

Association of Bay Area Governments

Finance Committee

November 20, 2025

Agenda Item 6.a.

Proposed FY 2025-26 Operating Budget Amendment No. 1

Subject

Adoption of ABAG Resolution No. 7-2025, Revised, authorizing the Association of Bay Area Governments (ABAG) Proposed Fiscal Year (FY) 2025-26 Operating Budget Amendment No. 1, for referral to the ABAG Executive Board

Background:

On June 20, 2025, the ABAG General Assembly adopted ABAG Resolution No. 7-2025, approving the FY 2025-26 ABAG Operating Budget and Work Program. According to Article XI.B (5) of the ABAG Bylaws, the Executive Board has authority to amend the Budget to meet changing conditions or to accept new or additional grant or other revenue.

The FY 2025–26 Operating Budget Amendment No. 1, reflects ABAG’s proactive response to shifting financial landscapes, evolving program needs, and regional priorities. This amendment is a strategic recalibration to ensure ABAG continues delivering on its mission while maintaining fiscal responsibility. The proposed changes align with evolving funding realities, programmatic needs, and regional priorities and includes adjustments related to new funding allocations, staffing adjustments, program cost revisions, and grant-funded initiatives across several ABAG programs.

All changes in this amendment are either fully grant-funded, revenue-supported, or covered by fund balance where needed.

ABAG Administration

The proposed ABAG Administration Budget Amendment for FY 2025-26 reflects a \$450 thousand operating deficit, which is an increase of 55% over the approved budget. Staff anticipate that this projected deficit would be covered by a draw from fund balance.

The contributing factors of the increase to the operating deficit are:

- Contractual Services - A \$150 thousand increase in professional services related to evaluating the potential sale of ABAG’s condominium interest and exploring this avenue as an investment in long-term financial sustainability.
- General Operating – A modest \$12 thousand increase supports website maintenance and hosting, ensuring ABAG’s digital presence remains robust.

A true-up for the Beale Street office Common Area Assessments slightly reduced general operating expenses by \$3 thousand.

While the FY 2025-26 proposed budget deficit is funded by a transfer from fund balance, ABAG continues to be in a challenging financial position. Other costs anticipated in the upcoming fiscal

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years include increased cost for maintaining the Bay Area Metro Center and cost allocation of a new Enterprise Resource Planning system.

San Francisco Estuary Partnership (SFEP)

The San Francisco Estuary Partnership (SFEP) was created as part of the National Estuary Program to protect, enhance, and restore the San Francisco Estuary. SFEP is funded through a series of grants, primarily through the California Department of Water Resources (DWR) and the United States Environmental Protection Agency (EPA).

The proposed budget for FY 2025-26 is \$37.5 million, a \$4.9 million decrease from FY 2025-26 approved budget (a complete listing of awarded grants is included in Attachment A). The reduction in revenues and non-staff grant expenses is due to encumbrance carryover reconciliations. Contract expenditures were higher in FY 2024-25 than originally anticipated at the time of budget approval, which lowered remaining balances as of July 1, 2025. Additionally, there is a \$1 million reduction in Bay Area Toll Authority (BATA) funds for the Pacific Flyway Project. BATA is providing funding of approximately \$0.5 million to support ongoing restoration work at the Emeryville Crescent site. The decrease in revenue is offset by a reduction of non-staff expenses.

On the expense side, proposed non-staff expenses are \$33.7 million, a decrease of \$5.0 million from the FY 2025-26 approved budget.

Proposed staff and overhead costs are \$3.8 million, an increase of \$0.1 million from the FY 2025-26 approved budget. Salaries, benefits, and overhead are increasing due to one additional term-limited Technical Assistance Planner staff position which will support resilience and climate adaptation planning and project implementation tied to grant deliverables. Without this position, SFEP will be unable to fulfill grant obligations or meet growing technical assistance demands to meet regional sea level rise adaptation requirements. The funding for this position is fully secured. Staff considered consultant assistance and determined that it would not be cost-effective. The Association of Bay Area Governments consolidated staff with the Metropolitan Transportation Commission (MTC) effective July 1, 2017. Therefore, all new position requests require approval by the Commission. This new position request will be considered by the Commission on December 17, 2025. Subsequent to approval, this position will be reflected in the final approved ABAG FY 2025-26 Operating Budget Amendment No. 1.

In addition, there was a reduction in staff costs due to a true-up of the Cost-of-Living-Adjustment (COLA) approved by the Metropolitan Transportation Commission on June 25, 2025. The COLA was reduced from 3% to 2.8%.

The SFEP State of the San Francisco Estuary conference budget was adjusted to include \$10 thousand for registration fees, sponsorships, and donations revenue and was offset by the same amount in expenses for consultant services for conference support. The conference was held in October 2025 at the Oakland Scottish Rite Center.

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SFEP continues to implement EPA and DWR grants awarded over the last few years and is closely monitoring changes to federal guidance.

Bay Area Regional Energy Network (BayREN)

The Bay Area Regional Energy Network (BayREN) facilitates energy efficiency projects to residents and communities throughout the San Francisco Bay Area Region. In July 2023, the California Public Utilities Commission (CPUC) approved BayREN's 2024-2031 Strategic Business Plan, which added new equity initiatives, an expanded portfolio that includes public sector, refrigerant replacement, and workforce programs. BayREN was also approved to be the lead of a statewide Home Energy Score program, the first time that a non-utility has been selected as lead.

