

**FY 2018 Appropriations Request Form:**

**Appropriations Subcommittee:**

Commerce, Justice, Science

**Agency/Specific Program Title/Account:**

Department of Commerce

National Institute of Standards and Technology, Industrial Technology Services,  
Baldrige Performance Excellence Program

**Type of Request:**

Programmatic

**Brief Program Description:**

Provide FY 2018 programmatic funding for the Baldrige Performance Excellence Program.

**FY 2016 Funding Request:**

Department of Commerce

National Institute of Standards and Technology

Industrial Technology Services,

FY 2018 Programmatic Request: \$7,500,000, Baldrige Performance Excellence Program

FY 2018 Request: TBD

FY 2017 enacted: \$0

**Additional Rationale/Justification:**

The Baldrige Program at NIST has been operating without federal funding since FY 2012. During this time, the Baldrige Foundation -- the private entity of the public-private partnership has paid almost all the salaries and expenses for NIST's federal employees from the assets of the foundation. Those assets consist of money the Foundation has raised since 1988. The Foundation passes that money directly through to NIST.

The total dollar amounts include the funding from the private Foundation to NIST as well as the amounts collected from any fees or charges collected from Baldrige criteria and standards sales. The vast majority of funds passed through to NIST are from the private Foundation.

Since FY 2012 the Baldrige NIST Federal program has received the following direct pass-through funding directly from the private foundation:

FY 2012	3.960 million
FY 2013	4.738 million
FY 2014	3.614 million
FY 2015	3.532 million
FY 2016	3.5 million
FY 2017	2.5 million

**Total: 21.844 million**

As a result of the private Baldrige Foundation's over \$21.8 million in direct payments to NIST since FY 2012 (2011), the Foundation endowment has rapidly dwindled. After this year, the private Foundation's endowment likely will not have sufficient funds to pay the salaries and operations of NIST's Baldrige Program. Absent the \$ 7.5 million we have requested, the Baldrige Program at NIST will likely be discontinued.

A FY 2018 appropriations request for \$7.5 million includes \$5.5 million for the salaries and expenses of the NIST Baldrige employees and program. The additional \$2 million would be for the Baldrige cybersecurity framework and process for evaluating and improving cybersecurity management in U. S. organizations. This cybersecurity initiative is in collaboration with NIST and private industry partners.

The Baldrige program is not "merely an awards program." While there is an award component, the Baldrige Program's mission for over 28 years has been to provide education and global leadership in the development of business and government performance excellence best practices, standardization methods, and actual operating tools that result in efficiencies that save the government and private sector millions of dollars annually. These business and government best practices and standardization tools are re-evaluated and updated every two years by NIST employees and are used as critical operating tools nationally by thousands of business, education, healthcare, and governmental entities.

The Baldrige cybersecurity initiative focuses on using existing Baldrige best practices and standardization methods for improving private sector and government cybersecurity operations. This initiative leverages the Baldrige Program, which has 28 years of experience with organizational assessment, recognition, and best practice sharing. Baldrige has the processes and systems in place to confidentially and securely accept and review sensitive data and information; to utilize industry subject matter experts to perform objective assessments; to avoid any real or perceived conflicts of interest, to provide actionable feedback to organizations on their performance; to recognize organizations demonstrating strong performance; and to share non-proprietary best practices. This effort will efficiently and effectively provide a national forum for collaboration, standardization, and identification of national policy improvements without creating additional bureaucracy.

**Examples of Organizational Success Using the Baldrige Framework:**

**Saving Lives in Hospitals**- 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. Hospitals are already familiar with the Baldrige Framework and this would accelerate implementation of a Baldrige-based cybersecurity program throughout health care.

**Creating Manufacturing Jobs in Business**- According to economists, to develop their performance excellence strategies, CEOs report greater innovation and more benefits if they used the Baldrige Criteria than if they had used the best available alternatives. Baldrige organizations 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).

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