

ADVANCE THE DETERRENT ACT

The DETERRENT Act is an Enforceable Transparency Framework to Protect U.S. Higher Education from Foreign Adversary Influence

The **DETERRENT Act** (H.R.1048/S.1296) is a targeted, commonsense transparency measure that strengthens existing law to ensure colleges and universities disclose foreign funding that may pose national security risks. The bill passed the House of Representatives on March 27, 2025, with a bipartisan vote of 241–169 and now awaits Senate action. At a time of intensifying strategic competition, Congress has a responsibility to ensure that America’s higher education system, one of our nation’s greatest assets, is not exploited by foreign governments or malign actors seeking influence, access, and leverage.

Why This Matters: The National Security Risk

Foreign influence efforts targeting U.S. colleges and universities have expanded significantly over the past decade. Bipartisan congressional investigations, executive branch findings, public reporting, and expert testimony have consistently warned that opaque foreign funding and influence have contributed to:

- **Intellectual property theft and research diversion**
- **Unauthorized technology transfer with military applications**
- **Foreign propaganda and influence campaigns**
- **The erosion of academic independence and campus safety**
- **The amplification of foreign-sponsored narratives that have contributed to rising antisemitism, intimidation, and harassment on U.S. campuses**

Authoritarian governments increasingly view U.S. higher education as a low-visibility, high-impact vector for influence and collection. The People’s Republic of China, especially, has explicitly pursued a military-civil fusion strategy, leveraging U.S. academic partnerships, research funding, and intermediaries to access sensitive technologies and shape academic discourse on American campuses.

The DETERRENT Act strengthens transparency without imposing burdensome reporting requirements or infringing on academic freedom.

The bill works within the existing Section 117 reporting framework of the Higher Education Act.

- Schools already collect most of the information required by the bill for federal and tax purposes.
- The DETERRENT Act clarifies thresholds, standardizes and improves disclosures, and strengthens enforcement—it does not create an entirely new or burdensome reporting system.

The bill’s transparency measures do not restrict academic freedom.

- The bill does not regulate academic content or speech, nor does it impose a blanket ban on foreign funding.
- It simply establishes targeted guardrails for high-risk foreign actors to strengthen U.S. national security and maximize visibility into foreign funding more broadly.

What the DETERRENT Act Does:

- **Closes the disclosure gap.** Lowers the reporting threshold for foreign gifts and contracts from \$250,000 to \$50,000 and requires aggregation across affiliated entities to prevent evasion. For countries of concern, including China, Russia, Iran, and North Korea, the threshold is zero.
- **Cuts off adversary access to American universities.** Prohibits institutions from entering into contracts with designated countries and entities of concern unless the Secretary of Education grants a time-limited, one-year waiver, issued only after interagency consultation with national security agencies.
- **Eliminates shell-game funding.** Requires disclosure of foreign intermediaries, affiliated entities, foundations, agents, and other third parties to ensure foreign governments cannot obscure the true source, purpose, or conditions of funding flowing to U.S. campuses.
- **Gives national security agencies a seat at the table.** Mandates that unredacted disclosure reports be shared with the FBI, the intelligence community, the Departments of Defense, State, Commerce, Homeland Security, and Energy, as well as NSF and NIH, within 30 days of receipt.
- **Makes foreign funding visible to the public.** Establishes a searchable, downloadable database of foreign gifts and contracts, building on the Department of Education's existing portal, while protecting the identities of individuals in public reporting.
- **Backs transparency with real consequences.** Imposes escalating financial penalties for noncompliance, including fines tied to the value of unreported gifts or contracts, and makes repeat violators ineligible for Title IV participation.

What the Bill Does NOT Do:

- **Does not ban foreign funding.** The bill targets only designated countries and entities of concern with prohibitions and enhanced scrutiny. All other foreign gifts and contracts remain permissible under lowered, commonsense reporting thresholds.
- **Does not regulate academic content, curriculum, or speech.** The legislation addresses financial transparency and risk management. It does not direct, approve, or restrict teaching, research, or classroom activity.
- **Does not create a new compliance regime.** The DETERRENT Act strengthens and modernizes Section 117 of the Higher Education Act, a reporting framework that has been on the books since 1986. Universities are already required to report; this bill ensures they actually do.
- **Does not disrupt routine academic activity.** Tuition payments, individual scholarships, and arm's length transactions with most foreign sources are excluded from the bill's prohibitions. Research collaborations conducted in compliance with existing law are unaffected.

Countries of Concern: A Risk-Based Designation

The DETERRENT Act's designation of countries of concern is grounded in longstanding, bipartisan national security assessments, not political or geographic considerations.

These countries have demonstrated state-directed influence, intelligence, and technology-acquisition efforts that pose elevated risks to U.S. research integrity, campus safety, and national security.

The bill does not create a new or arbitrary country list. It applies existing risk determinations already used by national security agencies.

We urge Congress to advance the DETERRENT Act without delay. The bill represents a balanced, bipartisan solution that protects academic openness while safeguarding U.S. national security interests.