

**BILL ANALYSIS**

Senate Research Center  
89R4522 CXP-F

S.B. 2430  
By: Hughes  
Education K-16  
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As Filed

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 2430 is designed to enhance the protection of public institutions of higher education in Texas from foreign adversaries and address the prosecution of the criminal offense of theft of trade secrets. It includes several key provisions and amendments to existing laws.

International Travel and Monitoring: By March 31, 2026, each public institution of higher education must establish an international travel approval and monitoring program. This is part of a broader effort to safeguard sensitive research and data from foreign adversaries.

Reporting Requirements: Institutions are required to report gifts and contracts with foreign adversaries. This includes any gifts received from December 31, 2015, to September 1, 2025, and contracts from December 31, 2013, to September 1, 2025.

Penalties and Enforcement: The bill increases penalties for offenses related to benefiting foreign agents, governments, or instrumentalities. Specifically, it amends Section 31.05 of the Penal Code to classify such offenses as second-degree felonies if they are intended to benefit a foreign adversary.

Civil and Administrative Penalties: The bill provides for civil and administrative penalties for institutions that fail to comply with the new reporting requirements. The attorney general is empowered to sue to collect these penalties.

Review of Foreign Software: The Texas Higher Education Coordinating Board is tasked with reviewing the use of education software owned or controlled by foreign adversaries to ensure compliance with federal regulations.

Effective Date: The Act is set to take effect on September 1, 2025, and applies to contracts entered into or renewed on or after this date.

These measures are designed to safeguard sensitive research and intellectual property at Texas public universities from foreign threats, while also promoting transparency and accountability in foreign engagements.

As proposed, S.B. 2430 amends current law relating to measures to protect public institutions of higher education from foreign adversaries and to the prosecution of the criminal offense of theft of trade secrets, provides civil and administrative penalties, and increases a criminal penalty.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Sections 51B.002, 51B.051, and 51B.052, Education Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle A, Title 3, Education Code, by adding Chapter 51B, as follows:

CHAPTER 51B. HIGHER EDUCATION RESEARCH AND PROTECTION

## SUBCHAPTER A. GENERAL PROVISIONS

Sec. 51B.001. DEFINITIONS. Defines "affiliate organization," "coordinating board," "foreign adversary," "foreign government," "foreign source," "gift," "institution of higher education," "interest," and "political party."

Sec. 51B.002. RULES. Requires the Texas Higher Education Coordinating Board (THECB) to adopt rules as necessary to implement this chapter.

## SUBCHAPTER B. REQUIREMENTS FOR GIFTS FROM AND CONTRACTS WITH FOREIGN ADVERSARIES

Sec. 51B.051. GIFT FROM FOREIGN ADVERSARY. (a) Prohibits each institution of higher education from accepting a gift the institution is directly or indirectly offered from a foreign source of a foreign adversary unless the gift is approved by THECB.

(b) Requires an institution of higher education to promptly submit to THECB a report on any gift the institution is directly or indirectly offered from a foreign source of a foreign adversary.

(b-1) Requires each institution of higher education, not later than November 1, 2025, to submit to THECB a report on each gift the institution received directly or indirectly from a foreign source of a foreign adversary from December 31, 2015, to September 1, 2025. Provides that this subsection expires January 1, 2026.

(c) Requires an institution of higher education, for each gift required to be reported under this section, to include in the report certain information about the gift, gift recipient, and gift-giver, unless the disclosure of that information is prohibited or the information is confidential under federal or state law.

(d) Requires THECB, not later than the 30th day after the date THECB receives a report under Subsection (b), to determine whether and under what conditions the institution is authorized to accept the gift.

(e) Requires THECB to adopt forms for an institution of higher education to use in reporting the offering of a gift described by Subsection (b) and rules and procedures for deciding whether to allow an institution of higher education to accept a gift described by Subsection (b).

(f) Requires THECB to maintain a public Internet portal disclosing each gift reported under this section and THECB's decision whether to allow the institution of higher education to accept the gift.

(g) Provides that, for purposes of this section, a gift offered through an intermediary or affiliate organization is considered an indirect gift and subject to reporting.

(h) Requires THECB, on the request of the governor, the lieutenant governor, or the speaker of the house of representatives, to inspect or audit a gift reported under this section.

(i) Provides that information required to be reported under this section is not confidential except as otherwise provided by state law or unless protected as a trade secret by federal or state law.

Sec. 51B.052. CONTRACT OR CULTURAL AGREEMENT WITH FOREIGN ADVERSARY. (a) Prohibits each institution of higher education from entering into a contract or cultural agreement with a foreign source of a foreign adversary unless the contract or agreement is approved by THECB.

(b) Requires an institution of higher education to promptly submit to THECB a report on any contract or cultural agreement the institution is directly or indirectly offered from a foreign source of a foreign adversary.

