



# Association of Bay Area Governments

## FY 2026-27 Proposed Operating Budget

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May 21, 2026

# Administrative Financial Challenges

- According to CalPERS' 2024 Actuarial Valuation, ABAG's unfunded accrued liability totals \$18 million
- Minimum annual contributions of \$2.2 million through 2035
- Meeting pension obligations require two-thirds 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 decreased by 4%
- Transfer of \$90 thousand from ABAG FAN
- Operating budget is balanced with a very modest surplus

Revenues & Transfers	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Difference (\$ thousands)
Membership Dues	\$3,234	\$3,331	\$97
OPEB Trust, Interest & Other Revenue	577	634	57
ABAG FAN (transfer in)	160	90	(70)
<b>Total Revenues &amp; Transfers In</b>	<b>\$3,971</b>	<b>\$4,055</b>	<b>\$84</b>
Expenses & Transfers	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Difference (\$ thousands)
Pension	\$2,316	\$2,228	(\$88)
OPEB	517	570	53
375 Beale Assessment	202	228	26
BARC (transfer out)	205	--	(205)
Insurance	279	210	(69)
Other	902	807	(95)
<b>Total Expenses &amp; Transfers Out</b>	<b>\$4,421</b>	<b>\$4,043</b>	<b>(\$378)</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$450)</b>	<b>\$12</b>	<b>\$462</b>



# Bay Area Regional Energy Network (BayREN)



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Local Governments Empowering Our Communities

# BayREN

- Main source of revenue is grant from the California Public Utilities Commission (CPUC)
- BayREN budget decreased \$22.2 million as CPUC carryover funds from prior grant periods are drawn down
- \$5 million in statewide Home Energy Score California program co-funding from PG&E, SCE, SDG&E, and SoCalGas

Revenues & Transfers	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Difference (\$ thousands)
CPUC Grant	\$88,754	\$66,421	(\$22,333)
Other Revenue	488	657	169
<b>Total Revenues &amp; Transfers In</b>	<b>\$89,242</b>	<b>\$67,078</b>	<b>(\$22,164)</b>
Expenses & Transfers	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Difference (\$ thousands)
Consultants	\$46,550	\$27,915	(\$18,635)
Incentives	38,938	35,161	(3,777)
Staff Costs (transfer out to MTC)	3,328	3,698	370
Other	426	304	(122)
<b>Total Expenses &amp; Transfers Out</b>	<b>\$89,242</b>	<b>\$67,078</b>	<b>(\$22,164)</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



# San Francisco Estuary Partnership (SFEP)



# San Francisco Estuary Partnership Budget

- Continued grant funding from State (DWR) and Federal (EPA) sources
- Budget decreased \$5.2 million reflecting completion of prior-year grant awards; SFEP closely monitoring changes to federal guidance
- Separate \$693 thousand SFEP Conference budget funded by donations and conference registration

Revenues & Transfers	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Difference (\$ thousands)
Grant Revenue	\$37,479	\$32,356	(\$5,123)
<b>Total Revenues &amp; Transfers In</b>	<b>\$37,479</b>	<b>\$32,356</b>	<b>(\$5,123)</b>
Expenses & Transfers	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Proposed (\$ thousands)	Difference (\$ thousands)
Consultants	\$12,072	\$8,729	(\$3,343)
Passthrough Contributions	21,485	19,165	(2,320)
Staff Costs (transfer out to MTC)	3,799	4,255	456
Other	123	202	79
<b>Total Expenses &amp; Transfers Out</b>	<b>\$37,479</b>	<b>\$32,350</b>	<b>(\$5,128)</b>
<b>Operating Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>

# Staff Recommendation

Staff requests that the Executive Board:

- ✓ recommend approval of ABAG Resolution No. 5-2026 approving the FY 2026-27 Operating Budget and Work Program
- ✓ authorize submission of the Budget and Work Program to the General Assembly for approval

