



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1917

Introduced 2/6/2025, by Sen. Chris Balkema

SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois Defending Education Transparency and Ending Rogue Regimes Engaging in Nefarious Transactions (DETERRENT) Act. Requires an institution to file a disclosure report annually on July 1 when: (1) an institution received a gift from, or entered into a contract with, a foreign source, other than a foreign country of concern or foreign entity of concern, with a value of \$50,000 or more, or an undetermined value; (2) an institution receives a gift from a foreign country of concern or foreign entity of concern of any dollar amount; (3) an institution enters into a contract with a foreign country of concern or foreign entity of concern after receiving a waiver for such contract; or (4) an institution is substantially controlled by a foreign source. Requires the Board of Higher Education to establish and maintain a searchable, public database on the Board's website that: (1) contains all reports submitted; (2) includes any information provided in such reports; (3) is searchable and sortable by date filed, date of the gift received or contract entered into, by attributable country of the gift or contract, and by institution; (4) indicates whether a gift is from a foreign government or from a foreign source that is not a foreign government; and (5) indicates when a report does not contain the name or address of a foreign source. Prohibits an institution from entering into any contracts with foreign entities of concern or countries of concern. Provides that private institutions with endowments above \$6,000,000,000 or with investments of concern above \$250,000,000 shall report: (1) a list of the investments of concern; (2) the aggregate fair market value of all investments of concern; (3) the combined value of all investments of concern; and (4) the combined value of all capital gains from such sales of investments of concern. Sets forth how the Act may be enforced, including fines for violations.

LRB104 09647 LNS 19713 b

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Defending Education Transparency and Ending Rogue
6 Regimes Engaging in Nefarious Transactions (DETERRENT) Act.

7 Section 5. Definitions. In this Act:

8 "Affiliated entity" means an entity or organization that
9 operates primarily for the benefit of, or under the auspices
10 of, such institution, including a foundation of the
11 institution or a related entity, including, but not limited
12 to, any educational, cultural, or language entity.

13 "Attributable country" means:

14 (1) the country of citizenship of a foreign source who
15 is a natural person, or, if such country is unknown, the
16 principal residence, as applicable, of such foreign
17 source; or

18 (2) the country of incorporation of a foreign source
19 that is a legal entity, or, if such country is unknown, the
20 principal place of business, as applicable, of such
21 foreign source.

22 "Contract" means:

23 (1) any agreement for the acquisition by purchase,

1 lease, or barter of property or services by the foreign
2 source;

3 (2) any affiliation, agreement, or similar transaction
4 with a foreign source that involves the use or exchange of
5 an institution's name, likeness, time, services, or
6 resources; and

7 (3) any agreement for the acquisition by purchase,
8 lease, or barter, of property or services from a foreign
9 source, other than an arms-length agreement for such
10 acquisition from a foreign source that is not a foreign
11 country of concern or a foreign entity of concern; and

12 "Contract" does not include an agreement made between an
13 institution and a foreign source regarding any payment of one
14 or more elements of a student's cost of attendance, unless
15 such an agreement is made for more than 15 students or is made
16 under a restricted or conditional contract.

17 "Board" means the Board of Higher Education.

18 "Foreign county of concern" means:

19 (1) a country that is a covered nation, as defined in
20 Section 4872(d) of Title 10 of the United States Code;

21 (2) any country that the United States Secretary of
22 Education, in consultation with the United States
23 Secretary of Defense, the United States Secretary of
24 State, and the United States Director of National
25 Intelligence, determines to be engaged in conduct that is
26 detrimental to the national security or foreign policy of

1 the United States.

2 "Foreign entity of concern" has the meaning given such
3 term in Section 10612(a) of the Research and Development,
4 Competition, and Innovation Act (42 U.S.C. 19221(a)) and
5 includes a foreign entity that is identified on the list
6 published under Section 1286(c)(8)(A) of the John S. McCain
7 National Defense Authorization Act for Fiscal Year 2019 (10
8 U.S.C. 22 4001 note; Public Law 115-232).

9 "Foreign source" means

10 (1) a foreign government, including an agency of a
11 foreign government;

12 (2) a legal entity, governmental or otherwise, created
13 under the laws of a foreign state or states;

14 (3) a legal entity, governmental or otherwise,
15 substantially controlled by a foreign source, as described
16 in Section 668.174(c)(3) of Title 34 of the Code of
17 Federal Regulations or successor regulations;

18 (4) a natural person who is not a citizen or a national
19 of the United States or a trust territory or protectorate
20 thereof;

21 (5) an agent of a foreign source, including:

22 (A) a subsidiary or affiliate of a foreign legal
23 entity, acting on behalf of a foreign source;

24 (B) a person that operates primarily for the
25 benefit of, or under the auspices of, a foreign
26 source, including a foundation or a related entity,

1 such as any educational, cultural, or language entity;
2 and

3 (C) a person who is an agent of a foreign
4 principal, as defined in Section 1 of the federal
5 Foreign Agents Registration Act of 1938; and

6 (6) an international organization, as such term is
7 defined in the federal International Organizations
8 Immunities Act.

