



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5824

Introduced 11/10/2020, by Rep. Emanuel Chris Welch - Mary E. Flowers, Mark L. Walker, Marcus C. Evans, Jr., Barbara Hernandez, et al.

SYNOPSIS AS INTRODUCED:

New Act

20 ILCS 405/405-530 rep.

20 ILCS 605/605-1055 new

35 ILCS 10/5-57

215 ILCS 5/155.47 new

305 ILCS 5/5-30.13

Creates the Higher Education Supplier Diversity Act. Provides that every private institution of higher education approved by the Illinois Student Assistance Commission for the purposes of the Monetary Award Program shall submit a report on its voluntary supplier diversity program to the Department of Commerce and Economic Opportunity. Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Creates the Office of Diversity and Economic Inclusion within the Department of Commerce and Economic Opportunity to assist diverse businesses through targeted programs, matchmaking workshops, resources, and outreach and promotional activities. Amends the Department of Central Management Services Law of the Civil Administrative Code of Illinois. Repeals a provision concerning the higher education supplier diversity report. Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that a taxpayer shall not receive a credit under the Act unless the taxpayer submits a required supplier diversity report. Amends the Illinois Insurance Code. Provides for insurance company supplier diversity reports. Defines terms. Makes other changes. Effective immediately.

LRB101 21608 RJF 73012 b

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the Higher
5 Education Supplier Diversity Act.

6 Section 5. Higher education supplier diversity report.
7 Every private institution of higher education approved by the
8 Illinois Student Assistance Commission for the purposes of the
9 Monetary Award Program shall submit a report on its voluntary
10 supplier diversity program to the Department of Commerce and
11 Economic Opportunity in the form and manner required by the
12 Department of Commerce and Economic Opportunity by April 1 of
13 every year.

14 (20 ILCS 405/405-530 rep.)

15 Section 100. The Department of Central Management Services
16 Law of the Civil Administrative Code of Illinois is amended by
17 repealing Section 405-530.

18 Section 105. The Department of Commerce and Economic
19 Opportunity Law of the Civil Administrative Code of Illinois is
20 amended by adding Section 605-1055 as follows:

1 (20 ILCS 605/605-1055 new)

2 Sec. 605-1055. Office of Diversity and Economic Inclusion.

3 (a) As used in this Section:

4 "Diverse business" means:

5 (1) a minority-owned business, as defined by Section 2
6 of the Business Enterprise for Minorities, Women, and
7 Persons with Disabilities Act;

8 (2) a women-owned business, as defined by Section 2 of
9 the Business Enterprise for Minorities, Women, and Persons
10 with Disabilities Act;

11 (3) a business owned by a person with a disability, as
12 defined by Section 2 of the Business Enterprise for
13 Minorities, Women, Persons with Disabilities Act;

14 (4) a veteran-owned business; or

15 (5) a business that is at least 51% owned and
16 controlled by one or more socially disadvantaged or
17 economically disadvantaged persons, as the Department
18 shall by rule determine.

19 "Economically disadvantaged person" means a person whose
20 ability to compete in the free enterprise system has been
21 impaired due to diminished capital and credit opportunities
22 because of his or her identity as a member of a group, without
23 regard to his or her individual qualities, as compared to
24 others in the same line of business and competitive market
25 area.

26 "Socially disadvantaged person" means a person who has been

1 subjected to cultural, racial, or ethnic prejudice because of
2 his or her identity as a member of a group, without regard to
3 his or her individual qualities.

4 "Veteran-owned business" means a business owned by a
5 veteran, as that term is defined under Section 45-57 of the
6 Illinois Procurement Code.

7 (b) The Office of Diversity and Economic Inclusion is
8 hereby created within the Department. The Office shall assist
9 diverse businesses through targeted programs, matchmaking
10 workshops, resources, and outreach and promotional activities.
11 The Office shall engage in or conduct the following activities:

12 (1) promoting and conducting outreach efforts with
13 respect to the making of small business loans pursuant to
14 Section 9-4.3 of the Build Illinois Act and assisting
15 eligible diverse business under Section 9-4.3 of the Build
16 Illinois Act apply for loan funding;

17 (2) providing and hosting workshops and public forums
18 and engaging in outreach efforts for diverse businesses to
19 encourage participation in programs authorized by the
20 Business Enterprise for Minorities, Women, and Persons
21 with Disabilities Act and the Illinois Procurement Code;

22 (3) providing and hosting workshops and public forums
23 and engaging in outreach efforts that assist and educate
24 diverse businesses on the process of applying for and
25 becoming certified to apply for State grant funds under the
26 Grant Accountability and Transparency Act;

1 (4) providing and hosting workshops and public forums
2 and engaging in outreach efforts to assist and educate
3 aspiring and existing diverse businesses in understanding
4 concepts such as, but not limited to, business formation,
5 business planning, capital access, and marketing a
6 business; and

7 (5) conduct matchmaking workshops for established
8 businesses to connect with industries that report their
9 voluntary supplier diversity programs to State agencies
10 for the purpose of assisting diverse businesses to secure
11 additional contractual opportunities from each industry.