(b-1) Requires each institution of higher education, not later than November 1, 2025, to submit to THECB a report on each contract or cultural agreement the institution directly or indirectly entered into with a foreign source of a foreign adversary from December 31, 2013, to September 1, 2025. Provides that this subsection expires January 1, 2026.

(c) Requires an institution of higher education, for each contract or cultural agreement required to be reported under this section, to include in the report, unless the disclosure of that information is prohibited or the information is confidential under federal or state law, the information described by Section 51B.051(c) with respect to the contract or agreement and a copy of the contract or agreement.

(d) Requires THECB, not later than the 30th day after the date THECB receives a report under Subsection (b), to determine whether and under what conditions the institution is authorized to enter into the contract or cultural agreement.

(e) Requires THECB to adopt forms for an institution of higher education to use in reporting the offering of a contract or cultural agreement described by Subsection (b) and rules and procedures for deciding whether to allow an institution of higher education to enter into a contract or cultural agreement described by Subsection (b).

(f) Requires THECB to maintain a public Internet portal disclosing each contract and cultural agreement reported under this section and THECB's decision whether to allow the institution of higher education to enter into the contract or agreement.

(g) Provides that, for purposes of this section, a contract or cultural agreement entered into through an intermediary or affiliate organization is considered an indirect contract or cultural agreement and subject to reporting.

(h) Requires THECB, on the request of the governor, the lieutenant governor, or the speaker of the house of representatives, to inspect or audit a contract or cultural agreement reported under this section.

Sec. 51B.053. INVESTIGATION. (a) Requires THECB to investigate an alleged violation of this subchapter if THECB receives complaint from a compliance officer of a state agency or institution of higher education or a sworn complaint based on substantive information and reasonable belief.

(b) Authorizes THECB to request from any person records relevant to a reasonable suspicion of a violation of this subchapter. Requires a person who receives a request under this subsection to produce the records not later than the 10th day after the date the person receives the request, unless THECB and the person agree to a later date.

Sec. 51B.054. ENFORCEMENT; PENALTIES FOR VIOLATION. (a) Provides that a person who fails to submit a report required under this subchapter, obtain THECB approval for a gift, contract, or cultural agreement as required under this subchapter, or provide a record requested under Section 51B.053 is liable to this state for a civil penalty in the amount of \$10,000 for the first violation and \$20,000 for each subsequent violation.

(b) Requires that a final order finding a failure to submit a report required under this subchapter or to obtain THECB approval for a gift, contract, or cultural agreement as required under this subchapter to:

(1) identify the state officer or employee responsible for accepting or entering into the unreported or unapproved gift, contract, or cultural agreement; and

(2) refer the violation to, as applicable, the governor to consider removing a state officer identified under Subdivision (1) from office or the employing institution of higher education to consider terminating the employment of an employee identified under Subdivision (1).

(c) Authorizes the attorney general to sue to collect the civil penalty under Subsection (a). Authorizes a suit under this subsection to be filed in a district court in Travis County.

(d) Authorizes THECB, if THECB determines that an institution of higher education negligently failed to report information required by this subchapter or obtain THECB approval for a gift, contract, or cultural agreement as required under this subchapter, to assess an administrative penalty against the institution in an amount equal to 105 percent of the value of each unreported or unapproved gift, contract, or agreement.

(e) Prohibits an institution of higher education from paying a civil penalty imposed under Subsection (a) or an administrative penalty assessed under Subsection (d) using state or federal money.

(f) Authorizes a person who reports a violation described by Subsection (a) to also report the violation to the attorney general and retain protection under Chapter 554 (Protection for Reporting Violations of Law), Government Code. Entitles the person to receive a reward in the amount of 25 percent of any penalty recovered under this section.

#### SUBCHAPTER C. INTERNATIONAL CULTURAL EXCHANGE AGREEMENTS AND PARTNERSHIPS AND STUDENT ASSOCIATIONS

Sec. 51B.101. DEFINITIONS. Defines "cultural exchange agreement" and "cultural exchange partnership."

Sec. 51B.102. CERTAIN INTERNATIONAL CULTURAL AGREEMENTS PROHIBITED.

(a) Prohibits an institution of higher education from participating in a cultural exchange agreement with a foreign source of a foreign adversary, or an entity controlled by a foreign adversary, that constrains the institution's freedom of contract, allows the institution's curriculum or values to be directed, controlled, or influenced by the foreign adversary, or promotes an agenda detrimental to the safety or security of this state, the residents of this state, or the United States.

(b) Requires an institution of higher education, before entering into a cultural exchange agreement with a foreign source of a foreign adversary, to share the substance of the agreement with THECB and federal agencies responsible for national security or the enforcement of trade sanctions, embargoes, or other trade restrictions. Prohibits the institution, if THECB or a federal agency consulted under this subsection determines that the agreement violates the prohibition under Subsection (a), from participating in the agreement.

