

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Business Enterprise for Minorities,
5 Females, and Persons with Disabilities Act is amended by
6 changing Sections 2, 3, 4, 5, 6, 6a, 7, 8, and 8f and by adding
7 Section 4f as follows:

8 (30 ILCS 575/2)

9 (Section scheduled to be repealed on June 30, 2016)

10 Sec. 2. Definitions.

11 (A) For the purpose of this Act, the following terms shall
12 have the following definitions:

13 (1) "Minority person" shall mean a person who is a
14 citizen or lawful permanent resident of the United States
15 and who is any of the following:

16 (a) American Indian or Alaska Native (a person
17 having origins in any of the original peoples of North
18 and South America, including Central America, and who
19 maintains tribal affiliation or community attachment).

20 (b) Asian (a person having origins in any of the
21 original peoples of the Far East, Southeast Asia, or
22 the Indian subcontinent, including, but not limited
23 to, Cambodia, China, India, Japan, Korea, Malaysia,

1 Pakistan, the Philippine Islands, Thailand, and
2 Vietnam).

3 (c) Black or African American (a person having
4 origins in any of the black racial groups of Africa).
5 Terms such as "Haitian" or "Negro" can be used in
6 addition to "Black or African American".

7 (d) Hispanic or Latino (a person of Cuban, Mexican,
8 Puerto Rican, South or Central American, or other
9 Spanish culture or origin, regardless of race).

10 (e) Native Hawaiian or Other Pacific Islander (a
11 person having origins in any of the original peoples of
12 Hawaii, Guam, Samoa, or other Pacific Islands).

13 (2) "Female" shall mean a person who is a citizen or
14 lawful permanent resident of the United States and who is
15 of the female gender.

16 (2.05) "Person with a disability" means a person who is
17 a citizen or lawful resident of the United States and is a
18 person qualifying as being disabled under subdivision
19 (2.1) of this subsection (A).

20 (2.1) "Disabled" means a severe physical or mental
21 disability that:

22 (a) results from:

23 amputation,

24 arthritis,

25 autism,

26 blindness,

1 burn injury,
2 cancer,
3 cerebral palsy,
4 Crohn's disease,
5 cystic fibrosis,
6 deafness,
7 head injury,
8 heart disease,
9 hemiplegia,
10 hemophilia,
11 respiratory or pulmonary dysfunction,
12 an intellectual disability,
13 mental illness,
14 multiple sclerosis,
15 muscular dystrophy,
16 musculoskeletal disorders,
17 neurological disorders, including stroke and
18 epilepsy,
19 paraplegia,
20 quadriplegia and other spinal cord conditions,
21 sickle cell anemia,
22 ulcerative colitis,
23 specific learning disabilities, or
24 end stage renal failure disease; and
25 (b) substantially limits one or more of the
26 person's major life activities.

1 Another disability or combination of disabilities may
2 also be considered as a severe disability for the purposes
3 of item (a) of this subdivision (2.1) if it is determined
4 by an evaluation of rehabilitation potential to cause a
5 comparable degree of substantial functional limitation
6 similar to the specific list of disabilities listed in item
7 (a) of this subdivision (2.1).

8 (3) "Minority owned business" means a business ~~concern~~
9 which is at least 51% owned by one or more minority
10 persons, or in the case of a corporation, at least 51% of
11 the stock in which is owned by one or more minority
12 persons; and the management and daily business operations
13 of which are controlled by one or more of the minority
14 individuals who own it.

15 (4) "Female owned business" means a business ~~concern~~
16 which is at least 51% owned by one or more females, or, in
17 the case of a corporation, at least 51% of the stock in
18 which is owned by one or more females; and the management
19 and daily business operations of which are controlled by
20 one or more of the females who own it.

21 (4.1) "Business owned by a person with a disability"
22 means a business ~~concern~~ that is at least 51% owned by one
23 or more persons with a disability and the management and
24 daily business operations of which are controlled by one or
25 more of the persons with disabilities who own it. A
26 not-for-profit agency for persons with disabilities that

1 is exempt from taxation under Section 501 of the Internal
2 Revenue Code of 1986 is also considered a "business owned
3 by a person with a disability".

4 (4.2) "Council" means the Business Enterprise Council
5 for Minorities, Females, and Persons with Disabilities
6 created under Section 5 of this Act.

7 (5) "State contracts" means all contracts entered into
8 by the State, any agency or department thereof, or any
9 public institution of higher education including community
10 college districts, regardless of the source of the funds
11 with which the contracts are paid, which are not subject to
12 federal reimbursement. "State contracts" does not include
13 contracts awarded by a retirement system, pension fund, or
14 investment board subject to Section 1-109.1 of the Illinois
15 Pension Code. This definition shall control over any
16 existing definition under this Act or applicable
17 administrative rule. ~~"State contracts" shall mean all~~
18 ~~State contracts, funded exclusively with State funds which~~
19 ~~are not subject to federal reimbursement, whether~~
20 ~~competitively bid or negotiated as defined by the Secretary~~
21 ~~of the Council and approved by the Council.~~

22 "State construction contracts" means all State
23 contracts entered into by a State agency or public
24 institution of higher education ~~State university~~ for the
25 repair, remodeling, renovation or construction of a
26 building or structure, or for the construction or

1 maintenance of a highway defined in Article 2 of the
2 Illinois Highway Code.

3 (6) "State agencies" shall mean all departments,
4 officers, boards, commissions, institutions and bodies
5 politic and corporate of the State, but does not include
6 the Board of Trustees of the University of Illinois, the
7 Board of Trustees of Southern Illinois University, the
8 Board of Trustees of Chicago State University, the Board of
9 Trustees of Eastern Illinois University, the Board of
10 Trustees of Governors State University, the Board of
11 Trustees of Illinois State University, the Board of
12 Trustees of Northeastern Illinois University, the Board of
13 Trustees of Northern Illinois University, the Board of
14 Trustees of Western Illinois University, municipalities or
15 other local governmental units, or other State
16 constitutional officers.

