

H.R. 1048, DETERRENT Act

As ordered reported by the House Committee on Education and Workforce on February 12, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	Yes
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Mandate Effects	
		Contains intergovernmental mandate?	Yes, Cannot Determine Costs
		Contains private-sector mandate?	Yes, Cannot Determine Costs
* = between -\$500,000 and \$500,000.			

H.R. 1048 would expand disclosure and reporting requirements for all institutions of higher education that receive gifts from or enter into contracts with foreign countries or entities. Institutions that fail to meet the new requirements could be assessed civil penalties or lose eligibility for federal student financial aid. Specifically, H.R. 1048 would:

- Reduce from \$250,000 to \$50,000 the value of gifts and contracts from foreign sources that institutions would need to disclose annually in reports to the Department of Education,
- Prohibit institutions from entering into contracts with any foreign entity of concern (China or Russia, for example) without obtaining a waiver,
- Require certain institutions to report on gifts or contracts between faculty members and foreign entities, and
- Require private institutions with endowments greater than \$6 billion or more than \$250 million in specified investments to file investment disclosure reports annually.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



In addition, H.R. 1048 would require the Department of Education to create a searchable database with information about institutions' foreign gifts, contracts, and investments. Finally, the bill would require the Government Accountability Office (GAO) to study how to improve coordination among federal agencies for implementing and enforcing the bill's provisions.

H.R. 1048 would require the Secretary of Education to investigate potential noncompliance, which could result in civil actions against institutions that knowingly or willfully fail to comply with the new requirements. Such institutions could be assessed fines and be required to pay to the Treasury any costs the government incurred to ensure the institution complied with the new rules. Those fines and penalties are recorded in the budget as revenues.

Additionally, institutions that were subject to three separate civil actions would lose access to federal student financial aid for at least two years. Outlays for some federal student aid programs, such as the federal student loan program, are recorded in the budget as direct spending; other programs, such as the Federal Work-Study Program, are funded through annual appropriations.

CBO expects that institutions would generally comply with the new requirements, and that any increases in revenues from fines or other civil penalties or decreases in spending on federal student aid over the 2025-2035 period would be insignificant.

Using information about the cost of similar activities, CBO estimates that it would cost less than \$500,000 over the 2025-2030 period to implement the bill. Any related spending would be subject to the availability of appropriated funds.

H.R. 1048 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA). As a condition of receiving federal funding, institutions of higher education are subject to certain reporting requirements under current law. The bill would extend those requirements to all institutions of higher education, regardless of their receipt of federal funding. The bill also would prohibit these institutions from entering contracts with certain foreign countries and entities. If a country or entity is newly classified as one "of concern," institutions with existing contracts with them would be required to cancel them within 60 days.

CBO cannot determine the costs of the mandates because there is no information available on the number of institutions that would become subject to the new reporting requirements nor the number and value of contracts that might have to be terminated in the future.

The CBO staff contact for this estimate is Leah Koestner. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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