



# DETERRENT ACT

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## BACKGROUND

- America's foreign adversaries are targeting our nation's students. From stealing research, to pushing propaganda, to censoring free speech, colleges and universities are on the frontlines of malign foreign interference. Foreign regimes, such as the Chinese Communist Party (CCP), have expanded their influence by providing American academic institutions with lucrative funding opportunities. Many schools fail to report these foreign gifts and funding, leaving foreign actors with a stranglehold on U.S. academic institutions.
  - A Senate report from 2019 found that up to 70 percent of all institutions failed to comply with section 117 of the *Higher Education Act*—the single biggest enforcement tool to protect against the threats posed by foreign adversaries.

## THE PROBLEM

- Section 117's loose legislative language, Biden's blatant crippling of enforcement efforts, and institutions' refusal to adhere to the law have resulted in billions of dollars in foreign funds infiltrating our country undetected.
- **Foreign influence is a serious threat.**
  - **Threat to national security.** Each dollar institutions accept from foreign entities that do not share American values comes with strings attached and undermines national interests. Outside experts say as much as \$13 billion in foreign funds to universities from adversarial countries could have been unreported.
  - **Threat to research and IP.** University campuses are a modern battleground for information warfare with foreign adversaries. Foreign gifts and contracts serve as footholds for regimes, like the CCP, to infiltrate American universities and steal secrets.
  - **Threat to students and academic freedom.** Cultural exchange centers hosted by foreign adversaries such as CCP-funded Confucius Institutes are used to influence student behavior, especially for those studying abroad. By disseminating state-backed propaganda, these centers stifle academic freedom and open expression.

## THE SOLUTION

- *The Defending Education Transparency and Ending Rogue Regimes Engaging in Nefarious Transactions (DETERRENT) Act* brings much-needed transparency, accountability, and clarity to foreign gift reporting requirements for colleges and universities across the nation.
- Specifically, the DETERRENT Act:
  - Slashes the foreign gift reporting threshold for colleges and universities from \$250,000 down to \$50,000, with an even stricter \$0 threshold for countries and entities of concern.
  - Closes reporting loopholes and provides transparency to Congress, intelligence agencies, and the public.
  - Requires disclosure of foreign gifts and contracts to individual staff and faculty at research-heavy institutions to protect those targeted the most by our adversaries.
  - Holds our largest private institutions accountable for their financial partnerships by revealing concerning foreign investments in their endowments.
  - Implements a series of repercussions for colleges and universities that remain noncompliant in foreign gift reporting such as fines and the loss of Title IV funding.

## BOTTOM LINE

- Adversarial countries are using America's college campuses to undermine our nation's interests. The DETERRENT Act is a crucial step towards transparency and protecting American education and students from malicious foreign influence.