17 (7) "Public institutions of higher education" means
18 the University of Illinois, Southern Illinois University,
19 Chicago State University, Eastern Illinois University,
20 Governors State University, Illinois State University,
21 Northeastern Illinois University, Northern Illinois
22 University, Western Illinois University, the public
23 community colleges of the State, and any other public
24 universities, colleges and community colleges now or
25 hereafter established or authorized by the General
26 Assembly. ~~"State universities" shall mean the Board of~~

1 ~~Trustees of the University of Illinois, the Board of~~
2 ~~Trustees of Southern Illinois University, the Board of~~
3 ~~Trustees of Chicago State University, the Board of Trustees~~
4 ~~of Eastern Illinois University, the Board of Trustees of~~
5 ~~Governors State University, the Board of Trustees of~~
6 ~~Illinois State University, the Board of Trustees of~~
7 ~~Northeastern Illinois University, the Board of Trustees of~~
8 ~~Northern Illinois University, and the Board of Trustees of~~
9 ~~Western Illinois University.~~

10 (8) "Certification" means a determination made by the
11 Council or by one delegated authority from the Council to
12 make certifications, or by a State agency with statutory
13 authority to make such a certification, that a business
14 entity is a business owned by a minority, female, or person
15 with a disability for whatever purpose. A business owned
16 and controlled by females shall be certified as a "female
17 owned business". A business owned and controlled by females
18 who are also minorities shall be certified as both a
19 "female owned business" and a "minority owned business".

20 (9) "Control" means the exclusive or ultimate and sole
21 control of the business including, but not limited to,
22 capital investment and all other financial matters,
23 property, acquisitions, contract negotiations, legal
24 matters, officer-director-employee selection and
25 comprehensive hiring, operating responsibilities,
26 cost-control matters, income and dividend matters,

1 financial transactions and rights of other shareholders or
2 joint partners. Control shall be real, substantial and
3 continuing, not pro forma. Control shall include the power
4 to direct or cause the direction of the management and
5 policies of the business and to make the day-to-day as well
6 as major decisions in matters of policy, management and
7 operations. Control shall be exemplified by possessing the
8 requisite knowledge and expertise to run the particular
9 business and control shall not include simple majority or
10 absentee ownership.

11 (10) "Business ~~concern or business~~" means a business
12 that has annual gross sales of less than \$75,000,000 as
13 evidenced by the federal income tax return of the business.
14 A firm with gross sales in excess of this cap may apply to
15 the Council for certification for a particular contract if
16 the firm can demonstrate that the contract would have
17 significant impact on businesses owned by minorities,
18 females, or persons with disabilities as suppliers or
19 subcontractors or in employment of minorities, females, or
20 persons with disabilities.

21 (B) When a business ~~concern~~ is owned at least 51% by any
22 combination of minority persons, females, or persons with
23 disabilities, even though none of the 3 classes alone holds at
24 least a 51% interest, the ownership requirement for purposes of
25 this Act is considered to be met. The certification category
26 for the business is that of the class holding the largest

1 ownership interest in the business. If 2 or more classes have
2 equal ownership interests, the certification category shall be
3 determined by the business ~~concern~~.

4 (Source: P.A. 97-227, eff. 1-1-12; 97-396, eff. 1-1-12; 97-813,
5 eff. 7-13-12; 98-95, eff. 7-17-13.)

6 (30 ILCS 575/3) (from Ch. 127, par. 132.603)

7 (Section scheduled to be repealed on June 30, 2016)

8 Sec. 3. Implementation and applicability. This Act shall be
9 applied to all State agencies and public institutions of higher
10 education ~~State universities~~.

11 (Source: P.A. 85-729.)

12 (30 ILCS 575/4) (from Ch. 127, par. 132.604)

13 (Section scheduled to be repealed on June 30, 2016)

14 Sec. 4. Award of State contracts.

15 (a) Except as provided in subsections (b) and (c), not less
16 than 20% of the total dollar amount of State contracts, as
17 defined by the Secretary of the Council and approved by the
18 Council, shall be established as an aspirational ~~a~~ goal to be
19 awarded to businesses owned by minorities, females, and persons
20 with disabilities; provided, however, that of the total amount
21 of all State contracts awarded to businesses owned by
22 minorities, females, and persons with disabilities pursuant to
23 this Section, contracts representing at least 11% shall be
24 awarded to businesses owned by minorities, contracts

1 representing at least 7% shall be awarded to female-owned
2 businesses, and contracts representing at least 2% shall be
3 awarded to businesses owned by persons with disabilities.

4 The above percentage relates to the total dollar amount of
5 State contracts during each State fiscal year, calculated by
6 examining independently each type of contract for each agency
7 or public institutions of higher education ~~university~~ which
8 lets such contracts. Only that percentage of arrangements which
9 represents the participation of businesses owned by
10 minorities, females, and persons with disabilities on such
11 contracts shall be included.

12 (b) In the case of State construction contracts, the
13 provisions of subsection (a) requiring a portion of State
14 contracts to be awarded to businesses owned and controlled by
15 persons with disabilities do not apply. The following
16 aspirational goals are established for State construction
17 contracts: not ~~Not~~ less than 20% ~~10%~~ of the total dollar amount
18 of State construction contracts is established as a goal to be
19 awarded to minority and female owned businesses, and contracts
20 representing 50% of the amount of all State construction
21 contracts awarded to minority and female owned businesses shall
22 be awarded to female owned businesses.

23 (c) In the case of all work undertaken by the University of
24 Illinois related to the planning, organization, and staging of
25 the games, the University of Illinois shall establish a goal of
26 awarding not less than 25% of the annual dollar value of all

1 contracts, purchase orders, and other agreements (collectively
2 referred to as "the contracts") to minority-owned businesses or
3 businesses owned by a person with a disability and 5% of the
4 annual dollar value the contracts to female-owned businesses.
5 For purposes of this subsection, the term "games" has the
6 meaning set forth in the Olympic Games and Paralympic Games
7 (2016) Law.

8 (d) Within one year after April 28, 2009 (the effective
9 date of Public Act 96-8), the Department of Central Management
10 Services shall conduct a social scientific study that measures
11 the impact of discrimination on minority and female business
12 development in Illinois. Within 18 months after April 28, 2009
13 (the effective date of Public Act 96-8), the Department shall
14 issue a report of its findings and any recommendations on
15 whether to adjust the goals for minority and female
16 participation established in this Act. Copies of this report
17 and the social scientific study shall be filed with the
18 Governor and the General Assembly.

