

Sen. Ann Gillespie

## Filed: 3/23/2021

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1	AMENDMENT TO SENATE BILL 228
2	AMENDMENT NO Amend Senate Bill 228 by replacing
3	everything after the enacting clause with the following:
4	"Section 1. Short title. This Act may be cited as the
5	Diversity in Not-for-Profit Act.
6	Section 5. Definitions. As used in this Act:
7	"Board of directors" has the same meaning as provided
8	under subsection (d) of Section 101.80 of the General Not For
9	Profit Corporation Act of 1986.
10	"Certification" means a determination that a
11	not-for-profit organization meets the defined classifications
12	of a "minority-led not-for-profit organization", a "woman-led
13	not-for-profit organization", or a "not-for-profit
14	organization led by a person with a disability".
15	"Key employees" means an employee of the organization who
16	is:

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1 (1) the person who has ultimate responsibility for implementing the decisions of the board of directors or 2 3 for supervising the management, administration, or 4 operation of the organization; 5 (2) the person who has ultimate responsibility for managing the organization's finances; or 6 7 (3) the person who: (A) has responsibilities, powers, or influence 8 9 over the organization as a whole that is similar to the 10 persons described in paragraphs (1) and (2); 11 (B) manages a discrete segment or activity of the organizations that represents 25% or more of 12 the 13 activities, assets, income, or expenses of the 14 organization, as compared to the organization as a 15 whole, or has or shares authority to control or 16 determine 25% or more of the organization's capital expenditures, operating budget, or compensation for 17 18 employees; and

(C) is one of the 5 highest compensated employeesin the organization.

21 "Minority-led not-for-profit organization" means an 22 organization that is tax-exempt under Sections 501(c)(3) or 23 501(c)(4) of the Internal Revenue Code of 1986, has filed all 24 required forms under the Solicitation for Charity Act, and for 25 which:

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(1) at least 51% of the members of the organization's

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board of directors are minority persons, or at least 51% of the members of the organization's board of directors and key employees are minority persons;

4 (2) the organization is regularly and actively engaged
5 in the activity for which it is formed;

6 (3) the organization is not dependent upon or 7 influenced by another non-eligible person or organization; 8 and

9 (4) the organization has not been established or 10 reorganized for the specific purpose of obtaining a 11 certification under this Act.

"Not-for-profit organization led by a person with a disability" means an organization that is tax-exempt under Sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, has filed all required forms under the Solicitation for Charity Act, and for which:

(1) at least 51% of the members of the organization's board of directors are persons with a disability, or at least 51% of the members of the organization's board of directors and key employees are persons with a disability;

(2) the organization is regularly and actively engaged
 in the activity for which it is formed;

(3) the organization is not dependent upon or
 influenced by another non-eligible person or organization;
 and

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(4) the organization has not been established or

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reorganized for the specific purpose of obtaining a
 certification under this Act.

3 "Woman-led not-for-profit organization" means an 4 organization that is tax-exempt under Sections 501(c)(3) or 5 501(c)(4) of the Internal Revenue Code of 1986, has filed all 6 required forms under the Solicitation for Charity Act, and for 7 which:

8 (1) at least 51% of the members of the organization's 9 board of directors are women, or at least 51% of the 10 members of the organization's board of directors and key 11 employees are women;

12 (2) the organization is regularly and actively engaged13 in the activity for which it is formed;

14 (3) the organization is not dependent upon or 15 influenced by another non-eligible person or organization; 16 and

17 (4) the organization has not been established or 18 reorganized for the specific purpose of obtaining a 19 certification under this Act.

20 Section 10. Certification.

(a) For the purpose of assuring that a not-for-profit organization taking advantage of this Act is legitimately classified as a minority-led not-for-profit organization, a woman-led not-for-profit organization, or a not-for-profit organization led by a person with a disability, any State 10200SB0228sam001 -5- LRB102 04023 RJF 23902 a

1 agency, county, or unit of local government of the State of Illinois that, on the effective date of this Act, certifies 2 3 entities under a disadvantaged business enterprise program 4 created under (i) the Business Enterprise for Minorities, 5 Women, and Persons with Disabilities Act, (ii) home rule 6 authorization under the Illinois Constitution, or (iii) any similar statutory or home rule authorizations, may also 7 8 certify the organizations defined under this Act. Any such State agency, county, or unit of local government, if it 9 10 elects to certify hereunder, shall also maintain a list of all 11 not-for-profit organizations legitimately classified as a organization, 12 minority-led not-for-profit а woman-led 13 not-for-profit organization, or a not-for-profit organization 14 led by a person with a disability.

