

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 REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 21, 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, for the Pennsylvania
9 Quality Leadership Awards Council, ~~for~~; REPEALING PROVISIONS <—
10 RELATING TO board of examiners and panel of judges; FURTHER <—
11 PROVIDING for establishment of the foundation and for awards;
12 and repealing provisions relating to 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, 5, 6, 7 and 8(e)~~ AND (5) of the <—
17 act of November 24, 1992 (P.L.732, No.111), known as the
18 Pennsylvania Quality Improvement Act, are amended to read:

19 Section 2. Legislative findings and intent.

20 (a) Findings.--

21 (1) Strategic planning for quality and quality

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

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

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

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

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

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

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

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

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

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

14 * * *

15 ~~Section 4. Establishment of the Pennsylvania Quality Leadership Awards.~~ <—
16

17 ~~There are hereby established:~~

18 ~~(1) the Governor's Quality Leadership Award, which~~
19 ~~recognizes the highest level of achievement in [quality] its~~
20 ~~category;~~

21 ~~(2) the Keystone Quality Leadership Award, which~~
22 ~~recognizes the [next] second highest level of achievement in~~
23 ~~[quality] its category; and~~

24 ~~(3) the [Kornerstone] Cornerstone Quality Leadership~~
25 ~~Award, which recognizes a significant level of achievement in~~
26 ~~[quality] its category.~~

27 SECTION 4. [ESTABLISHMENT OF THE PENNSYLVANIA QUALITY LEADERSHIP AWARDS.] <—
28

29 THERE ARE HEREBY ESTABLISHED:

30 (1) THE GOVERNOR'S QUALITY LEADERSHIP AWARD, WHICH

1 RECOGNIZES THE HIGHEST LEVEL OF ACHIEVEMENT IN QUALITY;
2 (2) THE KEYSTONE QUALITY LEADERSHIP AWARD, WHICH
3 RECOGNIZES THE NEXT HIGHEST LEVEL OF ACHIEVEMENT IN QUALITY;
4 AND
5 (3) THE KORNERSTONE QUALITY LEADERSHIP AWARD, WHICH
6 RECOGNIZES A SIGNIFICANT LEVEL OF ACHIEVEMENT IN QUALITY.]
7 ADOPTION OF THE KEYSTONE ALLIANCE FOR PERFORMANCE EXCELLENCE
8 AWARDS.

9 THERE ARE HEREBY ADOPTED THE KEYSTONE ALLIANCE FOR
10 PERFORMANCE EXCELLENCE AWARDS, WHICH RECOGNIZE THE HIGHEST LEVEL
11 OF ACHIEVEMENT IN THEIR CATEGORIES.

12 Section 5. [Pennsylvania Quality Leadership Awards] KEYSTONE <—
13 ALLIANCE FOR PERFORMANCE EXCELLENCE ADVISORY
14 Council.

15 (a) Establishment.--There is hereby established the
16 [Pennsylvania Quality Leadership Awards] KEYSTONE ALLIANCE FOR <—
17 PERFORMANCE EXCELLENCE ADVISORY Council. The council shall be a
18 board of ~~overseers that preserves the integrity of the award~~ <—
19 ~~process~~ [OVERSEERS] ADVISORS THAT PROVIDE GUIDANCE AND <—
20 RECOMMENDATIONS FOR MAINTAINING AND IMPROVING KEYSTONE ALLIANCE
21 FOR PERFORMANCE EXCELLENCE AWARDS and shall consist of the
22 following members:

- 23 [(1) The Lieutenant Governor.
24 (2) The Secretary of Commerce.
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 Speaker of the House of
29 Representatives.
30 (6) A representative from the Pennsylvania AFL-CIO.

1 (7) A representative from the Pennsylvania Chamber of
2 Business and Industry.

3 (8) A representative from the Pennsylvania Association
4 of Colleges and Universities.

5 (9) The Chairman of the Board of the Pennsylvania
6 Quality Leadership Foundation.

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

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

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

12 (3) The Secretary of Labor and Industry.

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

15 (5) A member appointed by the Minority Leader of the
16 Senate.

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

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

21 (8) A representative from the National Institute of
22 Standards and Technology.

23 (9) A chief executive officer or highest ranking officer
24 from a Pennsylvania Malcolm Baldrige award-winning
25 organization.

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

28 (11) The Chairperson of the Board of the Pennsylvania
29 Quality Leadership Foundation.

