

Date of Hearing: June 24, 2027

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

SB 1171 (Caballero) – As Amended April 23, 2026

SENATE VOTE: 29-9

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

SUMMARY: This bill would prohibit 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). Would not apply to the award of grants or issuance of loans for which an application was submitted, or award or issuance was made, before July 1, 2027. Specifically, **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 shall include in their eligibility requirements for their covered programs that an eligible private entity and its subcontractors for each covered program, if any, 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.
- 5) Provides, for purposes of this measure, the following definitions shall apply:
 - a) “Administrator” means a state agency, local agency, or third-party contractor administering a covered program.
 - b) “Covered program” means a grant program or loan program that uses state funds.
 - c) “Local agency” means any city, county, special district, authority, or other political subdivision of the state.
 - d) “Nonprofit organization” means an organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)).
 - e) “Private entity” means a sole proprietorship, partnership, limited liability company, corporation, nonprofit organization, or other nongovernmental entity.
 - f) “Third-party contractor” means either a nonprofit or other organization that contracts with a state or local agency to administer a covered program or a recipient of a grant or loan from a covered program if the conditions of the grant or loan require the grant recipient to redistribute a portion of those funds to nonprofit organizations.
- 6) States legislative findings and declarations.

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.

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose of the bill. 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."

Background.

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, 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 that plays a significant role in distributing funding for energy, broadband access, and community equity initiatives.

Given the significant number of grant and loan programs supported by state funds, it is unclear how many companies that have received such funding would become ineligible under this bill. However, publicly available information indicates that some potentially affected entities 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. It appears, if the provisions of this bill had been in effect at that time, both AT&T and Comcast would have been ineligible for those grants due to their contracts with ICE.

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 awards varies drastically, ranging from small service agreements to multi-billion-dollar contracts.

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 \$60,0000 to provide broadcast cable at "five regional wire rooms," or centers for investigating criminal activity. Dell Federal Systems, the government contracting arms of Dell computers, has been awarded \$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.

Dual referral. This bill has been double referred to the Assembly Committee on Local Government.

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 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.”

Related legislation. AB 1633 (Haney) of 2026. This bill would impose an annual excise tax on private detention facilities (PDFs) equal to 50% of the operator's gross receipts derived from the operation of each facility in the state (PDFs are often used by the federal government for ICE detentions). Imposes a new tax on operators of PDFs in California. (Senate Committee on Revenue and Taxation)

AB 1675 (Lee) of 2026. This bill would make any corporation that contracts with the United States Department of Homeland Security (DHS) ineligible to claim any tax credit available to corporations. Directs the new tax revenue to a fund to provide immigration-related services, including legal defense against removal. Imposes a broad new tax on businesses that contract with DHS regardless of any actual involvement in immigration issues. (Senate Committee on Revenue and Taxation)

AB 1807 (Gabriel) of 2026. This bill would prohibit state-owned property (real property, buildings, structures, or grounds owned by the state, such as a garage, parking lot, state park, or vacant lot) from being used for immigration enforcement purposes. Seeks to prevent Immigration and Customs Enforcement (ICE) from using state land for staging. (Senate Committee on Governmental Organization)

AB 2465 (Ortega) of 2026. This bill would prohibit a business that contracts with an agency for immigration enforcement-related purposes (such as investing in, or contracting with, a private detention center) from receiving any state-provided grant, loan, or tax credit. Retroactively limits a business that contracts with an agency for immigration enforcement-related purposes from using an existing carryover credit beyond one taxable year. Penalizes businesses that invest in private detention centers or contract with an agency engaging in immigration enforcement (i.e., arresting, detaining, transporting, or deporting individuals under federal law). (Senate Committee on Revenue and Taxation)

REGISTERED SUPPORT / OPPOSITION:**Support**

Inland Coalition for Immigrant Justice

Other

California Special Districts Association

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