



Rep. Arthur Turner

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1 AMENDMENT TO SENATE BILL 1334

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1334 by replacing  
3 everything after the enacting clause with the following:

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9 (Section scheduled to be repealed on June 30, 2016)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

1           having origins in any of the original peoples of North  
2           and South America, including Central America, and who  
3           maintains tribal affiliation or community attachment).

4           (b) Asian (a person having origins in any of the  
5           original peoples of the Far East, Southeast Asia, or  
6           the Indian subcontinent, including, but not limited  
7           to, Cambodia, China, India, Japan, Korea, Malaysia,  
8           Pakistan, the Philippine Islands, Thailand, and  
9           Vietnam).

10          (c) Black or African American (a person having  
11          origins in any of the black racial groups of Africa).  
12          Terms such as "Haitian" or "Negro" can be used in  
13          addition to "Black or African American".

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

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

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

23          (2.05) "Person with a disability" means a person who is  
24          a citizen or lawful resident of the United States and is a  
25          person qualifying as being disabled under subdivision  
26          (2.1) of this subsection (A).

1           (2.1) "Disabled" means a severe physical or mental  
2       disability that:

3           (a) results from:

4           amputation,

5           arthritis,

6           autism,

7           blindness,

8           burn injury,

9           cancer,

10          cerebral palsy,

11          Crohn's disease,

12          cystic fibrosis,

13          deafness,

14          head injury,

15          heart disease,

16          hemiplegia,

17          hemophilia,

18          respiratory or pulmonary dysfunction,

19          an intellectual disability,

20          mental illness,

21          multiple sclerosis,

22          muscular dystrophy,

23          musculoskeletal disorders,

24          neurological disorders, including stroke and

25          epilepsy,

26          paraplegia,

1           quadriplegia and other spinal cord conditions,  
2           sickle cell anemia,  
3           ulcerative colitis,  
4           specific learning disabilities, or  
5           end stage renal failure disease; and

6           (b) substantially limits one or more of the  
7           person's major life activities.

8           Another disability or combination of disabilities may  
9           also be considered as a severe disability for the purposes  
10          of item (a) of this subdivision (2.1) if it is determined  
11          by an evaluation of rehabilitation potential to cause a  
12          comparable degree of substantial functional limitation  
13          similar to the specific list of disabilities listed in item  
14          (a) of this subdivision (2.1).

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

22          (4) "Female owned business" means a business ~~concern~~  
23          which is at least 51% owned by one or more females, or, in  
24          the case of a corporation, at least 51% of the stock in  
25          which is owned by one or more females; and the management  
26          and daily business operations of which are controlled by

1 one or more of the females who own it.

2 (4.1) "Business owned by a person with a disability"  
3 means a business ~~concern~~ that is at least 51% owned by one  
4 or more persons with a disability and the management and  
5 daily business operations of which are controlled by one or  
6 more of the persons with disabilities who own it. A  
7 not-for-profit agency for persons with disabilities that  
8 is exempt from taxation under Section 501 of the Internal  
9 Revenue Code of 1986 is also considered a "business owned  
10 by a person with a disability".

11 (4.2) "Council" means the Business Enterprise Council  
12 for Minorities, Females, and Persons with Disabilities  
13 created under Section 5 of this Act.

14 (5) "State contracts" means all State contracts,  
15 regardless of the source of the funds with which the  
16 contracts are paid, which are not subject to federal  
17 reimbursement. "State contracts" does not include  
18 contracts awarded by a retirement system, pension fund, or  
19 investment board subject to Section 1-109.1 of the Illinois  
20 Pension Code. This definition shall control over any  
21 existing definition under this Act or applicable  
22 administrative rule. "State contracts" shall mean all  
23 State contracts, funded exclusively with State funds which  
24 are not subject to federal reimbursement, whether  
25 competitively bid or negotiated as defined by the Secretary  
26 of the Council and approved by the Council.

