

AN ACT concerning regulation.

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

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

(30 ILCS 575/2)

(Section scheduled to be repealed on June 30, 2016)

Sec. 2. Definitions.

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

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

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

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

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

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

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

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

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

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

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

(a) results from:

amputation,

arthritis,

autism,

blindness,

burn injury,  
cancer,  
cerebral palsy,  
Crohn's disease,  
cystic fibrosis,  
deafness,  
head injury,  
heart disease,  
hemiplegia,  
hemophilia,  
respiratory or pulmonary dysfunction,  
an intellectual disability,  
mental illness,  
multiple sclerosis,  
muscular dystrophy,  
musculoskeletal disorders,  
neurological disorders, including stroke and  
epilepsy,  
paraplegia,  
quadriplegia and other spinal cord conditions,  
sickle cell anemia,  
ulcerative colitis,  
specific learning disabilities, or  
end stage renal failure disease; and  
(b) substantially limits one or more of the  
person's major life activities.

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

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

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

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

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

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

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

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

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

(6) "State agencies" shall mean all departments, officers, boards, commissions, institutions and bodies politic and corporate of the State, but does not include the Board of Trustees of the University of Illinois, the Board of Trustees of Southern Illinois University, the Board of Trustees of Chicago State University, the Board of Trustees of Eastern Illinois University, the Board of Trustees of Governors State University, the Board of Trustees of Illinois State University, the Board of Trustees of Northeastern Illinois University, the Board of Trustees of Northern Illinois University, the Board of Trustees of Western Illinois University, municipalities or other local governmental units, or other State constitutional officers.

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

~~Trustees of the University of Illinois, the Board of Trustees of Southern Illinois University, the Board of Trustees of Chicago State University, the Board of Trustees of Eastern Illinois University, the Board of Trustees of Governors State University, the Board of Trustees of Illinois State University, the Board of Trustees of Northeastern Illinois University, the Board of Trustees of Northern Illinois University, and the Board of Trustees of Western Illinois University.~~

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

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

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

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

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



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

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

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

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

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

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

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

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

Sec. 4. Award of State contracts.

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

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

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

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

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

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

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

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

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

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

(30 ILCS 575/4f new)

Sec. 4f. Award of State contracts.

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

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

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

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

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

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

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

(2) As used in this Section:

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

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

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

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

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

"Insurance broker" means an insurance brokerage firm,

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

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

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

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



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

(A) For insurance services: the names of the insurance brokers or claims consultants used, the total of risk managed by each State agency and public institution of higher education by insurance brokers, the total commissions, fees paid, or both, the lines or insurance policies placed, and the amount of premiums placed; and the percentage of the risk managed by insurance brokers, the percentage of total commission, fees paid, or both, the lines or insurance policies placed, and the amount of premiums placed with each by the insurance brokers owned by minorities, females, and persons with disabilities by each State agency and public institution of higher education.

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

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

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

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

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

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

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

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

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

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

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

Sec. 5. Business Enterprise Council.

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

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

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

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

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

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

(b) Maintain a list of all businesses legitimately

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

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

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

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

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

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

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

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

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

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

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

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

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

Such procedures shall require prior approval by Council.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Class exemptions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) elimination of extended experience or



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

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

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

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

(30 ILCS 575/8f)

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

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

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

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

institution of higher education ~~State university~~;

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

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

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

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

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

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

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

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

under this Code may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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