

BILL ANALYSIS

Senate Research Center
89R21144 CXP-F

C.S.S.B. 1741
By: Parker et al.
Education K-16
3/26/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The risk of espionage at Texas universities has become a growing concern in recent years, as these institutions continue to attract researchers, professors, and students from all over the world. With the presence of high-level intellectual property and sensitive information, the potential for espionage activities is significant, particularly with the involvement of foreign entities. Texas universities are particularly vulnerable to this type of risk, as they often have close ties with research institutions, government agencies, and international partners, making them an attractive target for intelligence gathering and theft of sensitive information.

There have been cases of foreign entities attempting to steal sensitive and confidential information from universities, which could result in significant damage to the nation's security and economy. Such activities also jeopardize the academic freedom of researchers and undermine the integrity of the research enterprise. Given the critical role that universities play in research and innovation, protecting their intellectual property is essential to maintaining Texas's competitive edge.

S.B. 1741 seeks to address these concerns by implementing measures to prevent espionage and intellectual property theft at Texas universities.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1741 amends current law relating to measures to prevent foreign influence, foreign interference, and intellectual property theft at public institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Sections 51.502 and 51.506, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 51, Education Code, by adding Subchapter J, as follows:

**SUBCHAPTER J. FOREIGN INFLUENCE, FOREIGN INTERFERENCE, AND
INTELLECTUAL PROPERTY THEFT PREVENTION**

Sec. 51.501. DEFINITIONS. Defines "coordinating board," "foreign adversary," "foreign government," "gift," and "institution of higher education."

Sec. 51.502. DISCLOSURE OF FOREIGN GIFTS AND CONTRACTS. Requires each institution of higher education that submits reporting on foreign gift and contract disclosures to the United States Department of Education required under Section 117, Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.), to submit that reporting to the Texas Higher Education Coordinating Board (THECB) at an interval determined by THECB rule.

Sec. 51.503. PROHIBITION ON ACCEPTING GIFTS, GRANTS, OR DONATIONS FROM CERTAIN FOREIGN GOVERNMENTS. Prohibits an institution of higher

education from accepting a gift, grant, or donation from a foreign government of a foreign adversary.

Sec. 51.504. TRAINING ON FOREIGN INFLUENCE, FOREIGN INTERFERENCE, AND INTELLECTUAL PROPERTY THEFT PREVENTION. (a) Requires each institution of higher education to require each researcher, faculty member, staff member, or student employee at the institution who has access to sensitive, proprietary, or export-controlled research or information to complete training on the prevention of foreign influence, foreign interference, and intellectual property theft.

(b) Requires that the training include instruction on certain topics and procedures related to national security risks, foreign influence, and intellectual property theft.

(c) Requires that the training, to the extent practicable, be provided in conjunction with any other training required for employees at the institution of higher education and be consistent with any other training on information security, export controls, or compliance matters required by the institution.

(d) Requires each institution of higher education to maintain a record of each person who completes training required under this section.

(e) Requires each institution of higher education to prohibit a person who has not completed the training required under this section to have unsupervised access to sensitive, proprietary, or export-controlled research or information until the person completes the training.

Sec. 51.505. REPORTING SYSTEM. Requires each institution of higher education to establish a reporting system for students, faculty, and staff to report to the institution suspicious activity that may be related to foreign influence, foreign interference, or intellectual property theft.

Sec. 51.506. RULES. Requires THECB to adopt rules necessary to implement this subchapter.

SECTION 2. Requires each public institution of higher education, not later than September 1, 2026, to submit the reports required under Section 51.502, Education Code, as added by this Act, and ensure that each applicable person at the institution has completed the training required by Section 51.504, Education Code, as added by this Act.

SECTION 3. Effective date: September 1, 2025.