19 (e) Notwithstanding any provision of law to the contrary
20 and except as otherwise mandated by federal law or regulation,
21 those who submit bids or proposals for State construction
22 contracts subject to the provisions of this Act, whose bids or
23 proposals are successful but that fail to meet the goals set
24 forth in subsection (b) of this Section, shall be notified of
25 that deficiency and shall be afforded a period not to exceed 10
26 days to cure that deficiency in the bid or proposal. The

1 deficiency in the bid or proposal may only be cured by
2 contracting with additional subcontractors who are owned by
3 minorities or females, but in no case shall an identified
4 subcontractor with a certification made pursuant to this Act be
5 terminated from the contract without the written consent of the
6 State agency or public institution of higher education entering
7 into the contract. ~~Those who submit bids or proposals for State~~
8 ~~contracts shall not be given a period after the bid or proposal~~
9 ~~is submitted to cure deficiencies in the bid or proposal under~~
10 ~~this Act unless mandated by federal law or regulation.~~

11 (Source: P.A. 96-7, eff. 4-3-09; 96-8, eff. 4-28-09; 96-706,
12 eff. 8-25-09; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793
13 for the effective date of changes made by P.A. 96-795);
14 96-1000, eff. 7-2-10.)

15 (30 ILCS 575/4f new)

16 Sec. 4f. Award of State contracts.

17 (1) It is hereby declared to be the public policy of the
18 State of Illinois to promote and encourage each State agency
19 and public institution of higher education to use businesses
20 owned by minorities, females, and persons with disabilities in
21 the area of goods and services, including, but not limited to,
22 insurance services, investment management services,
23 information technology services, accounting services,
24 architectural and engineering services, and legal services.
25 Furthermore, each State agency and public institution of higher

1 education shall utilize such firms to the greatest extent
2 feasible within the bounds of financial and fiduciary prudence,
3 and take affirmative steps to remove any barriers to the full
4 participation of such firms in the procurement and contracting
5 opportunities afforded.

6 (a) When a State agency or public institution of higher
7 education, other than a community college, awards a
8 contract for insurance services, for each State agency or
9 public institution of higher education, it shall be the
10 aspirational goal to use insurance brokers owned by
11 minorities, females, and persons with disabilities as
12 defined by this Act, for not less than 20% of the total
13 annual premiums or fees.

14 (b) When a State agency or public institution of higher
15 education, other than a community college, awards a
16 contract for investment services, for each State agency or
17 public institution of higher education, it shall be the
18 aspirational goal to use emerging investment managers
19 owned by minorities, females, and persons with
20 disabilities as defined by this Act, for not less than 20%
21 of the total funds under management. Furthermore, it is the
22 aspirational goal that not less than 20% of the direct
23 asset managers of the State funds be minorities, females,
24 and persons with disabilities.

25 (c) When a State agency or public institution of higher
26 education, other than a community college, awards

1 contracts for information technology services, accounting
2 services, architectural and engineering services, and
3 legal services, for each State agency and public
4 institution of higher education, it shall be the
5 aspirational goal to use such firms owned by minorities,
6 females, and persons with disabilities as defined by this
7 Act and lawyers who are minorities, females, and persons
8 with disabilities as defined by this Act, for not less than
9 20% of the total dollar amount of State contracts.

10 (d) When a community college awards a contract for
11 insurance services, investment services, information
12 technology services, accounting services, architectural
13 and engineering services, and legal services, it shall be
14 the aspirational goal of each community college to use
15 businesses owned by minorities, females, and persons with
16 disabilities as defined in this Act for not less than 20%
17 of the total amount spent on contracts for these services
18 collectively. When a community college awards contracts
19 for investment services, contracts awarded to investment
20 managers who are not emerging investment managers as
21 defined in this Act shall not be considered businesses
22 owned by minorities, females, or persons with disabilities
23 for the purposes of this Section.

24 (2) As used in this Section:

25 "Accounting services" means the measurement,
26 processing and communication of financial information

1 about economic entities including, but is not limited to,
2 financial accounting, management accounting, auditing,
3 cost containment and auditing services, taxation and
4 accounting information systems.

5 "Architectural and engineering services" means
6 professional services of an architectural or engineering
7 nature, or incidental services, that members of the
8 architectural and engineering professions, and individuals
9 in their employ, may logically or justifiably perform,
10 including studies, investigations, surveying and mapping,
11 tests, evaluations, consultations, comprehensive planning,
12 program management, conceptual designs, plans and
13 specifications, value engineering, construction phase
14 services, soils engineering, drawing reviews, preparation
15 of operating and maintenance manuals, and other related
16 services.

17 "Emerging investment manager" means an investment
18 manager or claims consultant having assets under
19 management below \$10 billion or otherwise adjudicating
20 claims.

21 "Information technology services" means, but is not
22 limited to, specialized technology-oriented solutions by
23 combining the processes and functions of software,
24 hardware, networks, telecommunications, web designers,
25 cloud developing resellers, and electronics.

26 "Insurance broker" means an insurance brokerage firm,

1 claims administrator, or both, that procures, places all
2 lines of insurance, or administers claims with annual
3 premiums or fees of at least \$5,000,000 but not more than
4 \$10,000,000.

5 "Legal services" means work performed by a lawyer
6 including, but not limited to, contracts in anticipation of
7 litigation, enforcement actions, or investigations.

8 (3) Each State agency and public institutions of higher
9 education shall adopt policies that identify its plan and
10 implementation procedures for increasing the use of service
11 firms owned by minorities, females, and persons with
12 disabilities.

13 (4) Except as provided in subsection (5), the Council shall
14 file no later than March 1 of each year an annual report to the
15 Governor and the General Assembly. The report filed with the
16 General Assembly shall be filed as required in Section 3.1 of
17 the General Assembly Organization Act. This report shall: (i)
18 identify the service firms used by each State agency and public
19 institution of higher education, (ii) identify the actions it
20 has undertaken to increase the use of service firms owned by
21 minorities, females, and persons with disabilities, including
22 encouraging non-minority owned firms to use other service firms
23 owned by minorities, females, and persons with disabilities as
24 subcontractors when the opportunities arise, (iii) state any
25 recommendations made by the Council to each State agency and
26 public institution of higher education to increase

1 participation by the use of service firms owned by minorities,
2 females, and persons with disabilities, and (iv) include the
3 following:

4 (A) For insurance services: the names of the insurance
5 brokers or claims consultants used, the total of risk
6 managed by each State agency and public institution of
7 higher education by insurance brokers, the total
8 commissions, fees paid, or both, the lines or insurance
9 policies placed, and the amount of premiums placed; and the
10 percentage of the risk managed by insurance brokers, the
11 percentage of total commission, fees paid, or both, the
12 lines or insurance policies placed, and the amount of
13 premiums placed with each by the insurance brokers owned by
14 minorities, females, and persons with disabilities by each
15 State agency and public institution of higher education.

