

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1158 Session of  
2011

INTRODUCED BY MARKOSEK, CALTAGIRONE, FABRIZIO, GEIST, GEORGE,  
KORTZ, KULA, LONGIETTI, MAHONEY, M. O'BRIEN, PASHINSKI AND  
PETRARCA, MARCH 21, 2011

REFERRED TO COMMITTEE ON COMMERCE, MARCH 21, 2011

AN ACT

1 Amending the act of November 24, 1992 (P.L.732, No.111),  
2 entitled "An act establishing the Pennsylvania Quality  
3 Leadership Awards, the Pennsylvania Quality Leadership Awards  
4 Council, the Pennsylvania Quality Leadership Foundation and  
5 criteria and a selection process for the awards; and  
6 providing for presentation of the awards," further providing  
7 for legislative findings and intent, for establishment of the  
8 Keystone Alliance for Performance Excellence Awards, for the  
9 Keystone Alliance for Performance Excellence Advisory  
10 Council; repealing provisions relating to board of examiners  
11 and panel of judges; and further providing for establishment  
12 of the foundation, for awards and for restriction on funds  
13 from Commonwealth.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. Sections 2(a), 4 and 5 of the act of November 24,  
17 1992 (P.L.732, No.111), known as the Pennsylvania Quality  
18 Improvement Act, are amended to read:

19 Section 2. Legislative findings and intent.

20 (a) Findings.--

21 (1) Strategic planning for quality and quality  
22 improvement programs, through a commitment to excellence in  
23 manufacturing and services, are becoming more and more

1 essential to the well-being of this Commonwealth's economy  
2 and its ability to compete effectively in the national and  
3 international marketplace.

4 (2) The concept of quality improvement is directly  
5 applicable to large [and small companies, to manufacturing  
6 and service industries and to the private and public  
7 sectors.], medium and small businesses in manufacturing,  
8 service, education, health care, nonprofit and governmental  
9 industries, both public and private.

10 (3) American business and industry are beginning to  
11 understand that poor quality costs companies as much as 20%  
12 of sales revenues and that improved quality of goods and  
13 services goes hand-in-hand with improved productivity, lower  
14 costs and increased profitability.

15 (4) The public sector has been criticized for  
16 inefficiency in the administration of its services. Applying  
17 for these quality awards may prompt a reduction in these  
18 inefficiencies.

19 (5) The Federal Government[, as well as several] and 40  
20 state governments[, has] have developed quality award  
21 programs to give special recognition to those enterprises  
22 which have demonstrated excellence in quality and to  
23 encourage quality improvement.

24 (6) A quality award program of this kind in this  
25 Commonwealth would help improve quality and productivity by:

26 (i) helping to stimulate the public and private  
27 sectors in this Commonwealth to improve quality and  
28 productivity;

29 (ii) recognizing the achievements of those in the  
30 public and private sectors who improve the quality of

1        their goods and services and provide an example to  
2        others;

3            (iii) establishing guidelines and criteria that can  
4        be used by business, industrial, government and other  
5        organizations in evaluating their own quality improvement  
6        efforts; and

7            (iv) providing specific guidance for other  
8        organizations in this Commonwealth that wish to learn how  
9        to manage for high quality by making available detailed  
10       information on how successful organizations were able to  
11       achieve eminence.

12       \* \* \*

13 [Section 4. Establishment of the Pennsylvania Quality  
14 Leadership Awards.

15 There are hereby established:

16        (1) the Governor's Quality Leadership Award, which  
17        recognizes the highest level of achievement in quality;

18        (2) the Keystone Quality Leadership Award, which  
19        recognizes the next highest level of achievement in quality;  
20        and

21        (3) the Kornerstone Quality Leadership Award, which  
22        recognizes a significant level of achievement in quality.]

23 Section 4. Keystone Alliance for Performance Excellence Awards.

24 The Keystone Alliance for Performance Excellence Awards,  
25 which recognize the highest level of achievement in their  
26 categories, are established.

27 Section 5. [Pennsylvania Quality Leadership Awards] Keystone  
28 Alliance for Performance Excellence Advisory Council.