The proposed FY 2025-26 BayREN budget is \$89.2 million, which is an increase of 13% or \$10.1 million of the FY 2025-26 approved budget. This includes \$78.9 million in grant funding from CPUC to support ongoing and new initiatives and \$9.9 million in funding from four Investor Owned Utilities (IOUs) to support the establishment of a statewide standard home energy label, residential energy efficiency, workforce development, and innovation.

General operating expenses and consultant costs are \$46.9 million, a \$9.9 million increase from the FY 2025-26 approved budget. This increase reflects associated costs anticipated to manage the statewide Home Energy Score program.

Staffing and overhead costs are \$3.3 million, a \$0.2 million increase from FY 2025-26 approved budget due to a realignment of staff resources to support ongoing workload and program expansion. In addition, there was a reduction in staff costs due to a true-up of the Cost-of-Living-Adjustment (COLA) approved by the Metropolitan Transportation Commission on June 25, 2025. The COLA was reduced from 3% to 2.8%.

BayREN's growth reflects ABAG's increasing role in statewide energy efficiency and climate resilience.

This budget amendment is a reflection of ABAG's commitment to strategic stewardship—balancing fiscal realities with programmatic ambition. Budget adjustments proposed are in consideration of supporting the ongoing regional work ABAG does, is grant-supported, and aligned with ABAG's long-term goals.

Recommended Action:

The ABAG Finance Committee is requested to accept the report and to refer ABAG Resolution No. 7-2025, Revised, to the ABAG Executive Board for adoption.

Association of Bay Area Governments

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Attachments:

- A. ABAG Proposed FY 2025-26 Operating Budget Amendment No. 1 Schedules and Membership Dues
- B. Resolution No. 7-2025, Revised FY 2025-26 ABAG Operating Budget
- C. Presentation

Reviewed:



Andrew Fremier

ASSOCIATION OF BAY AREA GOVERNMENTS
FY 2025-26 OPERATING BUDGET

ABAG RESOLUTION NO.: 7-2025, REVISED
DATE: NOVEMBER 20, 2025
ATTACHMENT A

ABAG MEMBERSHIP DUES — APPROVED

ABAG MEMBERSHIP DUES — APPROVED				
	ESTIMATED POPULATION AS OF 01/01/2024	FY 2024-25 APPROVED	FY 2025-26 APPROVED	DIFFERENCE \$ INCREASE/(DECREASE)
COUNTY OF ALAMEDA	1,641,869	\$ 280,244	\$ 288,651	\$ 8,407
Alameda	78,071	24,718	25,459	742
Albany	20,325	6,567	6,764	197
Berkeley	125,327	34,123	35,147	1,024
Dublin	72,917	20,045	20,647	601
Emeryville	13,314	4,778	4,921	143
Fremont	229,250	54,786	56,429	1,644
Hayward	159,770	42,334	43,604	1,270
Livermore	84,828	27,913	28,750	837
Newark	46,635	15,280	15,738	458
Oakland	425,093	81,370	83,811	2,441
Piedmont	10,782	4,429	4,562	133
Pleasanton	75,960	23,898	24,615	717
San Leandro	87,098	26,021	26,802	781
Union City	66,432	22,069	22,731	662
COUNTY OF CONTRA COSTA	1,146,626	\$ 193,783	\$ 199,596	\$ 5,813
Antioch	115,632	32,230	33,197	967
Brentwood	64,811	20,091	20,694	603
Clayton	10,683	4,329	4,459	130
Concord	121,513	35,805	36,880	1,074
Danville	42,567	13,846	14,261	415
El Cerrito	25,700	8,312	8,562	249
Hercules	26,063	8,657	8,917	260
Lafayette	24,808	8,456	8,709	254
Martinez	36,439	11,960	12,319	359
Moraga	16,784	6,112	6,295	183
Oakley	45,736	13,719	14,131	412
Orinda	19,191	6,606	6,805	198
Pinole	18,192	6,781	6,985	203
Pittsburg	75,085	22,912	23,599	687
Pleasant Hill	33,352	11,245	11,583	337
Richmond	112,735	32,449	33,423	973
San Pablo	31,088	10,333	10,643	310
San Ramon	82,525	24,932	25,680	748
Walnut Creek	69,433	22,029	22,690	661
COUNTY OF MARIN	252,844	\$ 45,241	\$ 46,598	\$ 1,357
Belvedere	2,043	1,657	1,707	50
Corte Madera	9,882	4,010	4,130	120
Fairfax	7,371	3,150	3,244	94
Larkspur	12,655	4,603	4,741	138
Mill Valley	13,635	5,502	5,668	165
Novato	51,140	17,114	17,627	513
Ross	2,272	1,812	1,866	54
San Anselmo	12,426	4,863	5,009	146
San Rafael	59,585	18,896	19,463	567
Sausalito	6,856	3,125	3,219	94
Tiburon	8,809	3,992	4,111	120
COUNTY OF NAPA	135,029	\$ 24,595	\$ 25,333	\$ 738
American Canyon	21,758	7,375	7,596	221
Calistoga	5,142	2,580	2,657	77
Napa	77,174	24,481	25,215	734
St Helena	5,314	2,836	2,921	85
Yountville	2,781	1,746	1,799	52
COUNTY OF SAN FRANCISCO	843,071	\$ 152,337	\$ 156,907	\$ 4,570
San Francisco - City	843,071	146,617	151,016	4,399
COUNTY OF SAN MATEO	741,565	\$ 131,202	\$ 135,138	\$ 3,936
Atherton	6,976	3,150	3,245	95
Belmont	26,931	9,089	9,361	273
Brisbane	4,661	2,409	2,481	72
Burlingame	30,513	10,013	10,314	300
Colma	1,410	1,700	1,751	51
Daly City	101,458	31,617	32,565	949
East Palo Alto	29,078	10,362	10,673	311
Foster City	32,581	10,815	11,139	324
Half Moon Bay	11,238	4,734	4,876	142