16 (B) For investment management services: the names of
17 the investment managers used, the total funds under
18 management of investment managers; the total commissions,
19 fees paid, or both; the total and percentage of funds under
20 management of emerging investment managers owned by
21 minorities, females, and persons with disabilities,
22 including the total and percentage of total commissions,
23 fees paid, or both by each State agency and public
24 institution of higher education.

25 (C) The names of service firms, the percentage and
26 total dollar amount paid for professional services by

1 category by each State agency and public institution of
2 higher education.

3 (D) The names of service firms, the percentage and
4 total dollar amount paid for services by category to firms
5 owned by minorities, females, and persons with
6 disabilities by each State agency and public institution of
7 higher education.

8 (E) The total number of contracts awarded for services
9 by category and the total number of contracts awarded to
10 firms owned by minorities, females, and persons with
11 disabilities by each State agency and public institution of
12 higher education.

13 (5) For community college districts, the Business
14 Enterprise Council shall only report the following information
15 for each community college district: (i) the name of the
16 community colleges in the district, (ii) the name and contact
17 information of a person at each community college appointed to
18 be the single point of contact for vendors owned by minorities,
19 females, or persons with disabilities, (iii) the policy of the
20 community college district concerning certified vendors, (iv)
21 the certifications recognized by the community college
22 district for determining whether a business is owned or
23 controlled by a minority, female, or person with a disability,
24 (v) outreach efforts conducted by the community college
25 district to increase the use of certified vendors, (vi) the
26 total expenditures by the community college district in the

1 prior fiscal year in the divisions of work specified in
2 paragraphs (a), (b), and (c) of subsection (1) of this Section
3 and the amount paid to certified vendors in those divisions of
4 work, and (vii) the total number of contracts entered into for
5 the divisions of work specified in paragraphs (a), (b), and (c)
6 of subsection (1) of this Section and the total number of
7 contracts awarded to certified vendors providing these
8 services to the community college district. The Business
9 Enterprise Council shall not make any utilization reports under
10 this Act for community college districts for Fiscal Year 2015
11 and Fiscal Year 2016, but shall make the report required by
12 this subsection for Fiscal Year 2017 and for each fiscal year
13 thereafter. The Business Enterprise Council shall report the
14 information in items (i), (ii), (iii), and (iv) of this
15 subsection beginning in September of 2016. The Business
16 Enterprise Council may collect the data needed to make its
17 report from the Illinois Community College Board.

18 (6) The status of the utilization of services shall be
19 discussed at each of the regularly scheduled Business
20 Enterprise Council meetings. Time shall be allotted for the
21 Council to receive, review, and discuss the progress of the use
22 of service firms owned by minorities, females, and persons with
23 disabilities by each State agency and public institutions of
24 higher education; and any evidence regarding past or present
25 racial, ethnic, or gender-based discrimination which directly
26 impacts State agency or public institutions of higher education

1 contracting with such firms. If after reviewing such evidence
2 the Council finds that there is or has been such discrimination
3 against a specific group, race or sex, the Council shall
4 establish sheltered markets or adjust existing sheltered
5 markets tailored to address the Council's specific findings for
6 the divisions of work specified in paragraphs (a), (b), and (c)
7 of subsection (1) of this Section.

8 (30 ILCS 575/5) (from Ch. 127, par. 132.605)

9 (Section scheduled to be repealed on June 30, 2016)

10 Sec. 5. Business Enterprise Council.

11 (1) To help implement, monitor and enforce the goals of
12 this Act, there is created the Business Enterprise Council for
13 Minorities, Females, and Persons with Disabilities,
14 hereinafter referred to as the Council, composed of the
15 Secretary of Human Services and the Directors of the Department
16 of Human Rights, the Department of Commerce and Economic
17 Opportunity, the Department of Central Management Services,
18 the Department of Transportation and the Capital Development
19 Board, or their duly appointed representatives. Ten
20 individuals representing businesses that are minority or
21 female owned or owned by persons with disabilities, 2
22 individuals representing the business community, and a
23 representative of public institutions of higher education
24 ~~public universities~~ shall be appointed by the Governor. These
25 members shall serve 2 year terms and shall be eligible for

1 reappointment. Any vacancy occurring on the Council shall also
2 be filled by the Governor. Any member appointed to fill a
3 vacancy occurring prior to the expiration of the term for which
4 his predecessor was appointed shall be appointed for the
5 remainder of such term. Members of the Council shall serve
6 without compensation but shall be reimbursed for any ordinary
7 and necessary expenses incurred in the performance of their
8 duties.

9 The Director of the Department of Central Management
10 Services shall serve as the Council chairperson and shall
11 select, subject to approval of the council, a Secretary
12 responsible for the operation of the program who shall serve as
13 the Division Manager of the Business Enterprise for Minorities,
14 Females, and Persons with Disabilities Division of the
15 Department of Central Management Services.

16 The Director of each State agency and the chief executive
17 officer of each public institutions of higher education ~~State~~
18 ~~university~~ shall appoint a liaison to the Council. The liaison
19 shall be responsible for submitting to the Council any reports
20 and documents necessary under this Act.

21 (2) The Council's authority and responsibility shall be to:

22 (a) Devise a certification procedure to assure that
23 businesses taking advantage of this Act are legitimately
24 classified as businesses owned by minorities, females, or
25 persons with disabilities.

26 (b) Maintain a list of all businesses legitimately

1 classified as businesses owned by minorities, females, or
2 persons with disabilities to provide to State agencies and
3 public institutions of higher education ~~State~~
4 ~~universities~~.

5 (c) Review rules and regulations for the
6 implementation of the program for businesses owned by
7 minorities, females, and persons with disabilities.

8 (d) Review compliance plans submitted by each State
9 agency and public institutions of higher education ~~State~~
10 ~~university~~ pursuant to this Act.

