

THIRD READING

Bill No: SB 1171
Author: Caballero (D)
Amended: 4/23/26
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 10-4, 4/14/26
AYES: Rubio, Archuleta, Ashby, Blakespear, Cervantes, Padilla, Richardson,
Smallwood-Cuevas, Wahab, Weber Pierson
NOES: Alvarado-Gil, Choi, Dahle, Ochoa Bogh
NO VOTE RECORDED: Hurtado

SENATE LOCAL GOVERNMENT COMMITTEE: 5-2, 4/22/26
AYES: Durazo, Arreguín, Ashby, Cervantes, Laird
NOES: Choi, Seyarto

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/14/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: State funds: grant programs: loan programs: eligibility

SOURCE: Author

DIGEST: This bill prohibits the awarding of a grant or loan that uses state funds to a private entity that contracts with United States Immigration and Customs Enforcement (ICE).

ANALYSIS:

Existing law:

- 1) Establishes various benefit programs, including grant programs and loan programs.

- 2) Generally, under the California Values Act, prohibits California law enforcement agencies from using their moneys or personnel for immigration enforcement purposes, except as specified.

This bill:

- 1) Prohibits an administrator from awarding a grant, or issuing a loan, from a covered program to a private entity that contracts with ICE.
- 2) Requires each private entity applying to a covered program to agree to identify to the administrator of that covered program any subcontractors to be used under the contract and to certify to the administrator that the subcontractors do not contract with ICE.
- 3) Requires an administrator to include in their eligibility requirements for their covered programs that an eligible private entity shall not contract with ICE.
- 4) Provides that the provisions of this bill shall not apply to the awards of grants or issuance of loans for which an application was submitted, or award or issuance was made, before July 1, 2027.

Background

Author Statement. According to the author's office, "the Legislature has a responsibility to the taxpayers of the state to ensure their tax dollars are spent in a way that aligns with our values of community stability, safety, inclusivity, and the overall well-being and protection of every California resident. Consistent with this responsibility, SB 1171 will exclude any private entity that contracts, works or partners with ICE, ineligible to receive consideration for a state funded loan or grant of any kind. California will not support the efforts of ICE, either directly or indirectly, when their actions contravene our values, instill a sense of fear in our communities, or harm our residents."

Companies With ICE Contracts. Based on publicly available data, there are a wide range of private companies contracting with ICE. These industries include detention operations, technology, logistics, and enforcement support. The scale of these contracts varies significantly, from relatively small service agreements to multi-billion-dollar awards.

For example, Palantir has reportedly received roughly \$80 million in ICE-related contracts for data and deportation tracking systems, while Deloitte has secured over \$100 million for data analysis and law enforcement services. Smaller but still significant contracts include L3Harris Technologies, with an estimated \$10-\$50 million in communications and surveillance support, and Motorola Solutions, with contracts around \$15 million for tactical communications infrastructure.

In 2024, ATT signed a 10-year contract to “provide the U.S. Department of Homeland Security with Government Emergency Telecommunications Services and Wireless Priority Services.” The contract was reported to be valued at \$146 million. It’s unclear how much of the contract was for ICE. Comcast holds an ICE contract that is worth \$60,000 to provide broadcast cable at “five regional wire rooms,” or centers for investigating criminal activity. Dell Federal Systems, the government contracting arm of Dell computers, has been awarded a \$18.8 million to support the office of ICE’s chief information officer.

In addition to technology firms, a substantial portion of ICE contracts involve detention, facilities management, and operational support. Companies such as Chenega Facilities Management have active contracts valued at approximately \$28 million for maintaining ICE facilities, while related Chenega subsidiaries hold additional contracts in the millions for infrastructure and operational services. In the detention and infrastructure space, contracts can be far larger: for example, private corrections and facility development companies have received contracts worth up to \$125 million for building detention centers, and newer contracts for large-scale detention facilities have reached over \$300 million for a single site. Medical and staffing services also represent a major category, with companies like Jackson Healthcare Government Services holding contracts valued at about \$2.6 billion over multiple years to provide staffing at ICE detention facilities.

There is also a broad layer of mid-sized contractors supplying equipment and enforcement-related materials. Quantico Tactical Services, for instance, has received contracts totaling roughly \$19 million for firearms, restraints, and tactical gear. Other firms provide logistics, software licensing, investigative services, and even basic supplies, with contract values ranging from tens of thousands to tens of millions of dollars. More recently, ICE has expanded into outsourcing surveillance and tracking functions, with some programs offering up to \$280 million per contractor for “skip tracing” and related enforcement support services.

This represents only a limited snapshot of the companies currently contracting with ICE. Public reporting suggests that there are likely hundreds—if not thousands—

of companies with active ICE contracts across a range of industries. At the same time, it remains unclear how many of these entities have received, or are in the process of receiving, grants or loans supported by state funds.

California Grant and Loan Programs. 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 Home key, 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee, 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.

Additionally, 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.

SUPPORT: (Verified 5/14/26)

Inland Coalition for Immigrant Justice
San Bernardino Community Service Center, Inc.
Public Counsel

OPPOSITION: (Verified 5/14/26)

California Chamber of Commerce

ARGUMENTS IN SUPPORT: According to the Inland Coalition for Immigrant Justice, “California has an obligation to ensure its resources, human and financial, are used to protect the residents of this state. California must ensure that state and local resources do not fund any private entity that contracts, works, or partners with agencies carrying out federal immigration enforcement. SB 1171 would deny many any private entity that contracts, works, or partners with ICE, ineligible to receive consideration for a state funded loan, grant, or investment of any kind. This restriction is necessary to ensure none of California’s resources are used to support or facilitate the harm coming from this administration’s immigration enforcement efforts.”

ARGUMENTS IN OPPOSITION: According to the California Chamber of Commerce, “though we appreciate that SB 1171 is narrower than some of the other bills in this area, and is more precise in its application, we still believe it is overbroad. SB 1171 does not distinguish among contracts with ICE and focuses its provisions on contracts that might be considered more morally problematic. For example, - under SB 1171, a contract to provide basic information technology (IT) support would be treated the same as a contract to provide guns, body armor, or pepper spray directly to field agents.”

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5/16/26 10:39:35

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