ASSOCIATION OF BAY AREA GOVERNMENTS
FY 2025-26 OPERATING BUDGET

ABAG RESOLUTION NO.: 7-2025, REVISED
DATE: NOVEMBER 20, 2025
ATTACHMENT A

ABAG MEMBERSHIP DUES — APPROVED					
	ESTIMATED POPULATION AS OF 01/01/2024	FY 2024-25 APPROVED	FY 2025-26 APPROVED	DIFFERENCE \$ INCREASE/(DECREASE)	
Hillsborough	11,116	4,350	4,480	130	
Menlo Park	33,140	11,391	11,732	342	
Millbrae	23,093	7,748	7,981	232	
Pacifica	37,062	12,390	12,761	372	
Portola Valley	4,249	2,434	2,507	73	
Redwood City	81,863	26,677	27,477	800	
San Bruno	42,152	14,852	15,297	446	
San Carlos	29,420	10,053	10,355	302	
San Mateo	103,352	30,520	31,435	916	
South San Francisco	64,601	21,032	21,663	631	
Woodside	5,133	2,746	2,828	82	
COUNTY OF SANTA CLARA	1,903,198	\$ 332,136	\$ 342,100	\$ 9,964	
Campbell	43,095	13,471	13,875	404	
Cupertino	59,471	18,706	19,267	561	
Gilroy	61,033	17,910	18,447	537	
Los Altos	31,255	10,293	10,602	309	
Los Altos Hills	8,476	3,443	3,547	103	
Los Gatos	33,230	10,317	10,627	310	
Milpitas	81,773	23,507	24,212	705	
Monte Sereno	3,582	2,014	2,074	60	
Morgan Hill	46,384	14,544	14,981	436	
Mountain View	86,535	24,956	25,705	749	
Palo Alto	67,973	21,476	22,120	644	
San Jose	969,491	168,610	173,669	5,058	
Santa Clara	132,048	35,939	37,017	1,078	
Saratoga	30,819	10,292	10,601	309	
Sunnyvale	157,566	40,677	41,897	1,220	
COUNTY OF SOLANO	446,426	\$ 74,810	\$ 77,055	\$ 2,244	
Benicia	26,033	9,112	9,386	273	
Dixon	19,403	7,037	7,248	211	
Fairfield	120,339	33,173	34,168	995	
Rio Vista	10,004	4,010	4,130	120	
Suisun City	28,840	9,639	9,929	289	
Vacaville	102,173	29,819	30,714	895	
Vallejo	121,558	33,686	34,696	1,011	
COUNTY OF SONOMA	478,152	\$ 84,737	\$ 87,279	\$ 2,542	
Cloverdale	8,710	3,747	3,859	112	
Cotati	7,303	3,178	3,274	95	
Healdsburg	10,985	4,484	4,619	135	
Petaluma	58,445	19,428	20,011	583	
Rohnert Park	43,821	13,960	14,379	419	
Santa Rosa	174,890	44,789	46,133	1,344	
Sebastopol	7,295	3,302	3,401	99	
Sonoma	10,532	4,243	4,370	127	
Windsor	25,394	9,307	9,586	279	
TOTAL	7,588,780	\$ 3,139,730	\$ 3,233,922	\$ 94,192	
Total County	7,588,780	\$ 1,319,084	\$ 1,358,656	\$ 39,573	
Total City	6,878,536	1,820,647	1,875,266	54,619	
TOTAL MEMBERSHIP DUES		\$ 3,139,730	\$ 3,233,922	\$ 94,192	
County Per Capita Rate		\$ 0.1738	\$ 0.1790	\$ 0.0052	
City Per Capita Rate		\$ 0.2647	\$ 0.2726	\$ 0.0079	
Consumer Price Index (CPI)		103.40%	103.00%		
Population		7,548,792	7,588,780		
Population Increase/(decrease) %		-0.85%	0.53%		
Cost Adjustment for Annual Increase		7.45%	-0.53%		
Annual Adjustment Factor		110.0%	103.0%		

Date: June 20, 2025

W.I.: 1750

Referred By: ABAG Executive Board

Revised: November 20, 2025

ABSTRACT

Resolution No. 7-2025, Revised

This resolution approves the ABAG Budget for FY 2025-26.

Attachment A to this resolution was revised on November 20, 2025. The revision included adjustments to revenue and expense line items for ABAG, BayREN and SFEP.

