

Trump's Executive Order on Foreign Gifts to Higher Education Institutions: 'Transparency Regarding Foreign Influence at American Universities'

On April 23, President Donald Trump signed an [executive order](#) titled "Transparency Regarding Foreign Influence at American Universities."

What does the executive order say?

The order directs the secretary of education to:

- "Take all appropriate actions to enforce the requirements of section 1011f of title 20, United States Code, including by working with the Attorney General and the heads of other executive departments, agencies, and offices, where appropriate, to require complete and timely disclosure by higher education institutions of foreign funding." These actions should be undertaken to ultimately comply with the administration's policy "to end the secrecy surrounding foreign funds in American educational institutions, protect the marketplace of ideas from propaganda sponsored by foreign governments, and safeguard America's students and research from foreign exploitation."
- "Take appropriate action, as consistent with applicable law, to prospectively 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."
- Additional context can be found in the administration's [companion fact sheet](#) for this executive order.

What does the order *really* do?

For context: Earlier this year, House Committee on Oversight and Government Reform Chair Rep. James Comer (R-Ky.) and Rep. Virginia Foxx (R-N.C.) demanded that the Education Department disclose details of how it enforced federal requirements for colleges to report foreign gifts or contracts valued at more than \$250,000, amid conservative criticism that the Biden administration rolled back investigations launched during Trump's first administration.

Under the new parameters in this executive order, institutions of higher education must report foreign financial gifts to Education Secretary Linda McMahon, requiring the universities disclose the source and purpose of foreign funds. In addition, the secretary will work in tandem with U.S. Attorney General Pam Bondi and heads of other U.S. agencies to pressure institutions that do not comply with audits, investigations and other enforcement actions. One of these potential actions could be the loss of federal grant funding, which would dramatically hinder college and university operations, from student aid to research.

Federal law already requires colleges and universities to disclose gifts or contracts worth \$250,000 or more from foreign entities. Section 117 of the Higher Education Act of 1965 requires institutions that

receive federal financial assistance to biannually file disclosure reports with the education secretary. This executive order would also rescind any prior action on this topic by the prior administrations.

This executive order could be viewed as a retaliatory action, in light of the recent lawsuit filed against the administration by Harvard University. This executive order is also a direct attack on the financial solvency of universities and colleges, aiming to mire them in audits and investigations while withholding necessary operational funds; a majority of the affected institutions would be large research institutions and Ivy League schools, as they receive a greater influx of donations of this kind.

Next steps

In addition to this executive order, legislation is moving in Congress on the same subject. Last month, House lawmakers approved legislation to lower the foreign gift reporting threshold to \$50,000, with stricter thresholds for “countries and entities of concern.” The bill is currently with the Senate.

Rep. Bobby Scott (D-Va.), ranking member of the House Education and Workforce Committee, voiced criticism of the legislation, [arguing](#) that it would “impose burdensome and unnecessary penalties on institutions” and noting that the bill would impose new responsibilities on the Education Department after having its staff reduced by half.

The National Association of Student Financial Aid Administrators, along with other higher education organizations, [have previously opposed](#) the Defending Education Transparency and Ending Rogue Regimes Engaging in Nefarious Transactions Act (known as the DETERRENT Act) because it is unclear why endowments at certain private institutions would be specifically called out as a national security concern, among other concerns. The groups raised concerns about the privacy of research faculty and staff; the potential hampering of productive international collaborations; and the language in the order that tasks the Education Department with new authorities it is not equipped to implement.

This legislation has also been criticized by the [American Council on Education](#). ACE’s letter acknowledged that colleges take research security and foreign influence seriously but warned that the bill in its current form would duplicate existing federal oversight efforts, disrupt essential research partnerships, and create a burdensome new data-collection regime within the Department of Education—at a time when the department itself is under threat [of being dismantled](#).

Democrats have offered alternative ideas to monitor foreign gifts to universities, but with more reasonable reporting targets. Rep. Scott proposed an amendment to align the DETERRENT Act’s reporting obligations with existing federal agency standards and to mandate a negotiated rulemaking process for implementation, however his amendment was defeated.

AFT message

The AFT is always an advocate for ensuring fiduciary transparency and safeguarding national security. Fortunately, our institutions of higher education also hold these priorities in high regard and have improved their compliance with Section 117 of the Higher Education Act to ensure responsible and transparent reporting of foreign gifts. In particular, agencies like the National Science Foundation and the Department of Defense have already implemented additional measures to address foreign influence in research.

Yet this executive order, along with the proposed DETERRENT Act, enacts excessive reporting requirements that will strain institutions without effectively enhancing national security. Instead of focusing on real threats, the order forces universities to waste limited resources on excessive reporting and duplicative audits, diverting attention from more targeted, effective research security measures.

Assigning the Education Department new national security responsibilities, especially at a time when the Trump administration is gutting that department, is unrealistic and ineffective. This agency is not equipped to vet foreign research risks.

Finally, tying compliance with disclosure rules to federal funding threatens to chill academic freedom, punish noncompliant institutions for technicalities, and politicize higher education funding decisions. These sweeping requirements risk deterring international talent and researchers from coming to the U.S., weakening our innovation pipeline while doing little to stop genuinely nefarious actors.