Sec. 51B.103. PROHIBITIONS ON STUDENT ASSOCIATIONS. (a) Prohibits a student or scholars association affiliated with an institution of higher education from accepting a gift from a foreign source of a foreign adversary or entering into a contract or agreement with a foreign source of a foreign adversary.

(b) Requires an institution of higher education to terminate an affiliation with a student or scholars association if the institution determines that the association has violated this section.

(c) Provides that, for purposes of this section, member dues or fees are not considered a gift from a foreign source of a foreign adversary.

Sec. 51B.104. ANNUAL REPORT. (a) Requires THECB, not later than December 1 of each year, to submit a written report to the governor, the lieutenant governor, and the speaker of the house of representatives on the grant programs, cultural exchange agreements, cultural exchange partnerships, and contracts between an institution of higher education and a foreign adversary or a foreign source of a foreign adversary.

(b) Requires that the report include certain information relating to certain relationships between an institution of higher education and certain foreign entities for the preceding fiscal year.

(c) Requires each institution of higher education, not later than July 1 of each year, to submit to THECB the information described by Subsection (b).

#### SUBCHAPTER D. SCREENING OF FOREIGN RESEARCHERS

Sec. 51B.151. APPLICABILITY. Provides that this subchapter applies only to an institution of higher education that has an annual research budget of \$10 million or more.

Sec. 51B.152. SCREENING OF FOREIGN RESEARCHERS REQUIRED. (a) Requires an institution of higher education, before interviewing or offering an applicant employment for a research or research-related support position at the institution or granting an applicant access to research data or activities or other sensitive data of the institution, to screen the applicant as provided by this subchapter if the applicant is a citizen of a foreign country and is not a permanent resident of the United States or is affiliated with an institution or program, or has at least one year of employment or training, in a foreign adversary, other than employment or training by an agency of the United States.

(b) Authorizes an institution of higher education to screen additional applicants as provided by this subchapter for a position described by Subsection (a) at the institution's discretion.

Sec. 51B.153. APPLICATION: REQUIRED MATERIALS. (a) Requires an institution of higher education to require an applicant subject to screening under Section 51B.152 to submit to the institution:

(1) if the applicant is a citizen of a foreign country, a copy of the applicant's passport and nonimmigrant visa application most recently submitted to the United States Department of State; and

(2) a resume and curriculum vitae that includes:

(A) a list of each postsecondary educational institution in which the applicant has been enrolled;

(B) a list of all places of employment since the applicant's 18th birthday;

(C) a list of all published materials for which the applicant received credit as an author, a researcher, or otherwise or to which the applicant contributed significant research, writing, or editorial support;

(D) a list of the applicant's current and pending research funding from any source, including the source of funding, the amount of funding, the applicant's role on the project, and a brief description of the research; and

(E) a full disclosure of the applicant's professional activities outside of higher education, including any affiliation with an institution or program in a foreign adversary.

(b) Authorizes an applicant who has been continuously employed or enrolled in a postsecondary educational institution in the United States for the preceding 20 years, notwithstanding Subsection (a)(2)(B), to include in the applicant's resume only the applicant's employment history for the preceding 20 years.

(c) Authorizes an institution of higher education to destroy or return to an applicant the copy of the applicant's nonimmigrant visa application submitted under Subsection (a)(1) after extracting all information relevant to the requirements of this subchapter.

**Sec. 51B.154. RESEARCH INTEGRITY OFFICE.** (a) Requires the chief administrative officer of an institution of higher education to establish a research integrity office to review the materials submitted to the institution by an applicant under Section 51B.153 and take certain reasonable steps to verify the information in the application.

(b) Authorizes an institution of higher education to direct the research integrity office to approve applicants for hire using a risk-based determination that considers the nature of the research and the applicant's background and ongoing affiliations.

(c) Requires an institution of higher education to complete the requirements of this subchapter before interviewing or offering a position to an applicant described by Section 51B.152(a) in a research or research-related support position or granting the applicant access to research data or activities or other sensitive data.

(d) Prohibits an institution of higher education from employing an applicant subject to screening under Section 51B.152(a) in a research or research-related support position if the applicant fails to disclose in the application a substantial educational, employment, or research-related activity or publication or presentation unless the applicable department head or the department head's designee certifies in writing the substance of the failure to disclosure and the reasons for disregarding that failure. Requires that a copy of the certification be kept in the investigative file of the research integrity office and be submitted to the nearest Federal Bureau of Investigation (FBI) field office.

(e) Requires the research integrity office to report to the nearest FBI field office, and to any law enforcement agency designated by the governor or the institution of higher education's governing board, the identity of an applicant who is rejected for employment based on the screening required by this subchapter or other risk-based screening.

