

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 651 Session of 2015

INTRODUCED BY MARKOSEK, BISHOP, KOTIK, KINSEY, BROWNLEE,
V. BROWN, LONGIETTI, COHEN, SCHLOSSBERG, HARHAI, KORTZ,
READSHAW, MURT AND FRANKEL, FEBRUARY 26, 2015

REFERRED TO COMMITTEE ON COMMERCE, FEBRUARY 26, 2015

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 and for
9 the 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

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

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

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

- 12 (1) review guidelines for awards and recommend
13 improvements to the awards process;
14 (2) recommend strategies for advancing the mission of
15 the Keystone Alliance for Performance Excellence Awards;
16 (3) promote awareness and benefits of participation in
17 the process;
18 (4) maintain integrity of the award process; and
19 (5) recommend areas of improvement to the board of
20 directors and to the foundation.

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 Section 6 of the act is repealed:

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

23 (a) Board of examiners.--A board of examiners shall be
24 selected annually by the council after submission and receipt of
25 the requisite applications. The board of examiners shall consist
26 of quality experts selected on the basis of expertise,
27 experience and peer recognition. The board of examiners shall
28 review the applications received from the submitting
29 organizations. A site visit may be required to verify the level
30 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 99-
18 514, 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.