

1 AN ACT concerning finance.

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
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:

17 (1) the person who has ultimate responsibility for
18 implementing the decisions of the board of directors or
19 for supervising the management, administration, or
20 operation of the organization;

21 (2) the person who has ultimate responsibility for
22 managing the organization's finances; or

23 (3) the person who:

1 (A) has responsibilities, powers, or influence
2 over the organization as a whole that is similar to the
3 persons described in paragraphs (1) and (2);

4 (B) manages a discrete segment or activity of the
5 organizations that represents 25% or more of the
6 activities, assets, income, or expenses of the
7 organization, as compared to the organization as a
8 whole, or has or shares authority to control or
9 determine 25% or more of the organization's capital
10 expenditures, operating budget, or compensation for
11 employees; and

12 (C) is one of the 5 highest compensated employees
13 in the organization.

14 "Minority-led not-for-profit organization" means an
15 organization that is tax-exempt under Sections 501(c)(3) or
16 501(c)(4) of the Internal Revenue Code of 1986, has filed all
17 required forms under the Solicitation for Charity Act, and for
18 which:

19 (1) at least 51% of the members of the organization's
20 board of directors are minority persons, or at least 51%
21 of the members of the organization's board of directors
22 and key employees are minority persons;

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

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

1 and

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

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

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

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

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

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

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

1 (1) at least 51% of the members of the organization's
2 board of directors are women, or at least 51% of the
3 members of the organization's board of directors and key
4 employees are women;

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

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

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

13 Section 10. Certification.

14 (a) For the purpose of assuring that a not-for-profit
15 organization taking advantage of this Act is legitimately
16 classified as a minority-led not-for-profit organization, a
17 woman-led not-for-profit organization, or a not-for-profit
18 organization led by a person with a disability, any State
19 agency, county, or unit of local government of the State of
20 Illinois that, on the effective date of this Act, certifies
21 entities under a disadvantaged business enterprise program
22 created under (i) the Business Enterprise for Minorities,
23 Women, and Persons with Disabilities Act, (ii) home rule
24 authorization under the Illinois Constitution, or (iii) any
25 similar statutory or home rule authorizations, may also

1 certify the organizations defined under this Act. Any such
2 State agency, county, or unit of local government, if it
3 elects to certify hereunder, shall also maintain a list of all
4 not-for-profit organizations legitimately classified as a
5 minority-led not-for-profit organization, a woman-led
6 not-for-profit organization, or a not-for-profit organization
7 led by a person with a disability.

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

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

1 Section 100. The Public Utilities Act is amended by
2 changing Section 5-117 as follows:

3 (220 ILCS 5/5-117)

4 Sec. 5-117. Supplier diversity goals.

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

9 (a-5) For the purposes of this Section, "minority-led
10 not-for-profit organization", "woman-led not-for-profit
11 organization", and "not-for-profit organization led by a
12 person with a disability" shall have the same meanings as
13 provided under the Diversity in Not-for-Profit Act.

14 (b) The Commission shall require all gas, electric, and
15 water companies with at least 100,000 customers under its
16 authority, as well as suppliers of wind energy, solar energy,
17 hydroelectricity, nuclear energy, and any other supplier of
18 energy within this State, to submit an annual report by April
19 15, 2015 and every April 15 thereafter, in a searchable Adobe
20 PDF format, on all procurement goals and actual spending for
21 female-owned, minority-owned, veteran-owned, person with a
22 disability-owned, and small business enterprises, as well as
23 minority-led not-for-profit organizations, woman-led
24 not-for-profit organizations, and not-for-profit

1 organizations led by a person with a disability, in the
2 previous calendar year. These goals shall be expressed as a
3 percentage of the total work performed by the entity
4 submitting the report, and the actual spending for all
5 female-owned, minority-owned, veteran-owned, person with a
6 disability-owned, and small business enterprises, as well as
7 minority-led not-for-profit organizations, woman-led
8 not-for-profit organizations, and not-for-profit
9 organizations led by a person with a disability, shall also be
10 expressed as a percentage of the total work performed by the
11 entity submitting the report.

12 (c) Each participating company in its annual report shall
13 include the following information:

14 (1) an explanation of the plan for the next year to
15 increase participation;

16 (2) an explanation of the plan to increase the goals;

17 (3) the areas of procurement each company shall be
18 actively seeking more participation in ~~in~~ the next year;

19 (4) an outline of the plan to alert and encourage
20 potential vendors in that area to seek business from the
21 company;

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

26 (6) a list of the certifications the company

1 recognizes;

2 (7) the point of contact for any potential vendor who
3 wishes to do business with the company and explain the
4 process for a vendor to enroll with the company as a
5 minority-owned, women-owned, ~~or~~ veteran-owned, or person
6 with a disability-owned company, or a minority-led
7 not-for-profit organization, a woman-led not-for-profit
8 organization, or a not-for-profit organization led by a
9 person with a disability; and

10 (8) any particular success stories to encourage other
11 companies to emulate best practices.

12 (d) Each annual report shall include as much
13 State-specific data as possible. If the submitting entity does
14 not submit State-specific data, then the company shall include
15 any national data it does have and explain why it could not
16 submit State-specific data and how it intends to do so in
17 future reports, if possible.

18 (e) Each annual report shall include the rules,
19 regulations, and definitions used for the procurement goals in
20 the company's annual report.

21 (f) The Commission and all participating entities shall
22 hold an annual workshop open to the public in 2015 and every
23 year thereafter on the state of supplier diversity to
24 collaboratively seek solutions to structural impediments to
25 achieving stated goals, including testimony from each
26 participating entity as well as subject matter experts and

1 advocates. The Commission shall publish a database on its
2 website of the point of contact for each participating entity
3 for supplier diversity, along with a list of certifications
4 each company recognizes from the information submitted in each
5 annual report. The Commission shall publish each annual report
6 on its website and shall maintain each annual report for at
7 least 5 years.

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