29        (a) Establishment.--There is hereby established the  
30 [Pennsylvania Quality Leadership Awards] Keystone Alliance for

1 Performance Excellence Advisory Council. The council shall be a  
2 board of [overseers] advisors that provide guidance and  
3 recommendations for maintaining and improving Keystone Alliance  
4 for Performance Excellence Awards and shall consist of the  
5 following members:

- 6       [(1) The Lieutenant Governor.
- 7       (2) The Secretary of Commerce.
- 8       (3) The Secretary of Labor and Industry.
- 9       (4) A member appointed by the President pro tempore of  
10 the Senate.
- 11       (5) A member appointed by the Speaker of the House of  
12 Representatives.
- 13       (6) A representative from the Pennsylvania AFL-CIO.
- 14       (7) A representative from the Pennsylvania Chamber of  
15 Business and Industry.
- 16       (8) A representative from the Pennsylvania Association  
17 of Colleges and Universities.
- 18       (9) The Chairman of the Board of the Pennsylvania  
19 Quality Leadership Foundation.
- 20       (10) Not more than 11 chief executive officers or the  
21 highest ranking official of a Governor's Quality Award  
22 winning organization.]

- 23       (1) A representative from the Governor's Office.
- 24       (2) The Secretary of Community and Economic Development.
- 25       (3) The Secretary of Labor and Industry.
- 26       (4) A member appointed by the President pro tempore of  
27 the Senate.
- 28       (5) A member appointed by the Minority Leader of the  
29 Senate.
- 30       (6) A member appointed by the Speaker of the House of

1 Representatives.

2 (7) A member appointed by the Minority Leader of the  
3 House of Representatives.

4 (8) A representative from the National Institute of  
5 Standards and Technology.

6 (9) A chief executive officer or highest ranking officer  
7 from a Pennsylvania Malcolm Baldrige award-winning  
8 organization.

9 (10) The President of the Pennsylvania Chamber of  
10 Business and Industry.

11 (11) The Chairperson of the Board of the Keystone  
12 Alliance for Performance Excellence Foundation.

13 (12) A representative from a labor union organization.

14 (13) A president of a university, college or community  
15 college in this Commonwealth.

16 (14) A representative of the Pennsylvania Association of  
17 Nonprofit Organizations.

18 (15) A representative of the Keystone Alliance for  
19 Performance Excellence.

20 (b) Appointment.--The members provided for in subsection  
21 [(a)(6), (7), (8) and (10)] (a)(8), (9), (12) and (13) shall be  
22 appointed by the Governor.

23 (c) Organization.--The council shall elect from its own  
24 members a chairperson. The Chairperson of the Board of the  
25 [Pennsylvania Quality Leadership Foundation] Keystone Alliance  
26 for Performance Excellence shall not be eligible for this  
27 office.

28 (d) Terms.--Appointed members of the council shall serve at  
29 the pleasure of the Governor or other appointing authority  
30 except for the chief executive officers and [highest ranking

officials] members appointed under subsection (a)(9) and (13)  
who shall be selected by their own members and serve a single  
term of three years.

(e) Powers and duties.--The council shall have the following  
powers and its duty shall be to:

- (1) approve guidelines and criteria for the awards;
- (2) approve and announce award recipients;
- (3) select a board of examiners;
- (4) appoint a panel of judges; and
- (5) suggest improvements in the form or coverage of the  
awards.]

(1) review guidelines for awards and recommend  
improvements to the awards process;

(2) recommend strategies for advancing the mission of  
the Keystone Alliance for Performance Excellence Awards;

(3) promote awareness and benefits of participation in  
the process;

(4) maintain integrity of the award process; and

(5) recommend areas of improvement to the board of  
directors and to the foundation.

Section 2. Section 6 of the act is repealed:

[Section 6. Board of examiners; panel of judges.

(a) Board of examiners.--A board of examiners shall be  
selected annually by the council after submission and receipt of  
the requisite applications. The board of examiners shall consist  
of quality experts selected on the basis of expertise,  
experience and peer recognition. The board of examiners shall  
review the applications received from the submitting  
organizations. A site visit may be required to verify the level  
of quality claimed. The examination shall encompass all of the

1 organization's current practice of quality management, as well  
2 as the organization's provision for quality management in its  
3 future goals.

4 (b) Panel of judges.--A panel of judges shall be appointed  
5 annually by the council from members of the board of examiners.  
6 The panel of judges shall review the findings and  
7 recommendations of the board of examiners at each stage of the  
8 evaluation process and recommend award recipients to the council  
9 for its approval.]

