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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### SB 1171 (Caballero) - State funds: grant programs: loan programs: eligibility

**Version:** April 23, 2026

**Urgency:** No

**Hearing Date:** May 11, 2026

**Policy Vote:** G.O. 10 - 4, L. GOV. 5 - 2

**Mandate:** Yes

**Consultant:** Janelle Miyashiro

**Bill Summary:** SB 1171 prohibits the awarding of grants or issuing of loans using state funds to a private entity that contracts with United States Immigration and Customs Enforcement (ICE).

#### **Fiscal Impact:**

- Unknown impact on state and local agencies to update application forms, regulations, and other eligibility criteria, as well as to verify prospective awardee compliance. While minor workload increases may be absorbable within existing resources, the total administrative cost to vet prospective awardees remains contingent upon the accessibility and completeness of required contracting data. Additionally, if the bill's eligibility prohibitions significantly narrow the applicant pool, there may be fiscal pressures on project delivery timelines and overall costs.
- Unknown, potential state reimbursable mandate costs to the extent the Commission on State Mandates determines the provisions of the bill impose a higher level of service for local agencies and school districts.

**Background:** California administers a wide range of grant and loan programs funded with state dollars across various sectors such as housing, education, infrastructure, environmental protection, and economic development. For example, the California Department of Housing and Community Development oversees major state-funded programs that provide both grants and loans for affordable housing and homelessness response, including Homekey, the Homeless Housing, Assistance and Prevention (HHAP) program, the Multifamily Housing Program, and the Infill Infrastructure Grant program.

Similarly, agencies such as the California Department of Water Resources and the California Natural Resources Agency provide state-funded financial assistance for water infrastructure, flood control, environmental restoration, and climate resilience projects. In education, programs like the Cal Grant and the Middle-Class Scholarship distribute significant state funding directly to students, while the California Grants Portal publicly catalogs hundreds of active funding opportunities across agencies.

In addition to these programs, the California Public Utilities Commission (CPUC) administers several grant programs that also rely on state-authorized funding or ratepayer-supported public purpose funds. These include the Equity and Access Grant Program, a multi-million-dollar initiative created through state budget legislation to support community-based organizations and tribes in participating in energy and regulatory decision-making processes.

The CPUC also administers the Equity, Engagement, and Education Grant Account, which provides grants to build community capacity around clean energy programs, explicitly funded through state appropriations. Additional CPUC-administered funding includes broadband and digital equity grants through programs like the California Advanced Services Fund, which has awarded millions of dollars for digital literacy and infrastructure projects in underserved communities, as well as smaller Digital Divide grants supporting technology access and training.

More broadly, the CPUC also plays a central role in directing or overseeing large-scale funding initiatives tied to state policy goals, particularly in the energy sector. For example, it established the Electric Program Investment Charge (EPIC), which invests over \$100 million annually in clean energy research and technology development to advance California's climate goals and participates in multi-agency efforts like the Solar for All program, which includes hundreds of millions of dollars to expand solar access in low-income communities. Overall, publicly available information shows that California's use of state funds for grants and loans spans a wide array of agencies and programs, including those administered or overseen by the CPUC, which plays a significant role in distributing funding for energy, broadband access, and community equity initiatives.

Based on the significant number of grants and loan programs supported by state funds, it remains unclear how many companies that have received such funding would become ineligible under the provisions of this bill. However, publicly available information suggests that some entities that could be affected include AT&T and Comcast. For example, in late 2025, the CPUC announced that AT&T and Comcast, among other recipients, were awarded five grants totaling approximately \$96 million to support broadband infrastructure projects. These investments are intended to expand reliable, high-speed internet access to nearly 15,000 Californians and connect more than 4,500 previously unserved locations. If the provisions of this bill had been in effect, it appears that AT&T and Comcast would have been ineligible for those grants due to their contracts with ICE.

**Proposed Law:**

- Prohibits an administrator from awarding a grant or issuing a loan from a covered program to a private entity that contracts with ICE.
- Requires an administrator's eligibility requirements for its covered programs to include a prohibition against contracting with ICE.
- Exempts grants and loans applied for or awarded before July 1, 2027.
- States legislative findings and declarations.

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