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

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

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

6 (c) Organization.--The council shall elect from its own
7 members a chairperson. The Chairperson of the Board of the
8 **[Pennsylvania Quality Leadership Foundation] KEYSTONE ALLIANCE** ←
9 FOR PERFORMANCE EXCELLENCE AWARDS shall not be eligible for this
10 office.

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

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

19 [(1) approve guidelines and criteria for ~~the awards;~~ ←

20 (2) approve and announce award recipients;

21 (3) select a board of examiners;

22 (4) appoint a panel of judges; and

23 (5) suggest improvements in the form or coverage of the
24 awards.] award levels of achievement; ←

25 ~~(2) approve guidelines and criteria for the award~~
26 ~~application process;~~

27 ~~(3) appoint a foundation board of examiners;~~

28 ~~(4) appoint a panel of judges;~~

29 ~~(5) appoint an award administrator;~~

30 ~~(6) approve a board of examiners;~~

1 ~~(7) promote awareness and benefits of participation in~~
2 ~~the process;~~

3 ~~(8) maintain integrity of the award process;~~

4 ~~(9) recommend areas of improvement to the board of~~
5 ~~directors and the foundation; and~~

6 ~~(10) approve a judge's decision on the award recipients.~~

7 ~~(f) Voting. For powers and duties under subsection (e)(3),~~
8 ~~(4), (5) and (6), a majority of ten votes shall be required to~~
9 ~~approve official action.~~

10 (1) REVIEW GUIDELINES FOR AWARDS AND RECOMMEND <—
11 IMPROVEMENTS TO THE AWARDS PROCESS;

12 (2) RECOMMEND STRATEGIES FOR ADVANCING THE MISSION OF
13 THE KEYSTONE ALLIANCE FOR PERFORMANCE EXCELLENCE AWARDS;

14 (3) PROMOTE AWARENESS AND BENEFITS OF PARTICIPATION IN
15 THE PROCESS;

16 (4) MAINTAIN INTEGRITY OF THE AWARD PROCESS; AND

17 (5) RECOMMEND AREAS OF IMPROVEMENT TO THE BOARD OF
18 DIRECTORS AND TO THE FOUNDATION.

19 ~~Section 6. Board of examiners; panel of judges.~~ <—

20 ~~(a) Board of examiners. A board of examiners shall be~~
21 ~~selected [annually by the council] after submission and receipt~~
22 ~~of the requisite applications to the award administrators and a~~
23 ~~panel of judges. The board of examiners shall consist of quality~~
24 ~~experts selected on the basis of expertise, experience and peer~~
25 ~~recognition. The board of examiners shall review the~~
26 ~~applications received from the submitting organizations. A site~~
27 ~~visit may be required to verify the level of quality claimed.~~
28 ~~The examination shall encompass all of the organization's~~
29 ~~current practice of quality management, as well as the~~
30 ~~organization's provision for quality management in its future~~

1 goals.

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

8 ~~(c) Award administrator. The council shall appoint an award~~
9 ~~administrator, whose term shall be based on performance and~~
10 ~~review of previous award process.~~

11 SECTION 2. SECTION 6 OF THE ACT IS REPEALED: ←

12 [SECTION 6. BOARD OF EXAMINERS; PANEL OF JUDGES.

13 (A) BOARD OF EXAMINERS.--A BOARD OF EXAMINERS SHALL BE
14 SELECTED ANNUALLY BY THE COUNCIL AFTER SUBMISSION AND RECEIPT OF
15 THE REQUISITE APPLICATIONS. THE BOARD OF EXAMINERS SHALL CONSIST
16 OF QUALITY EXPERTS SELECTED ON THE BASIS OF EXPERTISE,
17 EXPERIENCE AND PEER RECOGNITION. THE BOARD OF EXAMINERS SHALL
18 REVIEW THE APPLICATIONS RECEIVED FROM THE SUBMITTING
19 ORGANIZATIONS. A SITE VISIT MAY BE REQUIRED TO VERIFY THE LEVEL
20 OF QUALITY CLAIMED. THE EXAMINATION SHALL ENCOMPASS ALL OF THE
21 ORGANIZATION'S CURRENT PRACTICE OF QUALITY MANAGEMENT, AS WELL
22 AS THE ORGANIZATION'S PROVISION FOR QUALITY MANAGEMENT IN ITS
23 FUTURE GOALS.

