

119TH CONGRESS
1ST SESSION

H. R. 1023

To amend the Higher Education Act of 1965 to require disclosure of certain foreign investments within endowments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2025

Mr. OWENS (for himself and Mr. HARRIS of North Carolina) introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Higher Education Act of 1965 to require disclosure of certain foreign investments within endowments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Reporting on Invest-
5 ments in Foreign Adversaries Act” or the “RIFA Act”.

6 **SEC. 2. INVESTMENT DISCLOSURE REPORT.**

7 (a) IN GENERAL.—Part B of title I of the Higher
8 Education Act of 1965 (20 U.S.C. 1011 et seq.) is amend-
9 ed by inserting after section 117 the following:

1 **“SEC. 117A. INVESTMENT DISCLOSURE REPORT.**

2 “(a) INVESTMENT DISCLOSURE REPORT.—A speci-
3 fied institution shall file a disclosure report in accordance
4 with subsection (b) with the Secretary on each July 31
5 immediately following any calendar year in which the spec-
6 ified institution purchases, sells, or holds (directly or indi-
7 rectly through any chain of ownership) one or more invest-
8 ments of concern.

9 “(b) CONTENTS OF REPORT.—Each report to the
10 Secretary required by subsection (a) shall contain, with
11 respect to the calendar year preceding the calendar year
12 in which such report is filed, the following information:

13 “(1) A list of the investments of concern pur-
14 chased, sold, or held during such calendar year.

15 “(2) The aggregate fair market value of all in-
16 vestments of concern held as of the close of such cal-
17 endar year.

18 “(3) The combined value of all investments of
19 concern sold over the course of such calendar year,
20 as measured by the fair market value of such invest-
21 ments at the time of the sale.

22 “(4) The combined value of all capital gains
23 from such sales of investments of concern.

24 “(c) TREATMENT OF CERTAIN POOLED INVEST-
25 MENTS.—

26 “(1) POOLED INVESTMENT CLASSIFICATION.—

1 “(A) IN GENERAL.—For purposes of this
2 section, except as provided in subparagraph
3 (B), a specified interest acquired by a specified
4 institution in a regulated investment company,
5 exchange traded fund, or any other pooled in-
6 vestment that holds an investment of concern
7 shall be treated as an investment of concern
8 and shall be reported pursuant to paragraph
9 (2)(A).

10 “(B) CERTIFICATION OF POOLED INVEST-
11 MENT.—Notwithstanding subparagraph (A),
12 such specified interest shall not be subject to
13 subparagraph (A) if the Secretary certifies, pur-
14 suant to paragraph (2)(B), that such pooled in-
15 vestment is not holding an investment of con-
16 cern.

17 “(2) PROCEDURES.—The Secretary, after con-
18 sultation with the Secretary of the Treasury and the
19 Securities and Exchange Commission, shall establish
20 procedures under which a pooled investment de-
21 scribed in paragraph (1)—

22 “(A) shall be reported in accordance with
23 the requirements of subsection (b); and

24 “(B) may be certified under paragraph
25 (1)(B) as not holding an investment of concern.

1 “(d) TREATMENT OF RELATED ORGANIZATIONS.—
2 For purposes of this section, assets held by any related
3 organization (as defined in section 4968(d)(2) of the In-
4 ternal Revenue Code of 1986) with respect to a specified
5 institution shall be treated as held by such specified insti-
6 tution, except that—

7 “(1) such assets shall not be taken into account
8 with respect to more than 1 specified institution;
9 and

10 “(2) unless such organization is controlled by
11 such institution or is described in section 509(a)(3)
12 of the Internal Revenue Code of 1986 with respect
13 to such institution, assets which are not intended or
14 available for the use or benefit of such specified in-
15 stitution shall not be taken into account.

16 “(e) VALUATION OF DEBT.—For purposes of this
17 section, the fair market value of any debt shall be the prin-
18 cipal amount of such debt.