Further discussion of the agency budget is contained in the ABAG Executive Board Summary Sheet dated April 17, 2025. A budget is attached as Attachment B.

Date: June 20, 2025

W.I.: 1750

Referred By: ABAG Executive Board

Re: Association of Bay Area Governments' Agency Budget for FY 2025-26

ASSOCIATION OF BAY AREA GOVERNMENT

RESOLUTION NO. 7-2025

WHEREAS, the Association of Bay Area Governments (ABAG) is the region's Council of Governments for the San Francisco Bay Area pursuant to the Joint Exercise of Powers Act, California Government Code Section 6500 *et seq.*; and

WHEREAS, the Executive Director has presented the proposed FY 2025-26 Budget to the ABAG Executive Board for referral to the General Assembly for approval; and

WHEREAS, the Executive Board has reviewed and approved the FY 2025-26 proposed Budget with such changes as may have been approved; and

WHEREAS, the Executive Board has approved and forwarded the proposed FY 2025-26 ABAG Budget to the General Assembly to be adopted within the minimum 45-day requirement.

NOW THEREFORE BE IT RESOLVED, that ABAG's Budget for FY 2025-26, is prepared in accordance with generally accepted accounting principles and modified accrual basis, and attached hereto as Attachment A, and incorporated herein as though set forth at length, is approved; and, be it further

RESOLVED, that the ABAG Executive Board is authorized to administer the FY 2025-26 Operating Budget following approval of the ABAG General Assembly; and, be it further

RESOLVED, that the ABAG Executive Board is authorized to approve any and all grants, revenue, contracts, and expenses incorporated into the approved FY 2025-26 Budget and to modify the approved Budget as necessary to meet operational needs, provided there is no increase to the overall approved budget; and, be it further

RESOLVED, that the ABAG Executive Board is authorized to amend the adopted FY 2025-26 Budget to incorporate any unbudgeted increase in revenue sources along with

appropriate expenses so long as the added expenses do not exceed the additional revenue; and, be it further

RESOLVED, that the Executive Director, or the responsible staff person designated by the Executive Director, shall submit written requests for approval of consultants, professional services, and other expenses authorized in the approved Budget for FY 2025-26; and, be it further

RESOLVED, that the Executive Director is authorized to approve all contracts and expenses \$200,000 or below, provided the funds are available and included in the FY 2025-26 Budget, and be it further

RESOLVED, that the Chief Financial Officer is authorized to reserve up to \$500,000 in a Liability Reserve except that there shall be no expense above \$200,000 without further approval of the Executive Board; and, be it further

RESOLVED, that the Chief Financial Officer is authorized to carryover and re-budget into the approved FY 2025-26 ABAG Budget any grants, funds, contracts, expenses, and encumbrances properly approved in a previous budget; and, be it further

RESOLVED, that the Chief Financial Officer is authorized to correct any obvious errors in the drafting, presentation, and publication of the approved FY 2025-26 ABAG Budget; and, be it further

RESOLVED, that the Metropolitan Transportation Commission (MTC) has authorized the use of up to \$8 million in the MTC funds to be used to meet ABAG cash flow purposes as an advance on authorized expenses until the expenses have been reimbursed; and, be it further

RESOLVED, that the MTC's Executive Director, or the responsible MTC staff person designated by the Executive Director, shall furnish the ABAG Finance Committee with a quarterly financial report to reflect budgeted and actual income, expenses, obligations for professional and consultant services as well as cash and investment balances and such other information and data as may be requested by the ABAG Finance Committee.

ASSOCIATION OF BAY AREA
GOVERNMENTS

Belia Ramos
President

The above resolution was entered into by the General Assembly of the Association of Bay Area Governments at a duly called and noticed meeting held in San Francisco, California, and at other remote locations, on the 20th day of June, 2025.

