

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 AND YOUNGBLOOD,
FEBRUARY 6, 2007

REFERRED TO COMMITTEE ON COMMERCE, FEBRUARY 6, 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 board of examiners and
10 panel of judges, for establishment of the foundation and for
11 awards; and repealing provisions relating to restriction on
12 funds from Commonwealth.

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

15 Section 1. Sections 2(a), 4, 5, 6, 7 and 8(c) of the act of
16 November 24, 1992 (P.L.732, No.111), known as the Pennsylvania
17 Quality Improvement Act, are amended to read:

18 Section 2. Legislative findings and intent.

19 (a) Findings.--

20 (1) Strategic planning for quality and quality
21 improvement programs, through a commitment to excellence in

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

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

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

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

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

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

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

30 (ii) recognizing the achievements of those in the

1 public and private sectors who improve the quality of
2 their goods and services and provide an example to
3 others;

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

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

13 * * *

14 Section 4. Establishment of the Pennsylvania Quality Leadership
15 Awards.

16 There are hereby established:

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

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

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

26 Section 5. Pennsylvania Quality Leadership Awards Council.

27 (a) Establishment.--There is hereby established the
28 Pennsylvania Quality Leadership Awards Council. The council
29 shall be a board of overseers that preserves the integrity of
30 the award process and shall consist of the following members:

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

- 18 (1) A representative from the Governor's Office.
- 19 (2) The Secretary of Community and Economic Development.
- 20 (3) The Secretary of Labor and Industry.
- 21 (4) A member appointed by the President pro tempore of
- 22 the Senate.
- 23 (5) A member appointed by the Minority Leader of the
- 24 Senate.
- 25 (6) A member appointed by the Speaker of the House of
- 26 Representatives.
- 27 (7) A member appointed by the Minority Leader of the
- 28 House of Representatives.
- 29 (8) A representative from the National Institute of
- 30 Standards and Technology.

1 (9) A chief executive officer or highest ranking officer
2 from a Pennsylvania Malcolm Baldrige award-winning
3 organization.

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

6 (11) The Chairperson of the Board of the Pennsylvania
7 Quality Leadership Foundation.

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

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

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

14 (c) Organization.--The council shall elect from its own
15 members a chairperson. The Chairperson of the Board of the
16 Pennsylvania Quality Leadership Foundation shall not be eligible
17 for this office.

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

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

26 (1) approve guidelines and criteria for [the awards;

27 (2) approve and announce award recipients;

28 (3) select a board of examiners;

29 (4) appoint a panel of judges; and

30 (5) suggest improvements in the form or coverage of the

1 awards.] award levels of achievement;

2 (2) approve guidelines and criteria for the award
3 application process;

4 (3) appoint a foundation board of examiners;

5 (4) appoint a panel of judges;

6 (5) appoint an award administrator;

7 (6) approve a board of examiners;

8 (7) promote awareness and benefits of participation in
9 the process;

10 (8) maintain integrity of the award process;

11 (9) recommend areas of improvement to the board of
12 directors and the foundation; and

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

14 (f) Voting.--For powers and duties under subsection (e)(3),
15 (4), (5) and (6), a majority of ten votes shall be required to
16 approve official action.

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

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

30 (b) Panel of judges.--A panel of judges shall be appointed

1 annually by the council [from members of the board of
2 examiners]. The panel of judges shall review the findings and
3 recommendations of the board of examiners at each stage of the
4 evaluation process and recommend award recipients to the council
5 for its approval.

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

9 Section 7. Establishment of the foundation.

10 (a) Establishment.--There is hereby established the
11 Pennsylvania Quality Leadership Foundation, which shall be
12 organized as a nonprofit organization pursuant to the provisions
13 of section 501(c)(3) of the Internal Revenue Code of 1986
14 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

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

17 (1) the [President] Executive Director of the
18 Pennsylvania Quality Leadership Foundation;

19 (2) [fifteen representatives from businesses;]
20 representatives from both the public and private sectors in
21 government, manufacturing, service, education, health care,
22 technology and community development organizations recognized
23 Statewide or nationally for their work in continuous quality
24 improvement;

25 (3) three representatives from educational institutions;
26 and

27 (4) two representatives from economic development
28 organizations.

29 (c) Organization.--The board of directors shall [elect from
30 its own membership a chairperson. The board of directors shall

1 appoint the President of the Pennsylvania Quality Leadership
2 Foundation. The President] be appointed by the council and shall
3 elect from its own membership a chairperson. Upon the term
4 limitation of each member of the board, the council shall
5 appoint new members to the foundation. The Executive Director of
6 the Pennsylvania Quality Leadership Foundation shall not be
7 eligible for this office.

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

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

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

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

16 (3) impose fees upon organizations applying for the
17 awards;

18 (4) organize a marketing and publicity campaign for the
19 awards program;

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

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

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

30 (8) ensure that all award applicants receive the

1 complete results of their evaluations, as well as detailed
2 explanations of all suggestions for improvements;

3 (9) recommend other appropriate changes to the council;
4 and

5 (10) provide administrative evaluation support for the
6 council.]

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

10 (2) Approve fees for organizations that apply for
11 awards.

12 (3) Approve marketing and publicity strategies.

13 (4) Approve other funding sources.

14 (5) Promote participation in the awards program.

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

17 (7) Participate in fundraising events.

18 (8) Attend annual awards programs.

19 (9) Appoint an executive director and fix his term of
20 employment.

21 (10) Approve the foundation's budget.

22 (11) Recommend areas of program improvement and
23 development.

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

29 Section 8. Awards.

30 * * *

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

4 Section 2. Section 11 of the act is repealed:
5 [Section 11. Restriction on funds from Commonwealth.

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

9 Section 3. This act shall take effect in 60 days.