definition or distribution between multiple sponsors prior to allocation, MTC can program the funds via MTC Resolution No. 4411, Revised, included as Attachment C. No new programming actions were approved by MTC since the last IOC meeting.

In September and October 2025, the Commission approved $88million in new capital allocations. Additional capital allocations and allocation extensions were made via the Executive Director's Delegated Authority during this period. Details of recent allocations are included as Attachment B, Index of Commission Allocation Actions, including links to Commission materials. Attachment D, RM3 Capital Expenditure Plan Tracker, provides an overview of all capital allocations approved to date through July.

Through October 2025, MTC has approved a total of $1.8 billion in RM3 capital allocations. As of September 2025, $697 million had been reimbursed to project sponsors.

Other Updates

As requested by the IOC at the August 4, 2025 meeting, MTC staff sent letters to each county with one or more IOC vacancies requesting appointment of new IOC members. No new appointments have been received. However, some counties' BOS staff confirmed they received the letters and are conducting outreach to potential appointees.

Issues:

None.

Recommendation:

Information only.

Attachments:

- Attachment A: MTC Resolution No. 4621, Revised (Regional Measure 3 Program Amendments)
- Attachment B: Index of Commission Allocation Actions
- Attachment C: MTC Resolution No. 4411, Revised – Attachments A - D (Programming of Regional Measure 3 Capital Projects)
- Attachment D: RM3 Capital Expenditure Plan Tracker
- Attachment E: Presentation

Andrew B. Fremier