11 (e) Make annual reports as provided in Section 8f to
12 the Governor and the General Assembly on the status of the
13 program.

14 (f) Serve as a central clearinghouse for information on
15 State contracts, including the maintenance of a list of all
16 pending State contracts upon which businesses owned by
17 minorities, females, and persons with disabilities may
18 bid. At the Council's discretion, maintenance of the list
19 may include 24-hour electronic access to the list along
20 with the bid and application information.

21 (g) Establish a toll free telephone number to
22 facilitate information requests concerning the
23 certification process and pending contracts.

24 (3) No premium bond rate of a surety company for a bond
25 required of a business owned by a minority, female, or person
26 with a disability bidding for a State contract shall be higher

1 than the lowest rate charged by that surety company for a
2 similar bond in the same classification of work that would be
3 written for a business not owned by a minority, female, or
4 person with a disability.

5 (4) Any Council member who has direct financial or personal
6 interest in any measure pending before the Council shall
7 disclose this fact to the Council and refrain from
8 participating in the determination upon such measure.

9 (5) The Secretary shall have the following duties and
10 responsibilities:

11 (a) To be responsible for the day-to-day operation of
12 the Council.

13 (b) To serve as a coordinator for all of the State's
14 programs for businesses owned by minorities, females, and
15 persons with disabilities and as the information and
16 referral center for all State initiatives for businesses
17 owned by minorities, females, and persons with
18 disabilities.

19 (c) To establish an enforcement procedure whereby the
20 Council may recommend to the appropriate State legal
21 officer that the State exercise its legal remedies which
22 shall include (1) termination of the contract involved, (2)
23 prohibition of participation by the respondent in public
24 contracts for a period not to exceed one year, (3)
25 imposition of a penalty not to exceed any profit acquired
26 as a result of violation, or (4) any combination thereof.

1 Such procedures shall require prior approval by Council.

2 (d) To devise appropriate policies, regulations and
3 procedures for including participation by businesses owned
4 by minorities, females, and persons with disabilities as
5 prime contractors including, but not limited to, (i)
6 encouraging the inclusions of qualified businesses owned
7 by minorities, females, and persons with disabilities on
8 solicitation lists, (ii) investigating the potential of
9 blanket bonding programs for small construction jobs,
10 (iii) investigating and making recommendations concerning
11 the use of the sheltered market process.

12 (e) To devise procedures for the waiver of the
13 participation goals in appropriate circumstances.

14 (f) To accept donations and, with the approval of the
15 Council or the Director of Central Management Services,
16 grants related to the purposes of this Act; to conduct
17 seminars related to the purpose of this Act and to charge
18 reasonable registration fees; and to sell directories,
19 vendor lists and other such information to interested
20 parties, except that forms necessary to become eligible for
21 the program shall be provided free of charge to a business
22 or individual applying for the program.

23 (Source: P.A. 94-793, eff. 5-19-06.)

24 (30 ILCS 575/6) (from Ch. 127, par. 132.606)

25 (Section scheduled to be repealed on June 30, 2016)

1 Sec. 6. Agency compliance plans. Each State agency and
2 public institutions of higher education ~~State university~~ under
3 the jurisdiction of this Act shall file with the Council an
4 annual compliance plan which shall outline the goals of the
5 State agency or public institutions of higher education ~~State~~
6 ~~university~~ for contracting with businesses owned by
7 minorities, females, and persons with disabilities for the then
8 current fiscal year, the manner in which the agency intends to
9 reach these goals and a timetable for reaching these goals. The
10 Council shall review and approve the plan of each State agency
11 and public institutions of higher education ~~State university~~
12 and may reject any plan that does not comply with this Act or
13 any rules or regulations promulgated pursuant to this Act.

14 (a) The compliance plan shall also include, but not be
15 limited to, (1) a policy statement, signed by the State agency
16 or public institution of higher education ~~State university~~
17 head, expressing a commitment to encourage the use of
18 businesses owned by minorities, females, and persons with
19 disabilities, (2) the designation of the liaison officer
20 provided for in Section 5 of this Act, (3) procedures to
21 distribute to potential contractors and vendors the list of all
22 businesses legitimately classified as businesses owned by
23 minorities, females, and persons with disabilities and so
24 certified under this Act, (4) procedures to set separate
25 contract goals on specific prime contracts and purchase orders
26 with subcontracting possibilities based upon the type of work

1 or services and subcontractor availability, (5) procedures to
2 assure that contractors and vendors make good faith efforts to
3 meet contract goals, (6) procedures for contract goal
4 exemption, modification and waiver, and (7) the delineation of
5 separate contract goals for businesses owned by minorities,
6 females, and persons with disabilities.

7 (b) Approval of the compliance plans shall include such
8 delegation of responsibilities to the requesting State agency
9 or public institution of higher education ~~State university~~ as
10 the Council deems necessary and appropriate to fulfill the
11 purpose of this Act. Such responsibilities may include, but
12 need not be limited to those outlined in subsections (1), (2)
13 and (3) of Section 7 and paragraph (a) of Section 8.

14 (c) Each State agency and public institution of higher
15 education ~~State university~~ under the jurisdiction of this Act
16 shall file with the Council an annual report of its utilization
17 of businesses owned by minorities, females, and persons with
18 disabilities during the preceding fiscal year including lapse
19 period spending and a mid-fiscal year report of its utilization
20 to date for the then current fiscal year. The reports shall
21 include a self-evaluation of the efforts of the State agency or
22 public institution of higher education ~~State university~~ to meet
23 its goals under the Act.

24 (d) Notwithstanding any provisions to the contrary in this
25 Act, any State agency or public institution of higher education
26 ~~State university~~ which administers a construction program, for

1 which federal law or regulations establish standards and
2 procedures for the utilization of minority, disadvantaged, and
3 female-owned business, shall implement a disadvantaged
4 business enterprise program to include minority, disadvantaged
5 and female-owned businesses, using the federal standards and
6 procedures for the establishment of goals and utilization
7 procedures for the State-funded, as well as the federally
8 assisted, portions of the program. In such cases, these goals
9 shall not exceed those established pursuant to the relevant
10 federal statutes or regulations. Notwithstanding the
11 provisions of Section 8b, the Illinois Department of
12 Transportation is authorized to establish sheltered markets
13 for the State-funded portions of the program consistent with
14 federal law and regulations. Additionally, a compliance plan
15 which is filed by such State agency or public institution of
16 higher education ~~State university~~ pursuant to this Act, which
17 incorporates equivalent terms and conditions of its
18 federally-approved compliance plan, shall be deemed approved
19 under this Act.

