



August 11, 2023

The Honorable Todd Young
United States Senate
Washington, DC 20510

Dear Senator Young:

Thank you for your June 9, 2023, letter to the U.S. Department of Education (Department) seeking information about Section 117 of the Higher Education Act of 1965, as amended. Your letter was referred to me, and I am glad to provide a response on behalf of the Department.

Under Section 117, institutions of higher education must file a disclosure report with the Secretary of Education on January 31 or July 31, whichever is sooner, whenever any institution is owned or controlled by a statutorily defined foreign source, or whenever an institution receives a gift from or enters into a contract with a foreign source, the value of which is \$250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year.¹ This disclosure requirement is an important measure in ensuring transparency and identifying possible foreign influence in U.S. higher education.

Your letter requests information about the University of California, Berkeley (UC Berkeley), and I can share that Federal Student Aid (FSA) has initiated an inquiry into Section 117 compliance by UC Berkeley relating to the Tsinghua-Berkeley Shenzhen Institute. While I cannot share additional information associated with an ongoing inquiry, the Department and FSA are very much committed to the robust enforcement of Section 117.

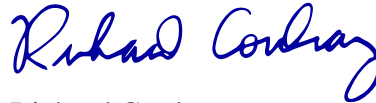
More information about Section 117 can be found on FSA's webpage, available at: <https://fsapartners.ed.gov/knowledge-center/topics/section-117-foreign-gift-and-contract-reporting>.

At its core, Section 117 is a transparency statute, and the Department's responsibilities under Section 117 are focused on ensuring compliance with reporting requirements. Section 117 does not, however, direct the Department to police international education partnerships or to take enforcement action against an institution based on its assessment of whether duly reported foreign gifts and contracts rise to the level of undue foreign influence. Congress and the executive branch agencies with expertise in foreign intelligence are best positioned to make such an assessment.

¹ See 20 U.S.C. § 1011f.

Thank you again for your interest in our work administering Section 117. If you have any further questions, your staff may contact the Department's Office of Legislation and Congressional Affairs at (202) 401-0020.

Sincerely,

A handwritten signature in blue ink that reads "Richard Cordray". The signature is written in a cursive, flowing style.

Richard Cordray
Chief Operating Officer
Federal Student Aid