



Questions for Stakeholder Feedback:

A. Ownership and Control by Equity Eligible Persons

The current EEC certification process requires that a business be majority-owned by EEPs. However, the Agency is concerned about ownership arrangements where the majority-owner EEP is a silent partner with limited involvement in the business, while the minority owner is a large, established company managing all business operations.

- 1. In the 2026 Long-Term Plan, should the Agency propose requiring additional documentation or evidence to demonstrate that the majority-owner EEP(s) has/have active control and management of the business? If so, what types of governance documentation would be appropriate (e.g., operating agreements, bylaws)?**

The majority-owner EEP's demonstration of their control would need to show the owner with day-to-day active involvement in operations and decision making. The resume or background of the owner's understanding of the work is crucial. Most minority certification organizations require financial records, business licenses and email correspondence as an indication the business is majority owned and operated by a minority.

- a. What should the Agency consider as qualifying criteria for demonstrating 'active control and management' of a business by majority-owner Equity Eligible Persons (EEPs)? Are there specific roles, responsibilities, or decision-making authorities that should be used to define this standard?**

In addition to the information given, proficiency in the specific trades that show capacity to perform the work should be used to define the decision-making authorities. This is usually determined by NAICS Codes that identify the proficiency in the trade, along with contracts or evidence of the businesses experience.

- 2. Should the IPA propose requiring periodic re-certification or audits to confirm that EEPs remain actively involved in business operations? If so, how frequently should these reviews occur?**



Yes there should be annual reviews and the ability to expand the certification to include additional experience.

- 3. What alternative approaches could be used to ensure EEPs are not being used as figureheads to qualify businesses for EEC status in a way that conflicts with the equity objectives of CEJA? Please include detail related to any suggestions made in response to this question.**

There should be a requirement ensuring adherence to Commercially Useful Function (CUF) standards. That means that a EEP's work on a project contributes meaningfully and directly to the project's outcome. It's not just about being on a project, but actually performing, managing, or supervising a distinct part of the work, including supplying goods or services. This ensures that they are truly contributing to the project and not just serving as a "pass-through" for funds. Also adding that the IPA provides technical support and assistance to labor and workforce development organizations in certifying existing candidates as EEPs, this process can be streamlined and more EEPs can be identified through this process supporting contractors.

B. Verifying the Socio-Economic Status of Majority-Owner EEPs

- 1. In the 2026 Long-Term Plan, should the Agency propose requiring EEP majority-owners to demonstrate their socio-economic status (e.g., income documentation) to ensure they are individuals who would most benefit from equitable investments? If so, what types of documentation would be appropriate?**

Tax returns for the majority owners should be required.

- a. What should be considered when determining proper income cut-offs for eligibility, and how might those thresholds be set to balance inclusivity with the intent of prioritizing individuals facing systemic economic barriers?**



A tiered approach based upon revenue size of the businesses with a percentage of required utilization by each tier would be inclusive of a pipeline of businesses participating at various levels of capability without requiring a cap.

- b. What sources of verification should be utilized to authenticate socio-economic status, and what challenges might arise in collecting and assessing this information?**

Tax returns showing income level should be utilized and shouldn't produce any challenges.

C. Preventing Manipulation of the EEC Category

- 1. Should the Agency require EECs to demonstrate a minimum level of involvement in project development, construction, or operations to qualify for the EEC category in Illinois Shines? If so, what criteria should be used to measure involvement?**

Yes there should be adherence to the Commercially Useful Function,(CUF), mentioned above.

- 2. Should the Agency create a scoring or prioritization system within the EEC category in Illinois Shines to reward projects where EECs serve as the primary developer or operator? If so, what factors should be included in such a system?**

Illinois Shines system provides no information on a developer's capabilities as it currently exists. There has to be emphasis on experience based upon contracts completed as well as trade specific expertise as reflected by NAICS Codes, etc.