20 (Source: P.A. 88-377; 88-597, eff. 8-28-94.)

21 (30 ILCS 575/6a) (from Ch. 127, par. 132.606a)

22 (Section scheduled to be repealed on June 30, 2016)

23 Sec. 6a. Notice of contracts to Council. Except in case of
24 emergency as defined in the Illinois Procurement Code
25 ~~Purchasing Act~~, or as authorized by rule promulgated by the

1 Department of Central Management Services, each agency and
2 public institution of higher education ~~State university~~ under
3 the jurisdiction of this Act shall notify the Secretary of the
4 Council of proposed contracts for professional and artistic
5 services and provide the information in the form and detail as
6 required by rule promulgated by the Department of Central
7 Management Services. Notification may be made through direct
8 written communication to the Secretary to be received at least
9 14 days before execution of the contract (or the solicitation
10 response date, if applicable) or by advertising in the official
11 State newspaper for at least 3 days, the last of which must be
12 at least 10 days after the first publication. The agency or
13 public institution of higher education ~~university~~ must
14 consider any vendor referred by the Secretary before execution
15 of the contract. The provisions of this Section shall not apply
16 to any State agency or public institution of higher education
17 ~~State university~~ that has awarded contracts for professional
18 and artistic services to businesses owned by minorities,
19 females, and persons with disabilities totalling in the
20 aggregate \$40,000,000 ~~\$5,000,000~~ or more during the preceding
21 fiscal year.

22 (Source: P.A. 87-628; 88-377; 88-597, eff. 8-28-94.)

23 (30 ILCS 575/7) (from Ch. 127, par. 132.607)

24 (Section scheduled to be repealed on June 30, 2016)

25 Sec. 7. Exemptions and waivers; publication of data.

1 (1) Individual contract exemptions. The Council, on its own
2 initiative or at the request of the affected agency, public
3 institution of higher education ~~university~~, or recipient of a
4 grant or loan of State funds of \$250,000 or more complying with
5 Section 45 of the State Finance Act, may permit an individual
6 contract or contract package, (related contracts being bid or
7 awarded simultaneously for the same project or improvements) be
8 made wholly or partially exempt from State contracting goals
9 for businesses owned by minorities, females, and persons with
10 disabilities prior to the advertisement for bids or
11 solicitation of proposals whenever there has been a
12 determination, reduced to writing and based on the best
13 information available at the time of the determination, that
14 there is an insufficient number of businesses owned by
15 minorities, females, and persons with disabilities to ensure
16 adequate competition and an expectation of reasonable prices on
17 bids or proposals solicited for the individual contract or
18 contract package in question.

19 (2) Class exemptions.

20 (a) Creation. The Council, on its own initiative or at
21 the request of the affected agency or public institution of
22 higher education ~~university~~, may permit an entire class of
23 contracts be made exempt from State contracting goals for
24 businesses owned by minorities, females, and persons with
25 disabilities whenever there has been a determination,
26 reduced to writing and based on the best information

1 available at the time of the determination, that there is
2 an insufficient number of qualified businesses owned by
3 minorities, females, and persons with disabilities to
4 ensure adequate competition and an expectation of
5 reasonable prices on bids or proposals within that class.

6 (b) Limitation. Any such class exemption shall not be
7 permitted for a period of more than one year at a time.

8 (3) Waivers. Where a particular contract requires a
9 contractor to meet a goal established pursuant to this Act, the
10 contractor shall have the right to request a waiver from such
11 requirements. The Council shall grant the waiver where the
12 contractor demonstrates that there has been made a good faith
13 effort to comply with the goals for participation by businesses
14 owned by minorities, females, and persons with disabilities.

15 (4) Conflict with other laws. In the event that any State
16 contract, which otherwise would be subject to the provisions of
17 this Act, is or becomes subject to federal laws or regulations
18 which conflict with the provisions of this Act or actions of
19 the State taken pursuant hereto, the provisions of the federal
20 laws or regulations shall apply and the contract shall be
21 interpreted and enforced accordingly.

22 (5) Each chief procurement officer, as defined in the
23 Illinois Procurement Code, shall maintain on his or her
24 official Internet website a database of waivers granted under
25 this Section with respect to contracts under his or her
26 jurisdiction. The database, which shall be updated

1 periodically as necessary, shall be searchable by contractor
2 name and by contracting State agency.

3 Each public notice required by law of the award of a State
4 contract shall include for each bid submitted for that contract
5 the following: (i) the bidder's name, (ii) the bid amount,
6 (iii) the bid's percentage of disadvantaged business
7 utilization plan, and (iv) the bid's percentage of business
8 enterprise program utilization plan.

9 (Source: P.A. 96-1064, eff. 7-16-10.)

10 (30 ILCS 575/8) (from Ch. 127, par. 132.608)

11 (Section scheduled to be repealed on June 30, 2016)

12 Sec. 8. Enforcement. The Council shall make such findings,
13 recommendations and proposals to the Governor as are necessary
14 and appropriate to enforce this Act. If, as a result of its
15 monitoring activities, the Council determines that its goals
16 and policies are not being met by any State agency or public
17 institution of higher education ~~State university~~, the Council
18 may recommend any or all of the following actions:

19 (a) Establish enforcement procedures whereby the Council
20 may recommend to the appropriate State agency, public
21 institutions of higher education ~~State university~~, or law
22 enforcement officer that legal or administrative remedies be
23 initiated for violations of contract provisions or rules issued
24 hereunder or by a contracting State agency or public
25 institutions of higher education ~~State university~~. State

1 agencies and public institutions of higher education ~~State~~
2 ~~universities~~ shall be authorized to adopt remedies for such
3 violations which shall include (1) termination of the contract
4 involved, (2) prohibition of participation of the respondents
5 in public contracts for a period not to exceed one year, (3)
6 imposition of a penalty not to exceed any profit acquired as a
7 result of violation, or (4) any combination thereof.

