

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 284 Session of 2007

INTRODUCED BY MARKOSEK, BENNINGHOFF, BOYD, CALTAGIRONE, FREEMAN, GEORGE, GERGELY, GOODMAN, HERSHEY, HORNAMAN, KULA, MAHONEY, MENSCH, MUNDY, PALLONE, SAINATO, SIPTROTH, STABACK, R. STEVENSON, WHEATLEY, WOJNAROSKI, YOUNGBLOOD, DENLINGER, GEIST, KORTZ AND LONGIETTI, FEBRUARY 6, 2007

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 4, 2007

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 Pennsylvania Quality Leadership Awards KEYSTONE ALLIANCE FOR <—
9 PERFORMANCE EXCELLENCE AWARDS, for the Pennsylvania Quality <—
10 Leadership Awards KEYSTONE ALLIANCE FOR PERFORMANCE <—
11 EXCELLENCE ADVISORY Council; repealing provisions relating to
12 board of examiners and panel of judges; further providing for
13 establishment of the foundation and for awards; and repealing <—
14 provisions relating to, FOR AWARDS AND FOR restriction on <—
15 funds from Commonwealth.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 Section 1. Sections 2(a), 4 and (5) 5 of the act of November <—
19 24, 1992 (P.L.732, No.111), known as the Pennsylvania Quality

20 Improvement Act, are amended to read:

21 Section 2. Legislative findings and intent.

22 (a) Findings.--

1 (1) Strategic planning for quality and quality  
2 improvement programs, through a commitment to excellence in  
3 manufacturing and services, are becoming more and more  
4 essential to the well-being of this Commonwealth's economy  
5 and its ability to compete effectively in the national and  
6 international marketplace.

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

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

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

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

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

29 (i) helping to stimulate the public and private  
30 sectors in this Commonwealth to improve quality and

1 productivity;

2 (ii) recognizing the achievements of those in the  
3 public and private sectors who improve the quality of  
4 their goods and services and provide an example to  
5 others;

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

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

15 \* \* \*

16 Section 4. [Establishment of the Pennsylvania Quality  
17 Leadership Awards.

18 There are hereby established:

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

21 (2) the Keystone Quality Leadership Award, which  
22 recognizes the next highest level of achievement in quality;  
23 and

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

26 Adoption of the Keystone Alliance for Performance Excellence  
27 Awards.

28 There are hereby adopted the Keystone Alliance for  
29 Performance Excellence Awards, which recognize the highest level  
30 of achievement in their categories.

1 Section 5. [Pennsylvania Quality Leadership Awards] Keystone  
2 Alliance for Performance Excellence Advisory  
3 Council.

4 (a) Establishment.--There is hereby established the  
5 [Pennsylvania Quality Leadership Awards] Keystone Alliance for  
6 Performance Excellence Advisory Council. The council shall be a  
7 board of [overseers] advisors that provide guidance and  
8 recommendations for maintaining and improving Keystone Alliance  
9 for Performance Excellence Awards and shall consist of the  
10 following members:

11 [(1) The Lieutenant Governor.

12 (2) The Secretary of Commerce.

13 (3) The Secretary of Labor and Industry.

14 (4) A member appointed by the President pro tempore of  
15 the Senate.

16 (5) A member appointed by the Speaker of the House of  
17 Representatives.

18 (6) A representative from the Pennsylvania AFL-CIO.

19 (7) A representative from the Pennsylvania Chamber of  
20 Business and Industry.

21 (8) A representative from the Pennsylvania Association  
22 of Colleges and Universities.

23 (9) The Chairman of the Board of the Pennsylvania  
24 Quality Leadership Foundation.

25 (10) Not more than 11 chief executive officers or the  
26 highest ranking official of a Governor's Quality Award  
27 winning organization.]

28 (1) A representative from the Governor's Office.

29 (2) The Secretary of Community and Economic Development.

30 (3) The Secretary of Labor and Industry.

1           (4) A member appointed by the President pro tempore of  
2 the Senate.

3           (5) A member appointed by the Minority Leader of the  
4 Senate.

5           (6) A member appointed by the Speaker of the House of  
6 Representatives.

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

9           (8) A representative from the National Institute of  
10 Standards and Technology.

11           (9) A chief executive officer or highest ranking officer  
12 from a Pennsylvania Malcolm Baldrige award-winning  
13 organization.

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

16           (11) The Chairperson of the Board of the Pennsylvania <—  
17 Quality Leadership KEYSTONE ALLIANCE FOR PERFORMANCE <—  
18 EXCELLENCE Foundation.

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

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

22           (14) A REPRESENTATIVE OF THE PENNSYLVANIA ASSOCIATION OF <—  
23 NONPROFIT ORGANIZATIONS.

24           (15) A REPRESENTATIVE OF THE KEYSTONE ALLIANCE FOR  
25 PERFORMANCE EXCELLENCE.

