

# FY 2017 Baldrige Program Appropriation Request - America's Best Investment

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Recognizing the proven track record of Baldrige in creating world-class health care, education and business models using the latest, validated management practices in all sectors of the economy, restoration of federal funding has been requested in the amount of \$7.5 million. With the expectation that Congress would reinstate the federal government as the public partner based on continued excellent performance of the program and proven substantial contribution to economic growth. The Baldrige program is also working with federal government and private sector partners to establish a new cyber-security program and framework. This new program will identify best practices in cyber-security and share them across all sectors to help protect America's cyber networks. The Baldrige program is also working to establish a new community approach to collaborative excellence through the Communities of Excellence 2026 (COE2026) initiative. COE2026 is using the Baldrige Framework to bring together leaders from all sectors to improve the quality of life in their community. There are currently four pilot communities.

Since the Baldrige Program was established in 1987 with bipartisan support from Congress and President Ronald Reagan, the program has advanced NIST's mission by providing the world's most respected framework and standards for organizations to share best practices, achieve excellence, and increase America's competitive edge in the global marketplace. Organizations that use the Baldrige Excellence Framework as their management and performance improvement model have proven that the pursuit of excellence leads to job creation, lives saved, more children learning, increased sales and market share across all sectors of the U.S. economy.

Since the phase-out of federal funding in 2012, the Baldrige Foundation (the private partner) has provided funding to the present day (FY2012-FY2015), reducing the Foundation's endowment to less than one year remaining. The funding provided by the Foundation has been used to pay salaries and expenses for employees and program operations at NIST. This has placed the full burden of funding the public-private partnership solely on the private partner (the Foundation). With federal funding restored, the Foundation will continue to provide its cost-share to ensure future success of the program.

The ratio of the program's benefits for the U.S. economy has been measured by NIST at greater than 820 to 1. Demonstrated benefits to organizations include improved productivity, product quality and reliability, increased revenues, job growth, higher return on investment, customer satisfaction, customer loyalty, market share, and accelerated rates of innovation.

Through the Baldrige Program, NIST is a world leader in business excellence, with hundreds of performance excellence programs worldwide based on the Baldrige Criteria. Throughout health care in the United States, Baldrige is being used to drive increased effectiveness and cost savings, innovations in patient safety and satisfaction, and continuous improvement. The American Hospital Association has endorsed the Baldrige Framework to all its members and the American Health Care Association uses the Baldrige Framework as the basis for its quality recognition programs.

## **Results in the Healthcare Sector**

According to a Thomson Reuters study, hospitals have lower rates of mortality and complications, greater cost efficiency, and higher improvement levels than peers in the 100 Top Hospitals (top 3% nationwide). Baldrige helps improve health care quality and affordability. The President's Council of Advisors on Science and Technology have recommended that HHS build on the Baldrige program to help control costs and improve the quality of healthcare across the U.S.

## **Results in Small and Large Business**

According to economists, to develop their performance excellence strategies, CEOs report more benefits if they used the Criteria than if they had used the best available alternatives. Organizations using Baldrige demonstrate growth in jobs nearly 20 times greater than matched industries and time periods (63% versus 3.2%, per the Bureaus of Economic Analysis and Labor Statistics).

## **Results in Public Education**

Baldrige improves cost efficiency and student performance. Demonstrated benefits include improved AP course participation and performance, standardized test scores, role-model graduation rates, and college attendance rates.

## ***Baldrige is America's Best Investment***