15 a not-for-profit organization's (b) When board of 16 directors, or the board of directors together with key employees, consists of at least 51% of any combination of 17 minority persons, women, or persons with disabilities, even 18 though none of the 3 classes alone holds at least a 51% share, 19 20 the 51% membership requirement for purposes of certification under this Act shall be considered met. The certification 21 22 category for not-for-profit organizations shall be that of the 23 class holding the largest share of positions on the board of 24 directors, or on the board of directors together with key 25 employees, of a not-for-profit organization. If 2 or more 26 classes have an equal share of positions on the board of

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directors, or on the board of directors together with key employees, the certification category shall be determined by the not-for-profit organization.

Section 15. Rules. Any State agency that elects to certify
organizations under this Act shall adopt rules necessary to
implement and enforce the requirements of this Act.

7 Section 100. The Public Utilities Act is amended by8 changing Section 5-117 as follows:

9 (220 ILCS 5/5-117)

10 Sec. 5-117. Supplier diversity goals.

(a) The public policy of this State is to collaboratively work with companies <u>and not-for-profit organizations</u> that serve Illinois residents to improve their supplier diversity in a non-antagonistic manner.

15 <u>(a-5) For the purposes of this Section, "minority-led</u> 16 <u>not-for-profit organization", "woman-led not-for-profit</u> 17 <u>organization", and "not-for-profit organization led by a</u> 18 <u>person with a disability" shall have the same meanings as</u> 19 provided under the Diversity in Not-for-Profit Act.

20 (b) The Commission shall require all gas, electric, and 21 water companies with at least 100,000 customers under its 22 authority, as well as suppliers of wind energy, solar energy, 23 hydroelectricity, nuclear energy, and any other supplier of 10200SB0228sam001 -7- LRB102 04023 RJF 23902 a

1 energy within this State, to submit an annual report by April 15, 2015 and every April 15 thereafter, in a searchable Adobe 2 PDF format, on all procurement goals and actual spending for 3 4 female-owned, minority-owned, veteran-owned, person with a 5 disability-owned, and small business enterprises, as well as minority-led not-for-profit organizations, woman-led 6 not-for-profit organizations, and not-for-profit 7 organizations led by a person with a disability, in the 8 9 previous calendar year. These goals shall be expressed as a 10 percentage of the total work performed by the entity 11 submitting the report, and the actual spending for all female-owned, minority-owned, veteran-owned, person with a 12 disability-owned, and small business enterprises, as well as 13 14 minority-led not-for-profit organizations, woman-led 15 not-for-profit organizations, and not-for-profit 16 organizations led by a person with a disability, shall also be expressed as a percentage of the total work performed by the 17 18 entity submitting the report.

19 (c) Each participating company in its annual report shall20 include the following information:

21 (1) an explanation of the plan for the next year to 22 increase participation;

(2) an explanation of the plan to increase the goals;
(3) the areas of procurement each company shall be
actively seeking more participation in in the next year;
(4) an outline of the plan to alert and encourage

potential vendors in that area to seek business from the company;

3 (5) an explanation of the challenges faced in finding 4 quality vendors and offer any suggestions for what the 5 Commission could do to be helpful to identify those 6 vendors;

7 (6) a list of the certifications the company 8 recognizes;

9 (7) the point of contact for any potential vendor who 10 wishes to do business with the company and explain the 11 process for a vendor to enroll with the company as a minority-owned, women-owned, or veteran-owned, or person 12 13 with a disability-owned company, or a minority-led 14 not-for-profit organization, a woman-led not-for-profit 15 organization, or a not-for-profit organization led by a 16 person with a disability; and

17 (8) any particular success stories to encourage other18 companies to emulate best practices.

19 (d) Each annual report shall include much as 20 State-specific data as possible. If the submitting entity does 21 not submit State-specific data, then the company shall include 22 any national data it does have and explain why it could not 23 submit State-specific data and how it intends to do so in 24 future reports, if possible.

(e) Each annual report shall include the rules,
 regulations, and definitions used for the procurement goals in

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1 the company's annual report.

2 (f) The Commission and all participating entities shall hold an annual workshop open to the public in 2015 and every 3 year thereafter on the state of supplier diversity to 4 5 collaboratively seek solutions to structural impediments to 6 achieving stated goals, including testimony from each participating entity as well as subject matter experts and 7 advocates. The Commission shall publish a database on its 8 9 website of the point of contact for each participating entity 10 for supplier diversity, along with a list of certifications 11 each company recognizes from the information submitted in each annual report. The Commission shall publish each annual report 12 13 on its website and shall maintain each annual report for at 14 least 5 years.

15 (Source: P.A. 98-1056, eff. 8-26-14; 99-906, eff. 6-1-17; 16 revised 7-22-19.)".