9 "Gift" means any gift of money, property, resources,
10 staff, or services. "Gift" does not include:

11 (1) any payment of one or more elements of a student's
12 cost of attendance, as defined in Section 472 of the
13 federal Higher Education Act, to an institution by, or
14 scholarship from, a foreign source who is a natural
15 person, acting in their individual capacity and not as an
16 agent for, at the request or direction of, or on behalf of,
17 any person or entity, except the student, made for not
18 more than 15 students, and that is not made under a
19 restricted or conditional contract with such foreign
20 source;

21 (2) assignment or license of registered industrial and
22 intellectual property rights, such as patents, utility
23 models, trademarks, or copyrights, or technical
24 assistance, that are not associated with a category listed
25 in the Commerce Control List maintained by the Bureau of
26 Industry and Security of the Department of Commerce and

1 set forth in Supplement No. 1 to Part 774 of Title 15 of
2 the Code of Federal Regulations; or

3 (3) decorations, as defined in Section 7342(a) of
4 Title 5 of the United States Code.

5 "Institution" includes, but is not limited to,
6 institutions falling under the Private Business and Vocational
7 Schools Act of 2012, the Private College Act, and public
8 institutions of higher education as defined in Section 1 of
9 the Board of Higher Education Act.

10 "Investment of concern" means any specified interest with
11 a foreign country of concern or a foreign entity of concern.

12 "Private institution" means a privately-operated college,
13 junior college or university offering degrees and instruction
14 above the high school level either in residence or by
15 correspondence.

16 "Restricted or conditional gift or contract" means any
17 endowment, gift, grant, contract, award, present, or property
18 of any kind which includes provisions regarding:

19 (1) the employment, assignment, or termination of
20 faculty;

21 (2) the establishment of departments, centers,
22 institutes, instructional programs, research or lecture
23 programs, or new faculty positions;

24 (3) the selection, admission, or education of
25 students;

26 (4) the award of grants, loans, scholarships,

1 fellowships, or other forms of financial aid restricted to
2 students of a specified country, religion, sex, ethnic
3 origin, or political opinion; or

4 (5) any other restriction on the use of a gift or
5 contract.

6 "Specified interest" means:

7 (1) stock or any other equity or profits interest of
8 such entity;

9 (2) debt issued by such entity; and

10 (3) any contract or derivative with respect to any
11 property described in paragraph (1) or (2) of this
12 definition.

13 Section 10. Disclosures of foreign gifts.

14 (a) An institution shall file a disclosure report annually
15 on July 1 following a year when:

16 (1) an institution received a gift from, or entered
17 into a contract with, a foreign source, other than a
18 foreign country of concern or foreign entity of concern,
19 with a value of \$50,000 or more, or an undetermined value;

20 (2) an institution receives a gift from a foreign
21 country of concern or foreign entity of concern of any
22 dollar amount;

23 (3) an institution enters into a contract with a
24 foreign country of concern or foreign entity of concern
25 after receiving a waiver for such contract; or

1 (4) an institution is substantially controlled by a
2 foreign source.

3 A gift to, or contract with, an affiliated entity of an
4 institution shall be considered a gift to or contract with
5 such institution.

6 (b) All disclosure reports shall contain the following:

7 (1) the name of the individual, department, or
8 benefactor at the institution receiving the gift or
9 carrying out the contract;

10 (2) the intended purpose of the gift or contract;

11 (3) a description of any restrictions or conditions on
12 the contract;

13 (4) if a gift, the date received and the fair market
14 dollar amount of the gift; and

15 (5) if a contract, the start and end date of the
16 contract.

17 (c) In addition to other requirements, disclosure reports
18 regarding gifts from or contracts with foreign governments
19 shall contain:

20 (1) the name of the government;

21 (2) the department, agency, office, or division of the
22 foreign government that approved the gift or contract;

23 (3) the physical mailing address of the relevant
24 foreign government department, agency, office, or
25 division.

26 (d) In addition to other requirements, disclosure reports

1 regarding gifts from or contracts with foreign sources that
2 are not foreign governments or foreign entities of concern
3 shall contain the following:

4 (1) the legal name of the source, or if unavailable, a
5 signed statement that the institution has reasonably
6 attempted to obtain such a name;

7 (2) if the source is a person, the country of
8 citizenship or, if not known, the principal country of
9 residence;

10 (3) if the source is a legal entity, the country of
11 incorporation or, if not known, the principal place of
12 business; and

13 (4) the physical mailing address of the source, or if
14 unavailable, a signed statement that the institution has
15 reasonably attempted to obtain such address.

16 (e) In addition to all other requirements, disclosure
17 reports regarding contracts with foreign governments of
18 concern or foreign entities of concern shall contain the
19 following:

20 (1) a complete and unredacted text of the original
21 contract translated into English;

22 (2) a copy of the waiver from the Secretary allowing
23 such a contract; and

24 (3) the statement submitted by the institution to
25 receive such a waiver.

