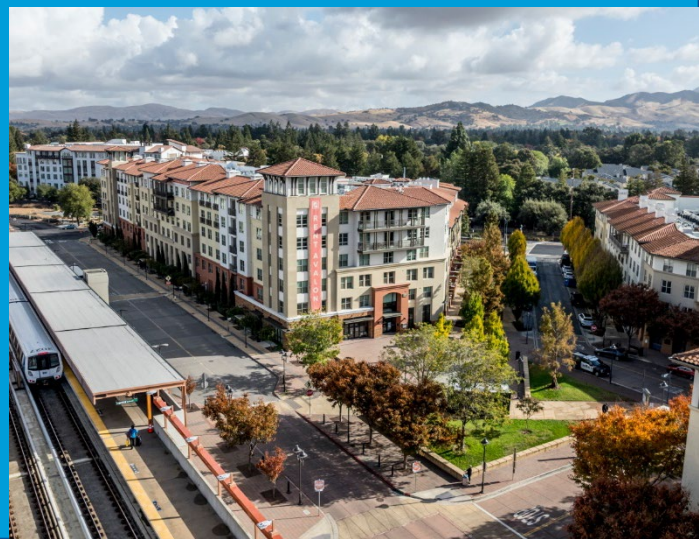
Proposed FY 2025-26 ABAG Operating Budget and Work Program



Date: June 20, 2025

Presenter: Derek Hansel, CFO

ASSOCIATION OF BAY AREA GOVERNMENTS

Administrative Financial Challenges

- According to CalPERS' 2023 Actuarial Valuation, ABAG's unfunded accrued liability totals $18 million
- Minimum annual contributions of $2.3 million through 2034
- Meeting pension obligations require 72% of proposed Membership Dues
- MTC subsidizing shared services costs beyond that required in Contract for Services
- Administrative budget still doesn't factor in staffing costs associated with providing administrative services

ABAG Administration

- Membership dues increased by 3%
- Pension obligations increased by 8%
- $160 Transfer from ABAG FAN
- $291 thousand deficit funded by anticipated savings in budgeted expenses for FY 2024-25
- Challenging financial position in upcoming years

ABAG Administration	FY 2024-25 Amendment No. 1	FY 2025-26 Proposed	Difference $
	(Thousands $)	(Thousands $)	(Thousands $)
Revenues & Transfers			
Membership Dues	$3,140	$3,234	$94
OPEB Trust, Interest & Other Revenue	615	577	(39)
ABAG FAN (transfer in)	-	160	160
Total Revenues & Transfers In	**$3,755**	**$3,970**	**$215**
Expenses & Transfers			
Pension	$2,139	$2,316	$177
OPEB	558	517	(41)
375 Beale Assessment	208	205	(3)
BARC (transfer out)	203	205	2
Insurance	250	279	29
Other	800	739	(61)
Total Expenses & Transfers Out	**$4,158**	**$4,261**	**$103**
Operating Surplus/(Deficit)	**($403)**	**($291)**	**$112**

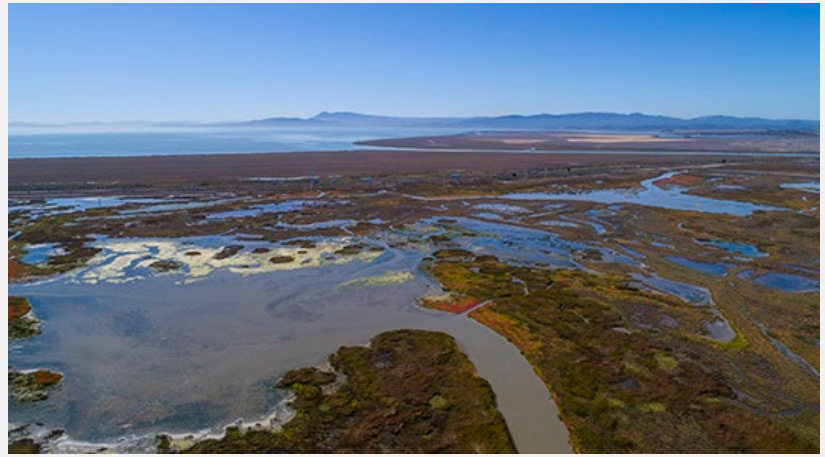
Bay Area Regional Energy Network (BayREN)

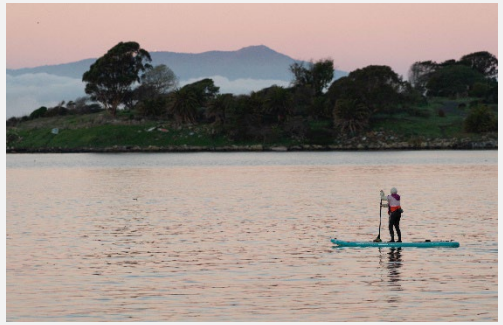
BayREN Operating Budget

- Main source of revenue is grant from the California Public Utilities Commission (CPUC)
- BayREN partners still adapting to new programs, resulting in slower than anticipated spending in prior years.
- Significant increase to consultant and incentives expenses includes encumbered carryover.

BayREN	FY 2024-25 Amendment No. 1	FY 2025-26 Proposed	Difference $
	(Thousands $)	(Thousands $)	(Thousands $)
Revenues			
CPUC Grant	$39,100	$78,621	$39,521
Other Revenue	285	488	203
Total Revenues & Transfers In	**$39,385**	**$79,109**	**$39,724**
Expenses & Transfers			
Consultants	$19,105	$36,650	$17,545
Incentives	16,650	38,938	22,288
Staff (transfer out to MTC)	3,219	3,094	(125)
Other	410	426	16
Total Expenses & Transfers Out	**$39,385**	**$79,109**	**$39,724**
Operating Surplus/(Deficit)	**$0**	**$0**	**$0**

San Francisco Estuary Partnership (SFEP)





San Francisco Estuary Partnership Budget

- Continued grant funding from State (DWR) and Federal (EPA) sources
- Additional staff costs to support new programs including Wetlands Regional Monitoring Program and Water Quality Improvement Fund grants
- Separate $450 thousand SFEP Conference budget funded by donations and conference registration

SFEP	FY 2024-25 Amendment No. 1	FY 2025-26 Proposed	Difference $
	(Thousands $)	(Thousands $)	(Thousands $)
Revenues			
Grant Revenue	$43,683	$42,337	($1,345)
Total Revenues & Transfers In	**$43,683**	**$42,337**	**($1,345)**
Expenses & Transfers			
Consultants	$7,249	$16,429	$9,181
Passthrough Contributions	32,981	22,123	(10,858)
Staff (transfer out to MTC)	3,442	3,661	220
Other	11	123	112
Total Expenses & Transfers Out	**$43,683**	**$42,337**	**($1,345)**
Operating Surplus/(Deficit)	**$0**	**$0**	**$0**

Staff Recommendation

Staff requests that the General Assembly:

- ✓ **approve ABAG Resolution No. 7-2025 approving the FY 2025-26 Operating Budget and Work Program**