1 "State construction contracts" means all State  
2 contracts entered into by a State agency or public  
3 institution of higher education ~~State university~~ for the  
4 repair, remodeling, renovation or construction of a  
5 building or structure, or for the construction or  
6 maintenance of a highway defined in Article 2 of the  
7 Illinois Highway Code.

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

22 (7) "Public institutions of higher education" means  
23 the University of Illinois, Southern Illinois University,  
24 Chicago State University, Eastern Illinois University,  
25 Governors State University, Illinois State University,  
26 Northeastern Illinois University, Northern Illinois

1        University, Western Illinois University, the public  
2        community colleges of the State, and any other public  
3        universities, colleges and community colleges now or  
4        hereafter established or authorized by the General  
5        Assembly. ~~"State universities" shall mean the Board of~~  
6        ~~Trustees of the University of Illinois, the Board of~~  
7        ~~Trustees of Southern Illinois University, the Board of~~  
8        ~~Trustees of Chicago State University, the Board of Trustees~~  
9        ~~of Eastern Illinois University, the Board of Trustees of~~  
10       ~~Governors State University, the Board of Trustees of~~  
11       ~~Illinois State University, the Board of Trustees of~~  
12       ~~Northeastern Illinois University, the Board of Trustees of~~  
13       ~~Northern Illinois University, and the Board of Trustees of~~  
14       ~~Western Illinois University.~~

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

25        (9) "Control" means the exclusive or ultimate and sole  
26        control of the business including, but not limited to,

1 capital investment and all other financial matters,  
2 property, acquisitions, contract negotiations, legal  
3 matters, officer-director-employee selection and  
4 comprehensive hiring, operating responsibilities,  
5 cost-control matters, income and dividend matters,  
6 financial transactions and rights of other shareholders or  
7 joint partners. Control shall be real, substantial and  
8 continuing, not pro forma. Control shall include the power  
9 to direct or cause the direction of the management and  
10 policies of the business and to make the day-to-day as well  
11 as major decisions in matters of policy, management and  
12 operations. Control shall be exemplified by possessing the  
13 requisite knowledge and expertise to run the particular  
14 business and control shall not include simple majority or  
15 absentee ownership.

16 (10) "Business ~~concern or business~~" means a business  
17 that has annual gross sales of less than \$150,000,000  
18 ~~\$75,000,000~~ as evidenced by the federal income tax return  
19 of the business. A firm with gross sales in excess of this  
20 cap may apply to the Council for certification for a  
21 particular contract if the firm can demonstrate that the  
22 contract would have significant impact on businesses owned  
23 by minorities, females, or persons with disabilities as  
24 suppliers or subcontractors or in employment of  
25 minorities, females, or persons with disabilities.

26 (B) When a business ~~concern~~ is owned at least 51% by any



1 combination of minority persons, females, or persons with  
2 disabilities, even though none of the 3 classes alone holds at  
3 least a 51% interest, the ownership requirement for purposes of  
4 this Act is considered to be met. The certification category  
5 for the business is that of the class holding the largest  
6 ownership interest in the business. If 2 or more classes have  
7 equal ownership interests, the certification category shall be  
8 determined by the business ~~concern~~.

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

11 (30 ILCS 575/3) (from Ch. 127, par. 132.603)

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

13 Sec. 3. Implementation and applicability. This Act shall be  
14 applied to all State agencies and public institutions of higher  
15 education ~~State universities~~.

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

17 (30 ILCS 575/4) (from Ch. 127, par. 132.604)

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

19 Sec. 4. Award of State contracts.

20 (a) Except as provided in subsections (b) and (c), not less  
21 than 20% of the total dollar amount of State contracts, as  
22 defined by the Secretary of the Council and approved by the  
23 Council, shall be established as a goal to be awarded to  
24 businesses owned by minorities, females, and persons with

1 disabilities; provided, however, that of the total amount of  
2 all State contracts awarded to businesses owned by minorities,  
3 females, and persons with disabilities pursuant to this  
4 Section, contracts representing at least 11% shall be awarded  
5 to businesses owned by minorities, contracts representing at  
6 least 7% shall be awarded to female-owned businesses, and  
7 contracts representing at least 2% shall be awarded to  
8 businesses owned by persons with disabilities.