26 (f) In addition to all other requirements, disclosure

1 reports regarding institutions substantially controlled by a
2 foreign source must also report:

3 (1) the legal name and address of the foreign source
4 that owns or controls the institution;

5 (2) the date on which the foreign source assumed
6 ownership or control; and

7 (3) any changes in program or structure resulting from
8 the change in ownership or control.

9 Any translations must be done by a person who is not
10 affiliated with the foreign source.

11 (g) No later than 60 days before the July 1 immediately
12 following the date of effective date of this Act, the Board
13 shall establish and maintain a searchable, public database on
14 the Board's website. This database shall:

15 (1) contain all reports submitted, uploaded to the
16 database by the Board no later than 30 days after
17 submission;

18 (2) include, in electronic and downloadable format,
19 any information provided in such reports, excluding the
20 names and addresses prohibited from being disclosed;

21 (3) be searchable and sortable by date filed, date of
22 the gift received or contract entered into, by
23 attributable country of the gift or contract, and by
24 institution;

25 (4) indicate whether a gift is from a foreign
26 government or from a foreign source that is not a foreign

1 government; and

2 (5) indicate when a report does not contain the name
3 or address of a foreign source.

4 Names and addresses of foreign sources shall not be
5 disclosed under such public database or under Freedom of
6 Information Act requests.

7 (h) Institutions must designate a compliance officer who
8 is a current employee or legally authorized agent and is
9 responsible for personally certifying compliance.

10 Section 15. Prohibitions on contracts with certain foreign
11 entities and countries. An institution may not enter into any
12 contracts with foreign entities of concern or countries of
13 concern. Institutions may, 60 days prior to entering into a
14 contract, submit a waiver request to the Board. Waivers shall
15 last for one year. Institutions may apply for renewals of
16 waivers for contracts that remain unchanged. If an institution
17 is not granted a waiver, it must not enter into the contract or
18 terminate it. The Board shall notify the institution within 60
19 days of the waiver approval or denial.

20 If an institution has a contract with an entity that is
21 designated as an entity of concern during the contract, the
22 institution has 60 days to withdraw from the contract.

23 Section 20. Investment disclosure report. Private
24 institutions with endowments above \$6,000,000,000 or with

1 investments of concern above \$250,000,000 shall report the
2 following:

3 (1) a list of the investments of concern purchased,
4 sold, or held during such calendar year;

5 (2) the aggregate fair market value of all investments
6 of concern held as of the close of such calendar year;

7 (3) the combined value of all investments of concern
8 sold over the course of such calendar year, as measured by
9 the fair market value of such investments at the time of
10 the sale; and

11 (4) the combined value of all capital gains from such
12 sales of investments of concern.

13 Section 25. Enforcement. If it appears that an institution
14 has knowingly or willfully failed to comply, a civil action
15 may be brought by the Attorney General, at the request of the
16 Board, in an appropriate district court of the United States,
17 or the appropriate United States court of any territory or
18 other place subject to the jurisdiction of the United States,
19 to request such court to compel compliance.

20 An institution that is compelled to comply shall pay the
21 full costs to the Board of obtaining compliance with the
22 requirement of such section, including all associated costs of
23 investigation and enforcement.

24 In addition to paying the cost of enforcement, an
25 institution shall also be subject to the following fines from

1 the Board.

2 Section 30. Violations of Section 10.

3 (1) First time violations shall be no less than
4 \$50,000 but not more than the monetary value of the gift
5 from, or contract with, the foreign source.

6 (2) In the case of a gift or contract of no value or of
7 indeterminable value, the fine shall be not less than 1%
8 and not more than 10% of the total amount of federal funds
9 received. Violations from institutions substantially
10 controlled by a foreign source shall be no less than 10% of
11 the total amount of federal funds received.

12 (3) Subsequent violations shall be no less than
13 \$100,000 but not more than twice the monetary value of the
14 gift from, or contract with, the foreign source.

15 (4) In the case of a gift or contract of no value or of
16 indeterminable value, the subsequent fine shall be not
17 less than 10% of the total amount of federal funds
18 received.

19 (5) Subsequent violations from institutions
20 substantially controlled by a foreign source shall be no
21 less than 20% of the total amount of federal funds
22 received.

23 Section 35. Violations of Section 15.

24 (1) First time violations shall be not less than 5%

1 and not more than 10% of the total amount of federal funds
2 received by the institution.

3 (2) Subsequent violations shall be not less than 20%
4 of the total amount of federal funds received.

5 Section 40. Violations of Section 20.

6 (1) First time violations shall be not less than 50% and
7 not more than 100% of the sum of the aggregate fair value
8 market value of all investments of concern held and sold by
9 such institution at the close of the calendar year.

10 (2) Subsequent violations shall be not less than 100% and
11 not more than 200% of the sum of the aggregate fair value
12 market value of all investments of concern held and sold by
13 such institution at the close of the calendar year.