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

29       (c) Organization.--The council shall elect from its own  
30 members a chairperson. The Chairperson of the Board of the

1 [Pennsylvania Quality Leadership Foundation] Keystone Alliance  
2 for Performance Excellence Awards shall not be eligible for this ←  
3 office.

4 (d) Terms.--Appointed members of the council shall serve at  
5 the pleasure of the Governor or other appointing authority  
6 except for the chief executive officers and [highest ranking  
7 officials] members appointed under subsection (a)(9) and (13)  
8 who shall be selected by their own members and serve a single  
9 term of three years.

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

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

- 18 (1) review guidelines for awards and recommend  
19 improvements to the awards process;
- 20 (2) recommend strategies for advancing the mission of  
21 the Keystone Alliance for Performance Excellence Awards;
- 22 (3) promote awareness and benefits of participation in  
23 the process;
- 24 (4) maintain integrity of the award process; and
- 25 (5) recommend areas of improvement to the board of  
26 directors and to the foundation.

27 Section 2. Section 6 of the act is repealed:

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

29 (a) Board of examiners.--A board of examiners shall be  
30 selected annually by the council after submission and receipt of

1 the requisite applications. The board of examiners shall consist  
2 of quality experts selected on the basis of expertise,  
3 experience and peer recognition. The board of examiners shall  
4 review the applications received from the submitting  
5 organizations. A site visit may be required to verify the level  
6 of quality claimed. The examination shall encompass all of the  
7 organization's current practice of quality management, as well  
8 as the organization's provision for quality management in its  
9 future goals.

10 (b) Panel of judges.--A panel of judges shall be appointed  
11 annually by the council from members of the board of examiners.  
12 The panel of judges shall review the findings and  
13 recommendations of the board of examiners at each stage of the  
14 evaluation process and recommend award recipients to the council  
15 for its approval.]

16 Section 3. Sections 7 and ~~8(e)~~, 8(C) AND 11 of the act are ←  
17 amended to read:

18 Section 7. Establishment of the foundation.

19 (a) Establishment.--There is hereby established the  
20 [Pennsylvania Quality Leadership] Keystone Alliance for  
21 Performance Excellence Awards Foundation, which shall be ←  
22 organized as a nonprofit organization pursuant to the provisions  
23 of section 501(c)(3) of the Internal Revenue Code of 1986  
24 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

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

27 (1) the [President] Executive Director of the  
28 [Pennsylvania Quality Leadership Foundation] Keystone  
29 Alliance for Performance Excellence Awards; ←

30 (2) [fifteen representatives from businesses;]

1 representatives from both the public and private sectors in  
2 government, manufacturing, service, education, health care,  
3 technology and community development organizations recognized  
4 Statewide or nationally for their work in continuous quality  
5 improvement;

6 (3) three representatives from educational institutions;  
7 [and]

8 (4) two representatives from economic development  
9 organizations[.]; and

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

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

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

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

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

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

30 (3) impose fees upon organizations applying for the

1 awards;

2 (4) organize a marketing and publicity campaign for the  
3 awards program;

4 (5) provide information about the awards and the  
5 successful quality improvement strategies and programs of  
6 award-winning participants to all interested persons and  
7 organizations;

8 (6) support and promote training and education programs  
9 to enhance management and workforce attitudes toward and  
10 commitment to quality;

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

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

17 (9) recommend other appropriate changes to the council;  
18 and

19 (10) provide administrative evaluation support for the  
20 council.]

21 (1) Solicit and receive funds from private and public  
22 sources for the purpose of financing the ~~quality leadership~~ <—  
23 ~~awards~~ KEYSTONE ALLIANCE FOR PERFORMANCE EXCELLENCE AWARDS <—  
24 program.

25 (2) Approve fees for organizations that apply for  
26 awards.

27 (3) Approve marketing and publicity strategies.

28 (4) Approve other funding sources.

29 (5) Promote participation in the awards program.

30 (6) Require members to contribute to the foundation and

1 be role models for other donors.

2 (7) Participate in fundraising AND PUBLIC RELATIONS <—  
3 events.

4 (8) Attend annual awards programs.

5 (9) Appoint an executive director and fix his THE term <—  
6 of employment.

7 (10) Approve the foundation's budget.

8 (11) Recommend areas of program improvement and  
9 development.

10 (f) Confidentiality of applications.--Under no circumstances  
11 shall any person assigned to provide evaluation support for the  
12 council discuss and/or divulge any application receipt or  
13 processing prior to the announcement of award recipients by the  
14 council.

15 Section 8. Awards.

16 \* \* \*

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

20 ~~Section 4. Section 11 of the act is repealed:~~ <—

21 †Section 11. Restriction on funds from Commonwealth. <—

22 Neither the council nor the [foundation] KEYSTONE ALLIANCE <—

23 FOR PERFORMANCE EXCELLENCE shall be eligible to apply for or  
24 receive funds from the Commonwealth whether by appropriation or  
25 grant [after September 30, 1992]. † <—

26 Section 5 4. This act shall take effect in 60 days. <—