Frederick Castro
Clerk of the Board

Date: June 20, 2025

W.I.: 1750

Referred By: ABAG Executive Board

Revised: November 20, 2025

Attachment B

Resolution No. 7-2025 Revised

ASSOCIATION OF BAY AREA GOVERNMENTS

BUDGET

FY 2025-26

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ASSOCIATION OF BAY AREA GOVERNMENTS
 FY 2025-26 OPERATING BUDGET

ABAG RESOLUTION NO.: 7-2025, REVISED
 DATE: NOVEMBER 20, 2025
 ATTACHMENT B

ABAG ADMINISTRATION BUDGET – PROPOSED

	FY 2025-26 APPROVED	FY 2025-26 AMENDMENT NO. 1	DIFFERENCE \$ INCREASE/(DECREASE)	DIFFERENCE % INCREASE/(DECREASE)
REVENUES				
Membership Dues	\$ 3,233,918	\$ 3,233,918	\$ -	0%
Interest Revenue	59,500	59,500	-	0%
Other Revenue	517,000	517,000	-	0%
TOTAL REVENUES	\$ 3,810,418	\$ 3,810,418	\$ -	0%
EXPENSES				
Other Post-Employment Benefits (OPEB)	\$ 517,000	\$ 517,000	\$ -	0%
Public Employees' Retirement System (PERS)	2,315,519	2,315,519	-	0%
Total Retirement Expenses	2,832,519	2,832,519	-	0%
Memberships	45,000	45,000	-	0%
Consultants	277,500	439,389	161,889	58%
Legal Service	137,510	137,510	-	0%
Audit	100,940	100,940	-	0%
Total Contractual Services	560,950	722,839	161,889	29%
Travel	21,000	21,000	-	0%
Meals	10,000	10,000	-	0%
Conference/Training and Fees	25,000	25,000	-	0%
Beale Assessments	205,365	202,494	(2,871)	-1%
Storage Rental	7,500	7,500	-	0%
Committee/Board Member Stipend	90,000	90,000	-	0%
Insurance	279,488	279,488	-	0%
Miscellaneous	25,000	25,000	-	0%
Total General Operating Expenses	663,353	660,482	(2,871)	0%
TOTAL EXPENSES	\$ 4,056,822	\$ 4,215,840	\$ 159,018	4%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$ (246,404)	\$ (405,422)	\$ (159,018)	65%
TRANSFERS				
Transfers In				
Finance Authority for Nonprofit Corporations (FAN)	\$ 160,000	\$ 160,000	\$ -	0%
Total Transfers In	160,000	160,000	-	0%
Transfers (Out)				
Bay Area Regional Collaborative (BARC)	(204,726)	(204,726)	-	0%
Total Transfers (Out)	(204,726)	(204,726)	-	0%
TOTAL TRANSFERS	\$ (44,726)	\$ (44,726)	\$ -	0%
OPERATING SURPLUS/(DEFICIT)	\$ (291,130)	\$ (450,148)	\$ (159,018)	55%

ABAG ADMINISTRATION CONTRACTUAL SERVICES SUMMARY - PROPOSED

WORK ELEMENT	WORK ELEMENT DESCRIPTION AND CONTRACTUAL SERVICES	FY 2025-26 APPROVED	FY 2025-26 AMENDMENT NO. 1	CHANGE \$ INCREASE/(DECREASE)
1132	MTC Advocate Legislative Programs			
	General Assembly Logistics	\$ 25,000	\$ 25,000	\$ -
	TOTAL	\$ 25,000	\$ 25,000	\$ -
1150	MTC Executive Office			
	California Association of Councils of Governments (CALCOG)	\$ 30,000	\$ 30,000	\$ -
	National Association of Regional Councils (NARC)	15,000	15,000	-
	Condominium Interest	-	150,000	150,000
	TOTAL	\$ 45,000	\$ 195,000	\$ 150,000
1151	MTC Legal Management			
	Legal Service	\$ 110,000	\$ 110,000	\$ -
	General Governance	27,510	27,510	-
	TOTAL	\$ 137,510	\$ 137,510	\$ -
1152	MTC Financial Management			
	Tax Filing	\$ 12,000	\$ 12,000	\$ -
	Other Post-Employment Benefits Actuary Report	13,000	13,000	-
	Audit Services	100,940	100,940	-
	TOTAL	\$ 125,940	\$ 125,940	\$ -
1161	MTC Information Technology Services			
	Website operations, maintenance, enhancement, and hosting	\$ 200,000	\$ 211,889	\$ 11,889
	Website Refresh and Redesign	25,000	25,000	-
	Domain Registrations	2,500	2,500	-
	TOTAL	\$ 227,500	\$ 239,389	\$ 11,889
TOTAL CONTRACTUAL SERVICES		\$ 560,950	\$ 722,839	\$ 161,889

ABAG ADMINISTRATION GRANT SUMMARY — PROPOSED

FUND SOURCE	GRANT NAME/ AWARD NUMBER	EXPIRATION DATE	GRANT AWARD AMOUNT	LIFE-TO-DATE (LTD) ACTUALS	FY 2025-26 NEW GRANTS	FY 2025-26 STAFF BUDGET	FY 2025-26 CONSULTANT BUDGET	PROJECTED REMAINING GRANT BALANCE
2313	Regional Early Action Planning (REAP) 2.0	12/31/2026	\$ 4,500,000	\$ 2,749,575	\$ -	\$ -	\$ 1,250,421	\$ 500,004
2812	Coastal Conservancy 19-147	02/28/2029	450,000	261,258	-	-	150,000	38,742
TOTAL			\$ 4,950,000	\$ 3,010,833	\$ -	\$ -	\$ 1,400,421	\$ 538,746