8 (b) If the Council concludes that a compliance plan
9 submitted under Section 6 is unlikely to produce the
10 participation goals for businesses owned by minorities,
11 females, and persons with disabilities within the then current
12 fiscal year, the Council may recommend that the State agency or
13 public institution of higher education ~~State university~~ revise
14 its plan to provide additional opportunities for participation
15 by businesses owned by minorities, females, and persons with
16 disabilities. Such recommended revisions may include, but
17 shall not be limited to, the following:

18 (i) assurances of stronger and better focused
19 solicitation efforts to obtain more businesses owned by
20 minorities, females, and persons with disabilities as
21 potential sources of supply;

22 (ii) division of job or project requirements, when
23 economically feasible, into tasks or quantities to permit
24 participation of businesses owned by minorities, females,
25 and persons with disabilities;

26 (iii) elimination of extended experience or

1 capitalization requirements, when programmatically
2 feasible, to permit participation of businesses owned by
3 minorities, females, and persons with disabilities;

4 (iv) identification of specific proposed contracts as
5 particularly attractive or appropriate for participation
6 by businesses owned by minorities, females, and persons
7 with disabilities, such identification to result from and
8 be coupled with the efforts of subparagraphs (i) through
9 (iii);

10 (v) implementation of those regulations established
11 for the use of the sheltered market process.

12 (Source: P.A. 88-377; 88-597, eff. 8-28-94.)

13 (30 ILCS 575/8f)

14 (Section scheduled to be repealed on June 30, 2016)

15 Sec. 8f. Annual report. The Council shall file no later
16 than March 1 of each year, an annual report that shall detail
17 the level of achievement toward the goals specified in this Act
18 over the 3 most recent fiscal years. The annual report shall
19 include, but need not be limited to the following:

20 (1) a summary detailing expenditures ~~State~~
21 ~~appropriations~~ subject to the goals, the actual goals
22 specified, and the goals attained by each State agency and
23 public institution of higher education ~~State university~~;

24 (2) a summary of the number of contracts awarded and
25 the average contract amount by each State agency and public

1 institution of higher education ~~State university~~;

2 (3) an analysis of the level of overall goal
3 achievement concerning purchases from minority businesses,
4 female-owned businesses, and businesses owned by persons
5 with disabilities;

6 (4) an analysis of the number of businesses owned by
7 minorities, females, and persons with disabilities that
8 are certified under the program as well as the number of
9 those businesses that received State procurement
10 contracts; and

11 (5) a summary of the number of contracts awarded to
12 businesses with annual gross sales of less than \$1,000,000;
13 of \$1,000,000 or more, but less than \$5,000,000; of
14 \$5,000,000 or more, but less than \$10,000,000; and of
15 \$10,000,000 or more.

16 (Source: P.A. 88-597, eff. 8-28-94.)

17 Section 10. The Illinois Pension Code is amended by
18 changing Section 1-109.1 as follows:

19 (40 ILCS 5/1-109.1) (from Ch. 108 1/2, par. 1-109.1)

20 Sec. 1-109.1. Allocation and delegation of fiduciary
21 duties.

22 (1) Subject to the provisions of Section 22A-113 of this
23 Code and subsections (2) and (3) of this Section, the board of
24 trustees of a retirement system or pension fund established

1 under this Code may:

2 (a) Appoint one or more investment managers as
3 fiduciaries to manage (including the power to acquire and
4 dispose of) any assets of the retirement system or pension
5 fund; and

6 (b) Allocate duties among themselves and designate
7 others as fiduciaries to carry out specific fiduciary
8 activities other than the management of the assets of the
9 retirement system or pension fund.

10 (2) The board of trustees of a pension fund established
11 under Article 5, 6, 8, 9, 10, 11, 12 or 17 of this Code may not
12 transfer its investment authority, nor transfer the assets of
13 the fund to any other person or entity for the purpose of
14 consolidating or merging its assets and management with any
15 other pension fund or public investment authority, unless the
16 board resolution authorizing such transfer is submitted for
17 approval to the contributors and pensioners of the fund at
18 elections held not less than 30 days after the adoption of such
19 resolution by the board, and such resolution is approved by a
20 majority of the votes cast on the question in both the
21 contributors election and the pensioners election. The
22 election procedures and qualifications governing the election
23 of trustees shall govern the submission of resolutions for
24 approval under this paragraph, insofar as they may be made
25 applicable.

26 (3) Pursuant to subsections (h) and (i) of Section 6 of

1 Article VII of the Illinois Constitution, the investment
2 authority of boards of trustees of retirement systems and
3 pension funds established under this Code is declared to be a
4 subject of exclusive State jurisdiction, and the concurrent
5 exercise by a home rule unit of any power affecting such
6 investment authority is hereby specifically denied and
7 preempted.

8 (4) For the purposes of this Code, "emerging investment
9 manager" means a qualified investment adviser that manages an
10 investment portfolio of at least \$10,000,000 but less than
11 \$10,000,000,000 and is a "minority owned business", "female
12 owned business" or "business owned by a person with a
13 disability" as those terms are defined in the Business
14 Enterprise for Minorities, Females, and Persons with
15 Disabilities Act.

16 It is hereby declared to be the public policy of the State
17 of Illinois to encourage the trustees of public employee
18 retirement systems, pension funds, and investment boards to use
19 emerging investment managers in managing their system's
20 assets, encompassing all asset classes, and increase the
21 racial, ethnic, and gender diversity of its fiduciaries, to the
22 greatest extent feasible within the bounds of financial and
23 fiduciary prudence, and to take affirmative steps to remove any
24 barriers to the full participation in investment opportunities
25 afforded by those retirement systems, pension funds, and
26 investment boards.

1 On or before January 1, 2010, a retirement system, pension
2 fund, or investment board subject to this Code, except those
3 whose investments are restricted by Section 1-113.2 of this
4 Code, shall adopt a policy that sets forth goals for
5 utilization of emerging investment managers. This policy shall
6 include quantifiable goals for the management of assets in
7 specific asset classes by emerging investment managers. The
8 retirement system, pension fund, or investment board shall
9 establish 3 separate goals for: (i) emerging investment
10 managers that are minority owned businesses; (ii) emerging
11 investment managers that are female owned businesses; and (iii)
12 emerging investment managers that are businesses owned by a
13 person with a disability. The goals established shall be based
14 on the percentage of total dollar amount of investment service
15 contracts let to minority owned businesses, female owned
16 businesses, and businesses owned by a person with a disability,
17 as those terms are defined in the Business Enterprise for
18 Minorities, Females, and Persons with Disabilities Act. The
19 retirement system, pension fund, or investment board shall
20 annually review the goals established under this subsection.

