

## ABAG Report to MCCMC<sup>1</sup>

June 2025

**EXECUTIVE SUMMARY:** This report highlights: (1) the results of the General Assembly held on June 20, 2025 in San Francisco; and, (2) a discussion at the ABAG Legislative Committee on the proposed California State Budget for FY 2025-2026.

### **ABAG GENERAL ASSEMBLY:**

The annual ABAG General Assembly convened on June 20, 2025 at the Bay Area Metro Center in San Francisco and voted to adopt the FY 2025-26 budget and workplan; and, the proposed changes to the ABAG Bylaws. Following is a brief summary of the adopted bylaw amendments and ABAG budget and workplan.

ABAG's Bylaws were last amended in 2020. The following key changes to the existing Bylaws would create greater efficiency and transparency for ABAG functions and were adopted by the General Assembly:

- 1) A provision was added to address the situation, as we are now in, where ABAG does not have a currently sitting Immediate Past President. The definition of that role has been expanded to include the most recent past president if the immediate past president is no longer a serving on ABAG.
- 2) The date for consideration of the budget by the Executive Board has been moved to 20 days prior to the General Assembly rather than 45 days. This change is made to align with the Executive Board's standing meetings schedule and the preparation of related budgets at MTC.
- 3) A new method for electing the ABAG President and Vice President was adopted. Currently, the Bylaws specify officers are elected by secret ballot outside of a public meeting by every elected official in the region. The Bylaws were changed to reflect the officers would be elected by the Executive Board from among its members and that vote would then be ratified by the General Assembly. The purpose of this change is to address concerns regarding the transparency and administrability of the current mechanism and to ensure that officers are directly familiar with the ongoing work of ABAG.
- 4) The definition of a quorum of the General Assembly was changed from "majority of the city delegates **and** majority of the county delegates" to "majority of the city and county delegates". This will allow ABAG to conduct the business of the General Assembly as long as a majority of the cities and counties are in attendance.

ABAG's budget and workplan for FY 2025-26 includes the continued work in the Regional Planning Program, Local Government Services, Regional Trails, and Legislation and Public Affairs; and, includes revenue and expenses for all ABAG operating funds, including ABAG Administration, ABAG Grants, ABAG Bay Area Regional Energy Network (BayREN), and ABAG San Francisco Estuary Partnership (SFEP). The ABAG revenue budget is \$128.6 million, which is an overall projected increase of \$35.5 million compared to FY 2024-25.

General operating expenses, contractual services, and transfers total \$1.2 million, a \$32 thousand reduction when compared with FY 2024-25. This includes ongoing commitments such as 375 Beale assessment, insurance costs, and ABAG's contribution to the Bay Area Regional Collaborative (BARC). The budget results in a \$291 thousand operating deficit. Staff anticipates that this projected deficit would be covered by a

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<sup>1</sup> Marin County Council of Mayors and Councilmembers (MCCMC). For questions, contact Councilmember Pat Eklund; City of Novato at: [pateklund@comcast.net](mailto:pateklund@comcast.net); and/or 415-336-9913 (cell).

combination of higher than anticipated interest earnings and lower than budgeted expenses in FY 2024-25, such that the projected fund balance at the end of FY 2025-26 would be equal to the budgeted FY 2024-25 fund balance. While the FY 2025-26 budget deficit is funded by a transfer from ABAG FAN and a draw from fund balance, ABAG continues to be in a challenging financial position. CalPERS' current estimate for the FY 2026-27 amortization of the unfunded accrued pension liability is \$2.3 million – no change from the current level and requiring more than 70% of the proposed membership dues. ABAG will be exploring options to address the unfunded pension liabilities created when ABAG and MTC 'merged' resulting in ABAG contracting for services with MTC. ABAG no longer has employees but has an unfunded pension liability of \$18M. Other costs anticipated in the upcoming fiscal years include increased cost for maintaining the Bay Area Metro Center and cost allocation of a new Enterprise Resource Planning system.

The **Keynote Speaker Dr. Christopher Thornberg** from Beacon Economics' focused his presentation the economic strengths and challenges of the Bay Area. To watch the presentation, click here: [ABAG General Assembly on 2025-06-20 10:00 AM - Business Meeting and Conference](#). The presentation starts at 2:19.

I want to thank the following ABAG delegates from Marin County for taking the time and effort to participate in the General Assembly: **Vice Mayor Stephanie Hellman**, Town of Fairfax; **Vice Mayor Stephanie Andre**, City of Larkspur; **Councilmember Pat Eklund**, City of Novato; **Councilmember Bill Kircher**, Town of Ross; **Councilmember Chantel Walker**, Town of San Anselmo; and, **Councilmember Rachel Kertz**, City of San Rafael.

#### **CALIFORNIA STATE BUDGET:**

At the June 13, 2025 ABAG legislative committee meeting, staff provided an update on the ongoing negotiations over the FY 2025–26 state budget. The Governor's May Revision, released on May 10, 2025, proposed deeper cuts than anticipated in response to a growing General Fund (GF) shortfall. Among the reductions were the elimination of key transit investments previously committed from the Greenhouse Gas Reduction Fund (GGRF). The Governor also proposed reauthorizing Cap and Trade through 2045 as part of this year's budget process.

The state budget is expected to address two critical Bay Area priorities: restoring proposed transit funding cuts and MTC-ABAG's request for a \$30 million earmark for Bay Area Housing Finance Authority (BAHFA) to extend existing programs for 3 years and launch a regional lending program.

The Governor's May Revision proposed eliminating over \$1 billion in discretionary GGRF commitments to transit, including Senate Bill 125 funding and competitive Transit and Intercity Rail Capital Program (TIRCP) Cycle 6 awards. On June 9, 2025, the Senate and Assembly leadership announced an agreement to reject the Governor's proposed cuts to transit and provide up to \$750 million in emergency loans to Bay Area transit agencies to address short-term fiscal challenges. This agreement is still subject to negotiation with the Governor as part of the final budget deliberations. If the Governor's original proposal was accepted by the legislature, these cuts for the Bay Area would eliminate \$288 million in anticipated funding for transit operations and capital projects under a regionally coordinated \$1.5 billion investment plan. It could also jeopardize funding for 13 Bay Area projects that received a combined \$1.3 billion in TIRCP Cycle 6 awards. Statewide, TIRCP Cycle 6 totaled nearly \$4 billion, \$200 million of which the Governor's May Revision proposes to cut which would hinder operators' ability to sustain service and deliver capital projects.

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