BAY AREA REGIONAL ENERGY NETWORK (BAYREN) BUDGET – PROPOSED

	FY 2025-26 APPROVED	FY 2025-26 AMENDMENT NO. 1	DIFFERENCE \$ INCREASE/(DECREASE)	DIFFERENCE % INCREASE/(DECREASE)
REVENUES				
California Public Utilities Commission (CPUC) Grant	\$ 78,621,110	\$ 78,854,316	\$ 233,206	0%
Pacific Gas & Electric	-	3,098,700	3,098,700	N/A
San Diego Gas & Electric	-	999,900	999,900	N/A
Southern California Edison	-	4,900,500	4,900,500	N/A
Southern California Gas Company	-	900,900	900,900	N/A
Other Operating Revenue	487,900	487,900	-	0%
TOTAL REVENUES	\$ 79,109,010	\$ 89,242,216	\$ 10,133,206	13%
EXPENSES				
Single Family Incentive	10,004,178	10,004,178	-	0%
Multi Family Incentive	11,537,870	11,537,870	-	0%
Green Labeling Incentive	3,416,130	3,416,130	-	0%
Commercial Incentives	8,472,848	8,472,848	-	0%
Refrigerant Replacement Incentive	4,770,000	4,770,000	-	0%
Targeted Decarbonization Services	737,143	737,143	-	0%
Total Incentives	38,938,169	38,938,169	-	0%
Travel	10,000	10,000	-	0%
Conference/Training and Fees	9,000	9,000	-	0%
Meals	7,500	7,500	-	0%
Advertising/Public Awareness	237,931	237,931	-	0%
Memberships	17,500	17,500	-	0%
Audit	84,460	84,460	-	0%
Consultant/Professional Fees	36,650,032	46,550,032	9,900,000	27%
Software Licenses	60,000	60,000	-	0%
Total General Operating Expenses	37,076,423	46,976,423	9,900,000	27%
TOTAL EXPENSES	\$ 76,014,592	\$ 85,914,592	\$ 9,900,000	13%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$ 3,094,418	\$ 3,327,624	\$ 233,206	
Transfers (Out)				
Staff Cost	\$ (2,017,748)	\$ (2,169,812)	\$ (152,064)	8%
MTC Overhead	(1,076,670)	(1,157,812)	(81,142)	8%
Total Transfers (Out)	(3,094,418)	(3,327,624)	(233,206)	8%
TOTAL TRANSFERS	\$ (3,094,418)	\$ (3,327,624)	\$ (233,206)	8%
OPERATING SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	

SAN FRANCISCO ESTUARY PARTNERSHIP (SFEP) BUDGET – PROPOSED

	FY 2025-26 APPROVED	FY 2025-26 AMENDMENT NO. 1	DIFFERENCE \$ INCREASE/(DECREASE)	DIFFERENCE % INCREASE/(DECREASE)
REVENUES				
Federal/State Grants and Local Funding	\$ 42,337,383	\$ 37,478,795	\$ (4,858,588)	-11%
TOTAL REVENUES	\$ 42,337,383	\$ 37,478,795	\$ (4,858,588)	-11%
EXPENSES				
Consultant/Professional Fees	\$ 16,429,431	\$ 12,071,544	\$ (4,357,887)	-27%
Passthrough/Contributions Other Agencies	22,123,321	21,485,245	(638,076)	-3%
Miscellaneous and Other Expenses	123,406	123,406	-	0%
TOTAL EXPENSES	\$ 38,676,158	\$ 33,680,195	\$ (4,995,963)	-13%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	\$ 3,661,225	\$ 3,823,428	\$ 162,203	
TRANSFERS (OUT)				
Staff Cost	\$ (2,897,483)	\$ (3,015,968)	\$ (118,485)	4%
MTC Overhead	(763,742)	(782,632)	(18,890)	2%
Total Transfers (Out)	(3,661,225)	(3,798,600)	(137,375)	4%
TOTAL TRANSFERS	\$ (3,661,225)	\$ (3,798,600)	\$ (137,375)	4%
OPERATING SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	