12 (c) The Office shall administer programs established by the
13 Department, the General Assembly, or both, and may provide
14 grants to diverse businesses. The Office may establish
15 applications, notifications, contracts, and other forms or
16 procedures and may use vendors or contract work to carry out
17 the purposes of this Act. The Office may coordinate assistance
18 for businesses with other State agencies.

19 (d) The Department shall provide staff, administrative
20 support, and related support to the Office as required to
21 administer this Section.

22 (e) By July 1, 2021, the Office shall establish a supplier
23 diversity program in order to facilitate and encourage the
24 growth of supplier diversity, and shall have a least one
25 employee that serves as a supplier diversity program manager
26 to: (1) collect reports and information concerning entities

1 that manage supplier diversity programs, and publish the
2 reports and information on the website of the Department; and
3 (2) conduct workshops focused on specific industries to
4 collaboratively connect diverse enterprises with entities that
5 manage supplier diversity programs.

6 (f) The Office shall hold matchmaking workshops to help
7 connect diverse enterprises with industries that report on
8 their voluntary supplier diversity programs. These workshops
9 shall be held at least once per quarter and each shall focus on
10 a particular industry that files supplier diversity reports.
11 Each matchmaking workshop for each industry shall be held on an
12 annual basis in as close to the same month as possible. The
13 matchmaking workshops for each industry shall include, but not
14 be limited to: gaming, hospitals, public and private higher
15 education, insurance, health insurance companies holding
16 Medicaid contracts, and taxpayers receiving tax credits under
17 the Economic Development for a Growing Economy Act.
18 Participation in these matchmaking workshops shall be open to
19 any kind of diverse business that any company within a
20 particular industry recognizes and shall not be limited to
21 those diverse businesses certified by the State or defined by
22 law or rule.

23 (g) The Office shall compile and publish on the website of
24 the Department a master database consisting of the supplier
25 diversity reports submitted to State agencies pursuant to the
26 following Acts:

1 (1) Section 405-530 of the Department of Central
2 Management Services Law of the Civil Administrative Code of
3 Illinois;

4 (2) Section 8f of the Business Enterprise for
5 Minorities, Women, and Persons with Disabilities Act;

6 (3) Section 5-57 of the Economic Development for a
7 Growing Economy Act;

8 (4) Section 5-117 of the Public Utilities Act;

9 (5) Section 12.2 of the Illinois Horse Racing Act of
10 1975;

11 (6) Section 10 of the Railroad Supplier Diversity Act;

12 (7) Section 155.47 of the Illinois Insurance Code; and

13 (8) Section 5-30.13 of the Illinois Public Aid Code.

14 (h) The Department shall publish a template for supplier
15 diversity reports to be used for taxpayers receiving tax
16 credits under the Economic Development for a Growing Economy
17 Act and private higher education institutions. The template
18 shall include the following provisions:

19 (1) a point of contact for potential vendors to
20 register with the entity;

21 (2) certifications that the entity accepts or
22 recognizes for minority-owned and women-owned businesses;
23 entities may define diverse businesses in whatever manner
24 they choose;

25 (3) the voluntary supplier diversity goals, if any, of
26 the next fiscal year for the next fiscal year for the

1 entire budget of the entity;

2 (4) for the last fiscal year, the actual contractual
3 spending for the entire budget of the entity and the actual
4 spending for minority-owned and-women-owned businesses,
5 expressed as a percentage of the total budget for actual
6 spending for the entity;

7 (5) a narrative explaining the results of the report
8 and the tactics to be employed to achieve the voluntary
9 goals for the next fiscal year; and

10 (6) the particular areas of spending in the next fiscal
11 year that the entity intends to procure that are most
12 relevant to minority-owned and women-owned businesses;

13 The Department may adopt rules necessary to implement this
14 Section.

15 Section 110. The Economic Development for a Growing Economy
16 Tax Credit Act is amended by changing Section 5-57 as follows:

17 (35 ILCS 10/5-57)

18 Sec. 5-57. Diversity policy ~~Supplier diversity goals;~~
19 reports. Each taxpayer claiming a credit under this Act shall,
20 no later than April 15 of each taxable year for which the
21 taxpayer claims a credit under this Act, submit to the
22 Department of Commerce and Economic Opportunity an annual
23 report containing the information described in subsections
24 (b), (c), (d), and (e) of Section 5-117 of the Public Utilities

1 Act. Those reports shall be submitted in the form and manner
2 required by the Department of Commerce and Economic
3 Opportunity.