10 Section 3. Sections 7, 8(c) and 11 of the act are amended to  
11 read:

12 Section 7. Establishment of the foundation.

13 (a) Establishment.--There is hereby established the  
14 [Pennsylvania Quality Leadership] Keystone Alliance for  
15 Performance Excellence Foundation, which shall be organized as a  
16 nonprofit organization pursuant to the provisions of section  
17 501(c)(3) of the Internal Revenue Code of 1986 (Public Law  
18 99-514, 26 U.S.C. § 1 et seq.).

19 (b) Board of directors.--The foundation shall be managed by  
20 a board of directors consisting of the following members:

21 (1) the [President] Executive Director of the  
22 [Pennsylvania Quality Leadership Foundation] Keystone  
23 Alliance for Performance Excellence;

24 (2) [fifteen representatives from businesses;]  
25 representatives from both the public and private sectors in  
26 government, manufacturing, service, education, health care,  
27 technology and community development organizations recognized  
28 Statewide or nationally for their work in continuous quality  
29 improvement;

30 (3) three representatives from educational institutions;

1 [and]

2 (4) two representatives from economic development  
3 organizations[.]; and

4 (5) two representatives of the Pennsylvania Association  
5 of Nonprofit Organizations.

6 (c) Organization.--The board of directors shall [elect from  
7 its own membership a chairperson. The board of directors shall  
8 appoint the President of the Pennsylvania Quality Leadership  
9 Foundation. The President] be appointed by the advisory council  
10 and shall elect from its own membership a chairperson. Upon the  
11 term limitation of each member of the board, the council shall  
12 appoint new members to the foundation. The Executive Director of  
13 the [Pennsylvania Quality Leadership Foundation] Keystone  
14 Alliance for Performance Excellence shall not be eligible for  
15 this office.

16 (d) Terms.--Except for the president of the foundation,  
17 members may serve a maximum of two three-year terms.

18 (e) Powers and duties.--The foundation shall have the  
19 following powers and its duty shall be to:

20 [(1) develop and recommend for approval by the council  
21 guidelines and criteria for the awards;

22 (2) solicit and receive funds from public and private  
23 sources for the purpose of financing the awards program;

24 (3) impose fees upon organizations applying for the  
25 awards;

26 (4) organize a marketing and publicity campaign for the  
27 awards program;

28 (5) provide information about the awards and the  
29 successful quality improvement strategies and programs of  
30 award-winning participants to all interested persons and



1 organizations;

2 (6) support and promote training and education programs  
3 to enhance management and workforce attitudes toward and  
4 commitment to quality;

5 (7) promote and support any research program or other  
6 activity which will encourage and enhance quality achievement  
7 in this Commonwealth;

8 (8) ensure that all award applicants receive the  
9 complete results of their evaluations, as well as detailed  
10 explanations of all suggestions for improvements;

11 (9) recommend other appropriate changes to the council;  
12 and

13 (10) provide administrative evaluation support for the  
14 council.]

15 (1) Solicit and receive funds from private and public  
16 sources for the purpose of financing the Keystone Alliance  
17 for Performance Excellence Awards program.

18 (2) Approve fees for organizations that apply for  
19 awards.

20 (3) Approve marketing and publicity strategies.

21 (4) Approve other funding sources.

22 (5) Promote participation in the awards program.

23 (6) Require members to contribute to the foundation and  
24 be role models for other donors.

25 (7) Participate in fundraising and public relations  
26 events.

27 (8) Attend annual awards programs.

28 (9) Appoint an executive director and fix the term of  
29 employment.

30 (10) Approve the foundation's budget.

1           (11) Recommend areas of program improvement and  
2           development.

3           (f) Confidentiality of applications.--Under no circumstances  
4 shall any person assigned to provide evaluation support for the  
5 council discuss and/or divulge any application receipt or  
6 processing prior to the announcement of award recipients by the  
7 council.

8 Section 8. Awards.

9           \* \* \*

10          (c) Limitation.--No organization shall be eligible to  
11 receive more than one Governor's Quality Leadership Award in a  
12 [five-year] four-year period.

13 Section 11. Restriction on funds from Commonwealth.

14          Neither the council nor the [foundation] Keystone Alliance  
15 for Performance Excellence shall be eligible to apply for or  
16 receive funds from the Commonwealth [whether] by appropriation  
17 [or grant after September 30, 1992].

18 Section 4. This act shall take effect in 60 days.