**Sec. 51B.155. OPERATIONAL AUDIT.** Requires THECB, not later than March 31, 2026, to conduct an operational audit regarding the implementation of this subchapter. Provides that this section expires September 1, 2026.

#### SUBCHAPTER E. FOREIGN TRAVEL: RESEARCH INSTITUTIONS

**Sec. 51B.201. APPLICABILITY.** Provides that this subchapter applies only to an institution of higher education that has an annual research budget of \$10 million or more.

Sec. 51B.202. FOREIGN TRAVEL: RESEARCH INSTITUTIONS. (a) Requires each institution of higher education to establish an international travel approval and monitoring program.

(b) Requires that the program require, in addition to any other travel approval process required by the institution of higher education, preapproval from the institution's research integrity office established under Section 51B.154 for any employment-related foreign travel or activities by a faculty member, researcher, or research department staff member of the institution.

(c) Provides that a research integrity office is authorized to preapprove travel or activities under the program only if the applicant:

(1) reviews and acknowledges guidance published by the institution of higher education that relates to foreign adversaries or countries under sanctions or certain other restrictions by this state or the United States government; and

(2) agrees to comply with the institution of higher education's limitations on travel and activities abroad and all applicable federal laws.

Sec. 51B.203. MAINTENANCE OF RECORDS AND REPORT. (a) Requires an institution of higher education to maintain for at least three years, or any longer period of time required by applicable federal or state law, certain records relating to foreign travel and activities by a faculty member, researcher, or research department staff member of the institution.

(b) Requires each institution of higher education to annually submit to the institution's governing board a report on foreign travel by a faculty member, researcher, or research department staff member of the institution to a foreign adversary. Requires that the report list each traveler, foreign location visited, and foreign institution visited.

Sec. 51B.204. OPERATIONAL AUDIT. Requires THECB, not later than March 31, 2026, to conduct an operational audit regarding the implementation of this subchapter. Provides that this section expires September 1, 2026.

#### SUBCHAPTER F. ACADEMIC PARTNERSHIPS

Sec. 51B.251. APPROVAL OF CERTAIN ACADEMIC PARTNERSHIPS REQUIRED. (a) Provides that an institution of higher education, subject to approval by THECB, is authorized to enter into or renew an academic partnership with an educational or research institution located in a foreign adversary only if the institution of higher education maintains sufficient structural safeguards to protect the institution's intellectual property, the security of this state, and the national security interests of the United States.

(b) Provides that THECB is authorized to approve an academic partnership described by Subsection (a) only if THECB, in consultation with the attorney general's office, determines that the partnership includes certain safeguards.

(c) Authorizes THECB, in consultation with the attorney general's office, to reject or terminate an academic partnership described by Subsection (a) at any time and for any reason.

#### SUBCHAPTER G. FOREIGN ADVERSARY SOFTWARE AND EDUCATION SERVICES

Sec. 51B.301. REVIEW OF EDUCATION SOFTWARE. (a) Requires THECB to:

(1) conduct a thorough review of the use by institutions of higher education of testing, tutoring, or other education software owned or

controlled by a foreign adversary or a company domiciled or headquartered in a foreign adversary; and

(2) develop a plan to eliminate the use of education software described by Subdivision (1).

(b) Prohibits an institution of higher education from entering into or renewing a contract to provide testing, tutoring, or other education software with a foreign adversary or a company domiciled or headquartered in a foreign adversary.

SECTION 2. Amends Section 31.05(a), Penal Code, by adding Subdivisions (2-a), (2-b), and (2-c) to define "foreign agent," "foreign government," and "foreign instrumentality."

SECTION 3. Amends Section 31.05(c), Penal Code, to provide that an offense under Section 31.05 (Theft of Trade Secrets) is a felony of the third degree, except that the offense is a felony of the second degree if it is shown on the trial of the offense that the person who committed the offense intended to benefit a foreign agent, foreign government, or foreign instrumentality.

SECTION 4. Requires each public institution of higher education, not later than March 31, 2026, to establish an international travel approval and monitoring program required by Section 51B.202, Education Code, as added by this Act.

SECTION 5. Requires THECB, not later than December 1, 2026, to prepare and submit the initial report required by Section 51B.104, Education Code, as added by this Act.

SECTION 6. Provides that the changes in law made by this Act apply only to a contract entered into or renewed on or after the effective date of this Act. Provides that a contract entered into or renewed before the effective date of this Act is governed by the law in effect on the date the contract was entered into or renewed, and the former law is continued in effect for that purpose.

SECTION 7. Provides that the changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. Provides that a contract entered into or renewed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. Provides that, for purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 8. Effective date: September 1, 2025.