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

17 (b) In the case of State construction contracts, the  
18 provisions of subsection (a) requiring a portion of State  
19 contracts to be awarded to businesses owned and controlled by  
20 persons with disabilities do not apply. Not less than 20% ~~10%~~  
21 of the total dollar amount of State construction contracts is  
22 established as a goal to be awarded to minority and female  
23 owned businesses, and contracts representing 50% of the amount  
24 of all State construction contracts awarded to minority and  
25 female owned businesses shall be awarded to female owned  
26 businesses.

1           (c) In the case of all work undertaken by the University of  
2 Illinois related to the planning, organization, and staging of  
3 the games, the University of Illinois shall establish a goal of  
4 awarding not less than 25% of the annual dollar value of all  
5 contracts, purchase orders, and other agreements (collectively  
6 referred to as "the contracts") to minority-owned businesses or  
7 businesses owned by a person with a disability and 5% of the  
8 annual dollar value the contracts to female-owned businesses.  
9 For purposes of this subsection, the term "games" has the  
10 meaning set forth in the Olympic Games and Paralympic Games  
11 (2016) Law.

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

23           (e) Those who submit bids or proposals for State contracts  
24 shall not be given a period after the bid or proposal is  
25 submitted to cure deficiencies in the bid or proposal under  
26 this Act unless mandated by federal law or regulation.

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

5 (30 ILCS 575/4f new)

6 Sec. 4f. Award of State contracts.

7 (1) It is hereby declared to be the public policy of  
8 the State of Illinois to promote and encourage each State  
9 agency and public institution of higher education to use  
10 businesses owned by minorities, females, and persons with  
11 disabilities in the area of goods and services, including,  
12 but not limited to, insurance services, investment  
13 management services, information technology services,  
14 accounting services, cost containment and auditing  
15 services, architectural and engineering services, and  
16 legal services. Furthermore, each State agency and public  
17 institution of higher education shall utilize such firms to  
18 the greatest extent feasible within the bounds of financial  
19 and fiduciary prudence, and take affirmative steps to  
20 remove any barriers to the full participation of such firms  
21 in the procurement and placement opportunities afforded.

22 (a) When a State agency and public institution of  
23 higher education enters into a contract for insurance  
24 services, for each State agency and public institution  
25 of higher education, it shall be the goal to use

1           insurance brokers owned by minorities, females, and  
2           persons with disabilities as defined by this Act, for  
3           not less than 20% of the total annual premiums or fees.

4           (b) When a State agency and public institution of  
5           higher education enters into a contract for investment  
6           services, for each State agency and public institution  
7           of higher education, it shall be the goal to use  
8           emerging investment managers owned by minorities,  
9           females, and persons with disabilities as defined by  
10           this Act, for not less than 20% of the total funds  
11           under management. Furthermore, it is the goal that not  
12           less than 20% of the direct asset managers of the State  
13           funds be minorities, females, and persons with  
14           disabilities.

15           (c) When a State agency or public institution of  
16           higher education enters into contracts for information  
17           technology services, accounting services,  
18           architectural and engineering services, and legal  
19           services, for each State agency and public institution  
20           of higher education, it shall be the goal to use such  
21           firms owned by minorities, females, and persons with  
22           disabilities as defined by this Act and lawyers who are  
23           minorities, females, and persons with disabilities as  
24           defined by this Act, for not less than 20% of State  
25           contracts.

26           (2) As used in this Section:

1           "Accounting services" means the measurement,  
2           processing and communication of financial information  
3           about economic entities including, but is not limited  
4           to, financial accounting, management accounting,  
5           auditing, cost containment and auditing services,  
6           taxation and accounting information systems.

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

20           "Emerging investment manager" means an investment  
21           manager or claims consultant having assets under  
22           management below \$20 billion or otherwise adjudicating  
23           claims.