4 Any taxpayer seeking to claim a credit under this Act that
5 fails to timely submit the required report shall not receive a
6 credit for that taxable year unless and until such report is
7 finalized and submitted to the Department.

8 Each taxpayer claiming a credit under this Act shall, no
9 later than April 15 of each taxable year for which the taxpayer
10 claims a credit under this Act, submit to the Department an
11 annual report detailing the diversity of the taxpayer's own
12 workforce, including full-time and part-time employees,
13 contractors, and board members. The report shall be submitted
14 in the form and manner required by the Department. Any taxpayer
15 seeking to claim a credit under this Act that fails to timely
16 submit the required report shall not receive a credit for that
17 taxable year unless and until such report is finalized and
18 submitted to the Department.

19 (Source: P.A. 100-451, eff. 8-25-17; 100-511, eff. 9-18-17.)

20 Section 115. The Illinois Insurance Code is amended by
21 adding Section 155.47 as follows:

22 (215 ILCS 5/155.47 new)

23 Sec. 155.47. Insurance company supplier diversity report.

24 (a) Every company authorized to do business in this State

1 or accredited by this State with assets of at least \$50,000,000
2 shall submit a 2-page report on its voluntary supplier
3 diversity program to the Department. The report shall set forth
4 all of the following:

5 (1) The name, address, phone number, and e-mail address
6 of the point of contact for the supplier diversity program
7 (or the company's procurement program if there is no
8 supplier diversity program) for vendors to register with
9 the program.

10 (2) Local and State certifications the company accepts
11 or recognizes for minority-owned, women-owned, or
12 veteran-owned business status.

13 (3) On the second page, a narrative explaining the
14 results of the report and the tactics to be employed to
15 achieve the goals of its voluntary supplier diversity
16 program.

17 (4) The voluntary goals, if any, for the calendar year
18 for which the report is made in each category for the
19 entire budget of the company and the commodity codes or a
20 description of particular goods and services for the area
21 of procurement in which the company expects most of those
22 goals to focus on in that year.

23 Each company is required to submit a searchable report, in
24 Portable Document Format (PDF), to the Department on or before
25 April 15, 2021, and on or before April 15 every year
26 thereafter, for the upcoming calendar year.

1 (b) For each report submitted under subsection (a) of this
2 Section, the Department shall publish the results on its
3 Internet website for 5 years after submission. The Department
4 is not responsible for collecting the reports or for the
5 content of the reports.

6 (c) The Department shall prepare a one-page template (not
7 including the narrative section) for the voluntary supplier
8 diversity reports.

9 (d) The Department may adopt such rules as it deems
10 necessary to implement this Section.

11 Section 120. The Illinois Public Aid Code is amended by
12 renumbering Section 5-30.11 as added by Public Act 101-209 as
13 follows:

14 (305 ILCS 5/5-30.13)

15 Sec. 5-30.13 ~~5-30.11~~. Managed care reports; minority-owned
16 and women-owned businesses. Each Medicaid managed care health
17 plan shall submit a report to the Department by March 1, 2020,
18 and every March 1 thereafter, that includes the following
19 information:

20 (1) The administrative expenses paid to the Medicaid
21 managed care health plan.

22 (2) The amount of money the Medicaid managed care
23 health plan has spent with Business Enterprise Program
24 certified businesses.

1 (3) The amount of money the Medicaid managed care
2 health plan has spent with minority-owned and women-owned
3 businesses that are certified by other agencies or private
4 organizations.

5 (4) The amount of money the Medicaid managed care
6 health plan has spent with not-for-profit community-based
7 organizations serving predominantly minority communities,
8 as defined by the Department.

9 (5) The proportion of minorities, people with
10 disabilities, and women that make up the staff of the
11 Medicaid managed care health plan.

12 (6) Recommendations for increasing expenditures with
13 minority-owned and women-owned businesses.

14 (7) A list of the types of services to which the
15 Medicaid managed care health plan is contemplating adding
16 new vendors.

17 (8) The certifications the Medicaid managed care
18 health plan accepts for minority-owned and women-owned
19 businesses.

20 (9) The point of contact for potential vendors seeking
21 to do business with the Medicaid managed care health plan.

22 The Department shall publish the reports on its website and
23 shall maintain each report on its website for 5 years. In May
24 of 2020 and every May thereafter, the Department shall hold 2
25 annual public workshops, one in Chicago and one in Springfield.
26 The workshops shall include each Medicaid managed care health

1 plan and shall be open to vendor communities to discuss the
2 submitted plans and to seek to connect vendors with the
3 Medicaid managed care health plans.

4 (Source: P.A. 101-209, eff. 8-5-19; revised 10-22-19.)

5 Section 999. Effective date. This Act takes effect upon
6 becoming law.