**ASSOCIATION OF BAY AREA GOVERNMENTS
FY 2025-26 OPERATING BUDGET**

ATTACHMENT B

SAN FRANCISCO ESTUARY PARTNERSHIP (SFE) GRANT SUMMARY – PROPOSED

FUND SOURCE	GRANT NAME/ AWARD NUMBER	EXPIRATION DATE	GRANT AWARD AMOUNT	LIFE-TO-DATE (LTD) ACTUALS	GRANT BALANCE FY 2025-26	FY 2025-26 NEW GRANTS	FY 2025-26 STAFF BUDGET	FY 2025-26 CONSULTANT BUDGET	PROJECTED REMAINING GRANT BALANCE
1347	U.S. Environmental Protection Agency (EPA) 98T20401	12/31/2026	\$ 1,891,409	1,328,371	\$ 563,038	\$ -	\$ 68,832	\$ 494,206	\$ -
1348	U.S. Environmental Protection Agency (EPA) 98T29701	08/31/2025	569,366	548,789	20,577	-	-	20,577	-
1349	U.S. Environmental Protection Agency (EPA) - Bipartisan Infrastructure Law Year 1	06/30/2028	909,800	730,637	179,163	-	29,308	149,855	-
1350	U.S. Environmental Protection Agency (EPA) 98T55001	12/31/2026	4,329,459	923,246	3,406,213	-	245,399	2,754,443	406,372
1351	U.S. Environmental Protection Agency (EPA) - Bipartisan Infrastructure Law Year 2	12/31/2026	909,800	403,813	505,987	-	145,114	360,872	-
1352	Water Quality Improvement Fund - Wildcat Creek 98T96501-0	04/14/2028	6,102,000	334,027	5,767,973	-	154,097	935,000	4,678,876
1353	Water Quality Improvement Fund - Pivot Points 98T96401-0	04/14/2028	4,524,870	349,511	4,175,359	-	324,568	1,646,000	2,204,791
1354	U.S. Environmental Protection Agency (EPA) - Bipartisan Infrastructure Law Year 3	12/31/2026	909,800	166,854	742,946	-	144,335	427,800	170,811
1355	Wetland Regional Monitoring Program Phase IV	05/31/2027	665,016	95,787	569,229	-	173,715	250,000	145,514
1356	National Estuary Program (NEP) FY 2024-25	09/30/2026	1,699,999	545,430	1,154,569	-	637,104	112,526	404,939
1357	Wetlands Regional Monitoring Program - SF Bay Program Office Priority	09/30/2029	4,997,072	95,267	4,901,805	-	552,988	1,309,511	3,039,306
1358	U.S. Environmental Protection Agency (EPA) - Bipartisan Infrastructure Law Year 4	06/30/2029	4,550,000	-	4,550,000	909,800	220,864	300,000	4,938,936
BIL5	U.S. Environmental Protection Agency (EPA) - Bipartisan Infrastructure Law Year 5	TBD	-	-	-	909,800	-	300,000	609,800
1397	Water Quality Improvement Fund - SFEI Sediment Solutions	12/31/2026	91,021	42,561	48,460	-	15,516	26,921	6,023
1398	SRF SOTER 1 (2023-25)	12/30/2025	1,000,000	806,913	193,087	-	15,910	177,177	-
1399	Water Quality Improvement Fund - GSI by and for Communities	12/31/2026	82,025	19,502	62,523	-	27,928	-	34,595
1401	SRF SOTER 2 (2024-26)	12/31/2026	1,000,000	21,577	978,423	1,000,000	124,782	600,000	1,253,641
3252	Highway Resilience Project 1 Emeryville Crescent BATA	12/30/2027	-	-	-	500,000	-	500,000	-
OPC1	Ocean Protection Council Emv Phase 1	06/30/2027	-	-	-	1,325,994	67,289	1,000,000	258,705
OPC2	Ocean Protection Council Emv Phase 2	12/31/2027	-	-	-	2,000,000	-	300,000	1,700,000
TNCC	The Nature Conservancy collaboration	TBD	-	-	-	20,000	-	20,000	-
	TOTAL		\$ 34,231,637	\$ 6,412,285	\$ 27,819,352	\$ 6,665,594	\$ 2,947,749	\$ 11,684,889	\$ 19,852,309
2907	Department of Water Resources (DWR) 4600011486	03/30/2026	\$ 21,469,025	16,076,356	\$ 5,392,669	\$ -	\$ 59,214	\$ 5,333,455	\$ -
2914	Department of Water Resources (DWR) Proposition 1	06/30/2026	22,750,000	19,800,333	2,949,667	-	81,179	2,868,488	-
2915	Department of Water Resources (DWR) 4600014794	03/01/2026	5,000,000	3,611,454	1,388,546	-	89,565	1,298,981	-
2916	Department of Water Resources (DWR) Proposition 1 Round 2	06/30/2028	32,214,479	4,136,858	28,077,621	-	133,084	9,943,513	18,001,024
2983	New Delta Stewardship Council 2023-2026	06/30/2026	728,757	459,613	269,144	-	173,402	95,741	-
2813	State Coastal Conservancy	12/31/2027	2,000,000	318	1,999,682	-	169,083	1,800,000	30,599
SRF3	State Water Board	TBD	-	-	-	300,000	-	300,000	-
	TOTAL		\$ 84,162,261	\$ 44,084,932	\$ 40,077,329	\$ 300,000	\$ 705,527	\$ 21,640,180	\$ 18,031,622
5019	Friends of the San Francisco Estuary	12/31/2027	\$ 772,000	206,141	\$ 565,859	\$ 475,000	\$ -	\$ 173,122	\$ 867,737
5020	Santa Clara Valley Water District (SCVWD)	09/30/2025	660,963	514,603	146,360	-	96,856	49,505	-
5022	IRWM Prop 1 Round 2 - Indirect Coverage/San Mateo Resource Conservation District	12/31/2027	440,000	97,989	342,011	-	48,469	-	293,542
5023	Silicon Valley Community Foundation	11/30/2025	12,500	-	12,500	-	-	12,500	-
GOOGLE	Bay Area One Water Network	N/A	-	-	-	110,000	-	110,000	-
NBWA	North Bay Watershed Association	N/A	-	-	-	10,000	-	10,000	-
	TOTAL		\$ 1,885,463	\$ 818,733	\$ 1,066,730	\$ 595,000	\$ 145,325	\$ 355,127	\$ 1,161,279
TOTAL			\$ 120,279,361	\$ 51,315,950	\$ 68,963,411	\$ 7,560,594	\$ 3,798,600	\$ 33,680,195	\$ 39,045,210
3267	Bay Area Toll Authority (BATA) Transfer for Indirect Costs	N/A	315,784	-	315,784	-	315,784	-	-
	TOTAL		\$ 315,784	\$ -	\$ 315,784	\$ -	\$ 315,784	\$ -	\$ -