21 If in any case an emerging investment manager meets the
22 criteria established by a board for a specific search and meets
23 the criteria established by a consultant for that search, then
24 that emerging investment manager shall receive an invitation by
25 the board of trustees, or an investment committee of the board
26 of trustees, to present his or her firm for final consideration

1 of a contract. In the case where multiple emerging investment
2 managers meet the criteria of this Section, the staff may
3 choose the most qualified firm or firms to present to the
4 board.

5 The use of an emerging investment manager does not
6 constitute a transfer of investment authority for the purposes
7 of subsection (2) of this Section.

8 (5) Each retirement system, pension fund, or investment
9 board subject to this Code, except those whose investments are
10 restricted by Section 1-113.2 of this Code, shall establish a
11 policy that sets forth goals for increasing the racial, ethnic,
12 and gender diversity of its fiduciaries, including its
13 consultants and senior staff. Each system, fund, and investment
14 board shall annually review the goals established under this
15 subsection.

16 (6) On or before January 1, 2010, a retirement system,
17 pension fund, or investment board subject to this Code, except
18 those whose investments are restricted by Section 1-113.2 of
19 this Code, shall adopt a policy that sets forth goals for
20 utilization of businesses owned by minorities, females, and
21 persons with disabilities for all contracts and services. The
22 goals established shall be based on the percentage of total
23 dollar amount of all contracts let to minority owned
24 businesses, female owned businesses, and businesses owned by a
25 person with a disability, as those terms are defined in the
26 Business Enterprise for Minorities, Females, and Persons with

1 Disabilities Act. The retirement system, pension fund, or
2 investment board shall annually review the goals established
3 under this subsection.

4 (7) On or before January 1, 2010, a retirement system,
5 pension fund, or investment board subject to this Code, except
6 those whose investments are restricted by Section 1-113.2 of
7 this Code, shall adopt a policy that sets forth goals for
8 increasing the utilization of minority broker-dealers. For the
9 purposes of this Code, "minority broker-dealer" means a
10 qualified broker-dealer who meets the definition of "minority
11 owned business", "female owned business", or "business owned by
12 a person with a disability", as those terms are defined in the
13 Business Enterprise for Minorities, Females, and Persons with
14 Disabilities Act. The retirement system, pension fund, or
15 investment board shall annually review the goals established
16 under this Section.

17 (8) Each retirement system, pension fund, and investment
18 board subject to this Code, except those whose investments are
19 restricted by Section 1-113.2 of this Code, shall submit a
20 report to the Governor and the General Assembly by January 1 of
21 each year that includes the following: (i) the policy adopted
22 under subsection (4) of this Section, including the names and
23 addresses of the emerging investment managers used, percentage
24 of the assets under the investment control of emerging
25 investment managers for the 3 separate goals, and the actions
26 it has undertaken to increase the use of emerging investment

1 managers, including encouraging other investment managers to
2 use emerging investment managers as subcontractors when the
3 opportunity arises; (ii) the policy adopted under subsection
4 (5) of this Section; (iii) the policy adopted under subsection
5 (6) of this Section; (iv) the policy adopted under subsection
6 (7) of this Section, including specific actions undertaken to
7 increase the use of minority broker-dealers; and (v) the policy
8 adopted under subsection (9) of this Section.

9 (9) On or before February 1, 2015, a retirement system,
10 pension fund, or investment board subject to this Code, except
11 those whose investments are restricted by Section 1-113.2 of
12 this Code, shall adopt a policy that sets forth goals for
13 increasing the utilization of minority investment managers.
14 For the purposes of this Code, "minority investment manager"
15 means a qualified investment manager that manages an investment
16 portfolio and meets the definition of "minority owned
17 business", "female owned business", or "business owned by a
18 person with a disability", as those terms are defined in the
19 Business Enterprise for Minorities, Females, and Persons with
20 Disabilities Act.

21 It is hereby declared to be the public policy of the State
22 of Illinois to encourage the trustees of public employee
23 retirement systems, pension funds, and investment boards to use
24 minority investment managers in managing their systems'
25 assets, encompassing all asset classes, and to increase the
26 racial, ethnic, and gender diversity of their fiduciaries, to

1 the greatest extent feasible within the bounds of financial and
2 fiduciary prudence, and to take affirmative steps to remove any
3 barriers to the full participation in investment opportunities
4 afforded by those retirement systems, pension funds, and
5 investment boards.

6 The retirement system, pension fund, or investment board
7 shall establish 3 separate goals for: (i) minority investment
8 managers that are minority owned businesses; (ii) minority
9 investment managers that are female owned businesses; and (iii)
10 minority investment managers that are businesses owned by a
11 person with a disability. The retirement system, pension fund,
12 or investment board shall annually review the goals established
13 under this Section.

14 If in any case a minority investment manager meets the
15 criteria established by a board for a specific search and meets
16 the criteria established by a consultant for that search, then
17 that minority investment manager shall receive an invitation by
18 the board of trustees, or an investment committee of the board
19 of trustees, to present his or her firm for final consideration
20 of a contract. In the case where multiple minority investment
21 managers meet the criteria of this Section, the staff may
22 choose the most qualified firm or firms to present to the
23 board.

24 The use of a minority investment manager does not
25 constitute a transfer of investment authority for the purposes
26 of subsection (2) of this Section.

1 (10) Beginning January 1, 2016, it shall be the
2 aspirational goal for a retirement system, pension fund, or
3 investment board subject to this Code to use emerging
4 investment managers for not less than 20% of the total funds
5 under management. Furthermore, it shall be the aspirational
6 goal that not less than 20% of investment advisors be
7 minorities, females, and persons with disabilities as those
8 terms are defined in the Business Enterprise for Minorities,
9 Females, and Persons with Disabilities Act. It shall be the
10 aspirational goal to utilize businesses owned by minorities,
11 females, and persons with disabilities for not less than 20% of
12 contracts awarded for "information technology services",
13 "accounting services", "insurance brokers", "architectural and
14 engineering services", and "legal services" as those terms are
15 defined in the Act.

16 (Source: P.A. 98-1022, eff. 1-1-15.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.