

Recent Developments in Requirements for Disclosure of Foreign Funding by Universities

April 2, 2026

Since President Trump took office in January 2025, the administration has taken steps to bolster enforcement of Section 117 of the Higher Education Act of 1965 (“Section 117”), which requires federally funded universities to disclose certain foreign funding. This year, the administration has implemented or announced additional measures to increase transparency of Section 117 reporting, including by seeking to make public the identities of universities’ foreign donors and contractual counterparties.

This update examines those developments and discusses their practical implications.

Section 117 Requirements. Section 117 applies to accredited universities that receive federal financial assistance,¹ requiring universities to disclose to the Department of Education (“ED”), on a semiannual basis, any gifts received from, and any contracts with, a foreign source valued at \$250,000 or more.² A “foreign source” includes foreign governments, legal entities created under the laws of a foreign jurisdiction, individuals who are not U.S. citizens or nationals, and agents acting on behalf of a foreign source.³

The text of Section 117 requires universities to disclose aggregate amounts of gifts and contracts received from a foreign source,⁴ but does not require them to disclose the identities of foreign sources in most circumstances.⁵ Since 2020, the foreign funding disclosure portal has required universities to provide, among other things, the names of foreign funding sources, but ED has not, to this point, publicly released that information.

Failure to comply with Section 117’s reporting requirements may result in a civil action against the university and repayment to the federal government of the full cost of taking measures to bring the university in compliance, including costs of investigation

¹ 20 U.S.C. § 1011f(h)(4).

² 20 U.S.C. § 1011f(a).

³ 20 U.S.C. § 1011f(h)(2).

⁴ 20 U.S.C. § 1011f(b)(1–2).

⁵ 20 U.S.C. § 1011f(b)(3).

and enforcement.⁶ In 2020, ED issued an [interpretive notice](#) that sought to expand the potential consequences of a Section 117 violation to include termination of a university's Title IV participation.⁷

Further escalating the consequences of a Section 117 violation, in April 2025, President Trump issued [Executive Order 14282](#) (the "Order"), which indicated that universities' compliance with Section 117 would be a material condition for the receipt of federal grant funding and for the purposes of the False Claims Act (the "FCA"), potentially exposing noncompliant universities to the loss of federal funding and significant civil penalties and damages under the FCA.⁸ To date, the Secretary of Education does not appear to have taken steps to effectuate these provisions of the Order through amendments to the certification language in federal grants or contracts.

Recent Changes in Section 117 Reporting and Enforcement. Since the beginning of this year, the administration has taken several steps aimed at increasing transparency in Section 117 reporting and providing for more effective enforcement.

First, on January 2, 2026, ED launched a newly updated [Section 117 reporting portal](#), which is designed to facilitate the reporting process for universities and more effectively visualize reported data for the public. The released raw data (typically in Excel format) now has sorting and filtering functionalities, and the portal's visual dashboard provides extensive searching, sorting and filtering functions. In a February 11, 2026 [press release](#), ED stated that the updated portal contains 11 new data elements. The press release also touted the substantial increase of university funding data that was made publicly available, stating that ED published information about 8,300 transactions worth more than \$5.2 billion and listing the top recipients of foreign funds.

Second, on February 20, 2026, ED entered into an [Interagency Agreement](#) with the Department of State to "affirm their common commitment to furthering and improving foreign gift and contract reporting" pursuant to Section 117. The Interagency Agreement tasked the Bureau of Educational and Cultural Affairs at the Department of State with overseeing Section 117 reporting processes and administering its information

⁶ 20 U.S.C. § 1011f(f).

⁷ See The Department's Enforcement Authority for Failure to Adequately Report Under Section 117 of the Higher Education Act of 1965, as Amended, 85 Fed. Reg. 72,567 (Nov. 13, 2020) (<https://fsapartners.ed.gov/sites/default/files/attachments/2020-11/FR111320.pdf>).

⁸ See Executive Order, Section 3 (The Secretary of Education will work to "ensure that certification of compliance by higher education institutions with 20 U.S.C. 1011f and any other applicable foreign funding disclosure requirements is material for purposes of 31 U.S.C. 3729 and for receipt of appropriate Federal grant funds, which shall not be provided in cases of noncompliance with 20 U.S.C. 1011f and any other applicable foreign funding disclosure requirements"). For more information on Executive Order 14282, see Debevoise In Depth: *Trump Targets "Foreign Influence" on Campus: Key Considerations for Universities* (May 2025), <https://www.debevoise.com/insights/publications/2025/05/trump-targets-foreign-influence-on-campus-key>.

gathering, public inspection requirements, enforcement activities and compliance initiatives.⁹ According to ED's [announcement](#), this partnership is intended to reduce administrative burdens, provide the Department of State's support to ED in managing the Section 117 reporting portal, and leverage the Department of State's national security expertise to assess universities' compliance with Section 117.

Most recently, on March 9, 2026, the media [reported](#), citing a senior ED official, that beginning in mid-2026, ED intends to publicly disclose the identities of foreign donors and contractual counterparties. As noted above, ED has been soliciting this information from universities since 2020 without making it publicly available. This change could result in additional scrutiny on reporting universities and signals the Trump administration's continuing focus on Section 117 enforcement.

Congressional Developments. In parallel with these executive measures, Congressional Republicans have called for increased transparency of foreign funding of U.S. universities.

In March 2025, the House of Representatives passed the [DETERRENT Act](#), which would lower Section 117's reporting threshold from \$250,000 to \$50,000 and require universities to report all gifts and contracts from certain "countries of concern," regardless of their value. It would also require additional information in Section 117 reports. Following its passage by the House, the DETERRENT Act was referred for consideration to the Senate Committee on Health, Education, Labor and Pensions (the "HELP Committee"). The HELP Committee has not yet set a date for a markup or vote on the legislation.

On March 12, 2026, the HELP Committee held a hearing titled "[Transparency and Trust: Exposing Malign Foreign Influence in Higher Education](#)." The hearing focused in part on Section 117, with witnesses and Majority members calling for lower reporting thresholds and greater transparency of the sources of foreign funding. On March 26, the House Committee on Education and the Workforce held a hearing titled "[U.S. Universities Under Siege: Foreign Espionage, Stolen Innovation, and the National Security Threat](#)." In this hearing, too, Section 117 was a recurring area of focus, with Majority members advocating for the DETERRENT Act and touting the benefits of improved transparency.

⁹ See *Fact Sheet: Department of Education (ED) and Department of State (State) Section 117 Partnership*, <https://www.ed.gov/media/document/fact-sheet-ed-and-state-section-117-partnership-february-23-2026-113294.pdf> ("State will provide vital support in administering Section 117's biannual reporting and information collection provisions, public inspection requirements, enforcement activities, and implementing programs and other initiatives promoting lawful compliance. These programs are currently managed by ED's Office of the General Counsel (OGC).")

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Please do not hesitate to contact us with any questions.



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