24 (B) PANEL OF JUDGES.--A PANEL OF JUDGES SHALL BE APPOINTED
25 ANNUALLY BY THE COUNCIL FROM MEMBERS OF THE BOARD OF EXAMINERS.
26 THE PANEL OF JUDGES SHALL REVIEW THE FINDINGS AND
27 RECOMMENDATIONS OF THE BOARD OF EXAMINERS AT EACH STAGE OF THE
28 EVALUATION PROCESS AND RECOMMEND AWARD RECIPIENTS TO THE COUNCIL
29 FOR ITS APPROVAL.]

30 SECTION 3. SECTIONS 7 AND 8(C) OF THE ACT ARE AMENDED TO

1 READ:

2 Section 7. Establishment of the foundation.

3 (a) Establishment.--There is hereby established the
4 [Pennsylvania Quality Leadership] KEYSTONE ALLIANCE FOR ←
5 PERFORMANCE EXCELLENCE AWARDS Foundation, which shall be
6 organized as a nonprofit organization pursuant to the provisions
7 of section 501(c)(3) of the Internal Revenue Code of 1986
8 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

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

11 (1) the [President] Executive Director of the

12 [Pennsylvania Quality Leadership Foundation] KEYSTONE ←
13 ALLIANCE FOR PERFORMANCE EXCELLENCE AWARDS;

14 (2) [fifteen representatives from businesses;]
15 representatives from both the public and private sectors in
16 government, manufacturing, service, education, health care,
17 technology and community development organizations recognized
18 Statewide or nationally for their work in continuous quality
19 improvement;

20 (3) three representatives from educational institutions;

21 [and] ←

22 (4) two representatives from economic development
23 organizations[.]; AND ←

24 (5) TWO REPRESENTATIVES OF THE PENNSYLVANIA ASSOCIATION
25 OF NONPROFIT ORGANIZATIONS.

26 (c) Organization.--The board of directors shall [elect from
27 its own membership a chairperson. The board of directors shall
28 appoint the President of the Pennsylvania Quality Leadership
29 Foundation. The President] be appointed by the ADVISORY council ←
30 and shall elect from its own membership a chairperson. Upon the

1 term limitation of each member of the board, the council shall
2 appoint new members to the foundation. The Executive Director of
3 the [Pennsylvania Quality Leadership Foundation] KEYSTONE ←
4 ALLIANCE FOR PERFORMANCE EXCELLENCE shall not be eligible for
5 this office.

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

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

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

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

14 (3) impose fees upon organizations applying for the
15 awards;

16 (4) organize a marketing and publicity campaign for the
17 awards program;

18 (5) provide information about the awards and the
19 successful quality improvement strategies and programs of
20 award-winning participants to all interested persons and
21 organizations;

22 (6) support and promote training and education programs
23 to enhance management and workforce attitudes toward and
24 commitment to quality;

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

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

1 (9) recommend other appropriate changes to the council;
2 and

3 (10) provide administrative evaluation support for the
4 council.]

5 (1) Solicit and receive funds from private and public
6 sources for the purpose of financing the quality leadership
7 awards program.

8 (2) Approve fees for organizations that apply for
9 awards.

10 (3) Approve marketing and publicity strategies.

11 (4) Approve other funding sources.

12 (5) Promote participation in the awards program.

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

15 (7) Participate in fundraising events.

16 (8) Attend annual awards programs.

17 (9) Appoint an executive director and fix his term of
18 employment.

19 (10) Approve the foundation's budget.

20 (11) Recommend areas of program improvement and
21 development.

22 (f) Confidentiality of applications.--Under no circumstances
23 shall any person assigned to provide evaluation support for the
24 council discuss and/or divulge any application receipt or
25 processing prior to the announcement of award recipients by the
26 council.

27 Section 8. Awards.

28 * * *

29 (c) Limitation.--No organization shall be eligible to
30 receive more than one Governor's Quality Leadership Award in a

1 [five-year] four-year period.

2 Section ~~2~~ 4. Section 11 of the act is repealed: ←

3 [Section 11. Restriction on funds from Commonwealth.

4 Neither the council nor the foundation shall be eligible to
5 apply for or receive funds from the Commonwealth whether by
6 appropriation or grant after September 30, 1992.]

7 Section ~~3~~ 5. This act shall take effect in 60 days. ←