19 “(f) REGULATIONS.—The Secretary, after consulta-
20 tion with the Secretary of the Treasury and the Securities
21 and Exchange Commission, may issue such regulations or
22 other guidance as may be necessary or appropriate to
23 carry out the purposes of this section, including regula-
24 tions or other guidance providing for the proper applica-
25 tion of this section with respect to certain regulated invest-

1 ment companies, exchange traded funds, and pooled in-
2 vestments.

3 “(g) COMPLIANCE OFFICER.—Any specified institu-
4 tion that is required to submit a report under subsection
5 (a) shall designate, before the submission of such report,
6 and maintain a compliance officer, who shall—

7 “(1) be a current employee or legally authorized
8 agent of such institution; and

9 “(2) be responsible, on behalf of the institution,
10 for personally certifying accurate compliance with
11 the reporting requirements under this section.

12 “(h) DATABASE REQUIREMENT.—Beginning not
13 later than the May 31 of the calendar year following the
14 date of enactment of the RIFA Act, the Secretary shall—

15 “(1) establish and maintain a searchable data-
16 base on a website of the Department, under which
17 all reports submitted under this section—

18 “(A) are made publicly available (in elec-
19 tronic and downloadable format), including any
20 information provided in such reports;

21 “(B) can be individually identified and
22 compared; and

23 “(C) are searchable and sortable; and

1 “(2) not later than 30 days after receipt of a
2 disclosure report under this section, include such re-
3 port in such database.

4 “(i) ENFORCEMENT.—

5 “(1) INVESTIGATION.—The Secretary (acting
6 through the General Counsel of the Department)
7 shall conduct investigations of possible violations of
8 this section by institutions and, whenever it appears
9 that an institution has knowingly or willfully failed
10 to comply with a requirement of this section (includ-
11 ing any rule or regulation promulgated under such
12 section), shall request that the Attorney General
13 bring a civil action in accordance with paragraph
14 (2).

15 “(2) CIVIL ACTION.—Whenever it appears that
16 an institution has knowingly or willfully failed to
17 comply with a requirement of this section (including
18 any rule or regulation promulgated under any such
19 section) based on an investigation under paragraph
20 (1), a civil action shall be brought by the Attorney
21 General, at the request of the Secretary, in an ap-
22 propriate district court of the United States, or the
23 appropriate United States court of any territory or
24 other place subject to the jurisdiction of the United

1 States, to request such court to compel compliance
2 with the requirement of this section.

3 “(3) COSTS AND OTHER FINES.—An institution
4 that is compelled to comply with a requirement of
5 this section pursuant to paragraph (2) shall—

6 “(A) pay to the Treasury of the United
7 States the full costs to the United States of ob-
8 taining compliance with the requirement of this
9 section, including all associated costs of inves-
10 tigation and enforcement; and

11 “(B) be subject to the applicable fines de-
12 scribed in paragraph (4).

13 “(4) FINES FOR VIOLATIONS.—The Secretary
14 shall impose a fine on an institution that is com-
15 pelled to comply with a requirement of this section
16 pursuant to paragraph (2) as follows:

17 “(A) FIRST-TIME VIOLATIONS.—In the
18 case of a specified institution that knowingly or
19 willfully fails to comply with a requirement of
20 this section with respect to a calendar year, and
21 that has not previously knowingly or willfully
22 failed to comply with such a requirement, the
23 Secretary shall impose a fine on the institution
24 in an amount that is not less than 50 percent
25 and not more than 100 percent of the sum of—

1 “(i) the aggregate fair market value
2 of all investments of concern held by such
3 institution as of the close of such calendar
4 year; and

5 “(ii) the combined value of all invest-
6 ments of concern sold over the course of
7 such calendar year, as measured by the
8 fair market value of such investments at
9 the time of the sale.

10 “(B) SUBSEQUENT VIOLATIONS.—In the
11 case of a specified institution that has been
12 fined pursuant to subparagraph (A) with re-
13 spect to a calendar year, and that knowingly or
14 willfully fails to comply with a requirement of
15 this section with respect to any additional cal-
16 endar year, the Secretary shall impose a fine on
17 the institution with respect to any such addi-
18 tional calendar year in an amount that is not
19 less than 100 percent and not more than 200
20 percent of the sum of—

21 “(i) the aggregate fair market value
22 of all investments of concern held by such
23 institution as of the close of such addi-
24 tional calendar year; and

1 “(ii) the combined value of all invest-
2 ments of concern sold over the course of
3 such additional calendar year, as measured
4 by the fair market value of such invest-
5 ments at the time of the sale.