SAN FRANCISCO ESTUARY PARTNERSHIP (SFEP) CONFERENCE AND PROGRAMS BUDGET – PROPOSED

	FY 2025-26 APPROVED	FY 2025-26 AMENDMENT NO. 1	DIFFERENCE \$ INCREASE/(DECREASE)	DIFFERENCE % INCREASE/(DECREASE)
REVENUES				
Other Revenue	\$ 450,000	\$ 460,000	\$ 10,000	2%
TOTAL REVENUES	\$ 450,000	\$ 460,000	\$ 10,000	2%
EXPENSES				
Meals/Catering	50,000	110,000	60,000	120%
Conference Venue Costs	100,000	100,000	-	0%
Consultant/Professional Fees	75,000	85,000	10,000	13%
Miscellaneous	225,000	165,000	(60,000)	-27%
TOTAL EXPENSES	\$ 450,000	\$ 460,000	\$ 10,000	2%
OPERATING SURPLUS/(DEFICIT)				
BEFORE TRANSFERS	\$ -	\$ -	\$ -	0%
Transfers (Out)				
Staff Cost	\$ -	\$ -	\$ -	0%
MTC Overhead	-	-	-	0%
Total Transfers (Out)	-	-	-	0%
TOTAL TRANSFERS	\$ -	\$ -	\$ -	0%
OPERATING SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	
Beginning Fund Balance	342,472	342,472	-	0%
ENDING FUND BALANCE	\$ 342,472	\$ 342,472	\$ -	

Proposed FY 2025-26 Operating Budget Amendment No. 1

Date: November 20, 2025



Overview

Strategic Response to Financial Landscape



Proactive Fiscal Stewardship

The budget amendment reflects proactive planning and careful fiscal management to meet evolving priorities.

Resource Recalibration

Resources are adjusted to address new programmatic demands and changing funding realities effectively.

Adaptability in Administration

The amendment emphasizes adaptability in managing interagency collaborations and grant-dependent programs.

Ensuring Service Quality

This amendment reflects ABAG's ongoing commitment to maintain service quality while preparing for future financial pressures.

ABAG Administration

- **Beale Street Office common area charges reduced by \$3 thousand after true-up adjustment**
- **\$162 thousand increase for website maintenance and professional services to evaluate condo sale and long-term financial options**
- **ABAG's \$450 thousand operating deficit is funded by drawing from the fund balance to support key initiatives**
- **Challenging financial position requires ongoing strategic planning**

ABAG Administration	FY 2025-26 Amendment No. 1	FY 2025-26 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues & Transfers			
Membership Dues	\$3,233	\$3,233	\$0
OPEB Trust, Interest & Other Revenue	577	577	0
ABAG FAN (transfer in)	160	160	0
Total Revenues & Transfers In	\$3,970	\$3,970	\$0
Expenses & Transfers			
Pension	\$2,316	\$2,316	\$0
OPEB	517	517	0
375 Beale Assessment	205	202	(3)
BARC (transfer out)	205	205	0
Insurance	279	279	0
Other	739	901	162
Total Expenses & Transfers Out	\$4,261	\$4,420	\$159
Operating Surplus/(Deficit)	(\$291)	(\$450)	\$159

San Francisco Estuary Partnership (SFEP)



- **\$500 thousand in BATA funding - Emeryville Crescent Restoration project (supports environmental and climate goals)**
- **\$4.9 million decrease in grant revenue – primarily due to prior-year contract reconciliations**
- **Additional term-limited Technical Assistance Planner position, fully grant-funded, requires MTC board approval**
- **\$460 thousand SFEP Conference budget was updated and funded by donations and conference registration**

SFEP	FY 2025-26 Amendment No. 1	FY 2025-26 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
Grant Revenue	\$42,337	\$37,479	(\$4,858)
Total Revenues & Transfers In	\$42,337	\$37,479	(\$4,858)
Expenses & Transfers			
Consultants	\$16,429	\$12,072	(\$4,357)
Passthrough Contributions	22,123	21,485	(638)
Staff (transfer out to MTC)	3,661	3,798	137
Other	124	124	0
Total Expenses & Transfers Out	\$42,337	\$37,479	(\$4,858)
Operating Surplus/(Deficit)	\$0	\$0	\$0

Bay Area Regional Energy Network (BayREN)



- **\$10.1 million revenue increase which reflects expanded statewide energy role. Funding provided by 4 Investor-Owned Utility companies**
- **BayREN leads California's Home Energy Score program, marking first non-utility leadership in this area**
- **Significant increase to consultant expenses to support Energy Score program**
- **Staff costs increase due to resource reallocation**

BayREN	FY 2025-26 Amendment No. 1	FY 2025-26 Proposed	Difference \$
	(Thousands \$)	(Thousands \$)	(Thousands \$)
Revenues			
CPUC Grant	\$78,621	\$78,854	\$233
Other Revenue	488	10,388	9,900
Total Revenues & Transfers In	\$79,109	\$89,242	\$10,133
Expenses & Transfers			
Consultants	\$36,650	\$46,550	\$9,900
Incentives	38,938	38,938	0
Staff (transfer out to MTC)	3,094	3,327	233
Other	427	427	0
Total Expenses & Transfers Out	\$79,109	\$89,242	\$10,133
Operating Surplus/(Deficit)	\$0	\$0	\$0



Strategic Stewardship

Balanced Budget Management

The amendment balances fiscal realities with programmatic goals to ensure sustainable financial planning.

Purposeful Resource Allocation

Each budget adjustment is carefully allocated, supported by grants, revenues, or fund balances.

Transparency and Accountability

This amendment reflects transparency and accountability in financial governance for ABAG.

Staff Recommendation

Staff requests that the Finance Committee:

- ✓ Refer ABAG Resolution No. 7-2025, Revised to the ABAG Executive Board for approval