24           "Information technology services" means, but is  
25           not limited to, specialized technology-oriented  
26           solutions by combining the processes and functions of

1           software, hardware, networks, telecommunications, web  
2           designers, cloud developing resellers, and  
3           electronics.

4           "Insurance broker" means an insurance brokerage  
5           firm, claims administrator, or both, that procures,  
6           places all lines of insurance, or administers claims  
7           with annual premiums or fees of at least \$5,000,000 but  
8           not more than \$10,000,000.

9           "Legal services" means work performed by a lawyer  
10           including, but not limited to, contracts in  
11           anticipation of litigation, enforcement actions, or  
12           investigations.

13           (3) Each State agency and public institutions of higher  
14           education shall adopt policies that identify its plan and  
15           implementation procedures for increasing the use of  
16           service firms owned by minorities, females, and persons  
17           with disabilities.

18           (4) The Council shall file no later than March 1 of  
19           each year an annual report to the Governor and the General  
20           Assembly. This report shall: (i) identify the services  
21           firms used by each State agency and public institution of  
22           higher education, (ii) identify the actions it has  
23           undertaken to increase the use of service firms owned by  
24           minorities, females, and persons with disabilities,  
25           including encouraging non-minority owned firms to use  
26           other service firms owned by minorities, females, and

1 persons with disabilities as subcontractors when the  
2 opportunities arise, (iii) state any recommendations made  
3 by the Council to each State agency and public institution  
4 of higher education to increase participation by the use of  
5 service firms owned by minorities, females, and persons  
6 with disabilities, and (iv) include the following:

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

20 (B) For investment management services: the names  
21 of the investment managers used, the total funds under  
22 management of investment managers; the total  
23 commissions, fees paid, or both; the total and  
24 percentage of funds under management of emerging  
25 investment managers owned by minorities, females, and  
26 persons with disabilities, including the total and



1           percentage of total commissions, fees paid, or both by  
2           each State agency and public institution of higher  
3           education.

4           (C) The names of service firms, the percentage and  
5           total dollar amount paid for professional services by  
6           category by each State agency and public institution of  
7           higher education.

8           (D) The names of service firms, the percentage and  
9           total dollar amount paid for services by category to  
10           firms owned by minorities, females, and persons with  
11           disabilities by each State agency and public  
12           institution of higher education.

13           (E) The total number of contracts awarded for  
14           services by category and the total number of contracts  
15           awarded to firms owned by minorities, females, and  
16           persons with disabilities by each State agency and  
17           public institution of higher education.

18           (5) 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  
22           use of service firms owned by minorities, females, and  
23           persons with disabilities by each State agency and public  
24           institutions of higher education; and any evidence  
25           regarding past or present racial, ethnic, or gender-based  
26           discrimination which directly impacts State agency or

1       public institutions of higher education contracting with  
2       such firms. If after reviewing such evidence the Council  
3       finds that there is or has been such discrimination against  
4       a specific group, race or sex, the Council shall establish  
5       sheltered markets or adjust existing sheltered markets  
6       tailored to address the Council's specific findings for  
7       these divisions of work.

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 \$20,000,000,000 ~~\$10,000,000,000~~ and is a "minority owned  
12 business", "female owned business" or "business owned by a  
13 person with a disability" as those terms are defined in the  
14 Business 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 goal for a  
2 retirement system, pension fund, or investment board subject to  
3 this Code to use emerging investment managers for not less than  
4 20% of the total funds under management. Furthermore, it shall  
5 be the goal that not less than 20% of investment advisors be  
6 minorities, females, and persons with disabilities as those  
7 terms are defined in the Business Enterprise for Minorities,  
8 Females, and Persons with Disabilities Act. It shall be the  
9 goal to utilize businesses owned by minorities, females, and  
10 persons with disabilities for not less than 20% of contracts  
11 awarded for "information technology services", "accounting  
12 services", "insurance brokers", "architectural and engineering  
13 services", and "legal services" as those terms are defined in  
14 the Act.

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

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