6 “(j) DEFINITIONS.—In this section:

7 “(1) FOREIGN COUNTRY OF CONCERN.—The
8 term ‘foreign country of concern’ means the fol-
9 lowing:

10 “(A) Any covered nation defined in section
11 4872 of title 10, United States Code.

12 “(B) Any country the Secretary, in con-
13 sultation with the Secretary of Defense, the
14 Secretary of State, and the Director of National
15 Intelligence, determines, for purposes of this
16 section, to be engaged in conduct that is detri-
17 mental to the national security or foreign policy
18 of the United States.

19 “(2) FOREIGN ENTITY OF CONCERN.—The
20 term ‘foreign entity of concern’ has the meaning
21 given such term in section 10612(a) of the Research
22 and Development, Competition, and Innovation Act
23 (42 U.S.C. 19221(a)) and includes a foreign entity
24 that is identified on the list published under section
25 1286(c)(8)(A) of the John S. McCain National De-

1 fense Authorization Act for Fiscal Year 2019 (10
2 U.S.C. 22 4001 note; Public Law 115–232).

3 “(3) INSTITUTION.—The term ‘institution’
4 means an institution of higher education (as such
5 term is defined in section 102, other than an institu-
6 tion described in subsection (a)(1)(c) of such sec-
7 tion).

8 “(4) INVESTMENT OF CONCERN.—

9 “(A) IN GENERAL.—The term ‘investment
10 of concern’ means any specified interest with
11 respect to any of the following:

12 “(i) A foreign country of concern.

13 “(ii) A foreign entity of concern.

14 “(B) SPECIFIED INTEREST.—The term
15 ‘specified interest’ means, with respect to any
16 entity—

17 “(i) stock or any other equity or prof-
18 its interest of such entity;

19 “(ii) debt issued by such entity; and

20 “(iii) any contract or derivative with
21 respect to any property described in clause

22 (i) or (ii).

23 “(5) SPECIFIED INSTITUTION.—

1 “(A) IN GENERAL.—The term ‘specified
2 institution’, as determined with respect to any
3 calendar year, means an institution if—

4 “(i) such institution is not a public in-
5 stitution; and

6 “(ii) the aggregate fair market value
7 of—

8 “(I) the assets held by such insti-
9 tution at the end of such calendar
10 year (other than those assets which
11 are used directly in carrying out the
12 institution’s exempt purpose) is in ex-
13 cess of \$6,000,000,000; or

14 “(II) the investments of concern
15 held by such institution at the end of
16 such calendar year is in excess of
17 \$250,000,000.

18 “(B) REFERENCES TO CERTAIN TERMS.—

19 For the purpose of applying the definition
20 under subparagraph (A), the terms ‘aggregate
21 fair market value’ and ‘assets which are used
22 directly in carrying out the institution’s exempt
23 purpose’ shall be applied in the same manner as
24 such terms are applied for the purposes of sec-

1 tion 4968(b)(1)(D) of the Internal Revenue
2 Code of 1986.”.

3 (b) PROGRAM PARTICIPATION AGREEMENT.—Section
4 487(a) of the Higher Education Act of 1965 (20 U.S.C.
5 1094) is amended by adding at the end the following:

6 “(30)(A) An institution will comply with the re-
7 quirements of section 117A.

8 “(B) An institution that, for 3 consecutive in-
9 stitutional fiscal years, violates any requirement of
10 section 117A shall—

11 “(i) be ineligible to participate in the pro-
12 grams authorized by this title for a period of
13 not less than 2 institutional fiscal years; and

14 “(ii) in order to regain eligibility to partici-
15 pate in such programs, demonstrate compliance
16 with all requirements of such section for not
17 less than 2 institutional fiscal years after the
18 institutional fiscal year in which such institu-
19 tion became ineligible.”.

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