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LEGISLATIVE COUNCIL

of the

Colorado General Assembly

Report

COLORADO INDUSTRIES FOR THE BLIND

1951-52 and 1952-53

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Pursuant to the provisions of S. R. 2, Second Extraordinary Session Thirty-ninth General Assembly, 1954.

Research Publication No. 4

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The Colorado Industries for the Blind (C.I.B.) is a corporate body of State Government operating under the supervision of a five member board appointed by the Governor. The Industries maintain four separate activities:

- 1. Manufacturing
- 2. Vending Stands
- 3. Rehabilitation
- 4. Home Industries

During the two year period under study (fiscal 1951-52 and 1952-53) the Board, in effect, authorized two individuals to share responsibility for these functions; Mrs. Ruth DaVolt was in charge of manufacturing and vending stands; and Mr. Claude Tynar was in charge of Rehabilitation and Home Industries. However, on January 13, 1954 the Board, on the basis of an opinion by the Attorney General to the effect that the statutes call for a single director, named Mrs. DaVolt as the person to exercise overall direction of the four programs.

The divided authority for these programs, no one of which is particularly large in terms of numbers of people involved either staff-wise or "client"-wise, appears to have resulted in a division of the Industries into two camps: The "shop" or production people and the "Rehab" people. Naturally, each took pride in his program and felt that primary emphasis should be placed thereon. This situation even went to the extreme of separate office staffs within the same small building, letterhead stationary, separate from that of the C.I.B., being used by the rehabilitation unit, a request, not granted, for separate "blind-made" labels for home industries merchandise and a separate accounting system. On the surface this may not seem overly important, but, on the basis of interviews conducted by the Council staff with members of both "camps", it is indicative of the atmosphere of division which prevailed at the Industries and demonstrates the lack of teamwork. There was a marked lack of evidence of a coordinated effort to do the very best with the money available for the welfare of blind citizens of Colorade.

On March 17, 1954, the Board of the Industries met and requested the resignations of three of the six staff members of the rehabilitation and home industries divisions, and in addition, Mr. Tynar and one other staff member voluntarily tendered their resignations—thus leaving but one member on that staff (a stenographer) as of the time of this study. (See end of this report.) At the same meeting the four board members present expressed the unanimous opinion that "a complete program for the blind should and would be maintained."

A BRIEF ANALYSIS OF THE FOUR DIVISIONS AT THE C. I. B.

MANUFACTURING. C.I.B. operates a sheltered workshop to employ blind and industrially blind persons, and such sighted employees as are needed, to manufacture brooms, brushes, mops and rubber mats. It cooperates with the National Industries for the Blind (N.I.B.) and secures a number of government contract allotments through the N.I.B. for which the C.I.B. has paid, during the two fiscal years, 1951-53 a fee to N.I.B. of approximately 2% of the gross sales thus secured. Similar workshops exist in at least twenty-six other states and are operated in various manners--in some, by state governments either under the Department of Education (Alabama, California, Kentucky, Massachusetts and New Mexico) in others under the Department of Public Welfare (Georgia, Kansas, Michigan, Mississippi, Tennessee and Wisconsin), in still others by citizen groups (Arkansas, Louisiana, Minnesota, Missouri, Ohio, Oklahoma and Texas).

The Colorado workshop is a sizable financial operation, as the following data will attest: (taken from 1951-52 reports filed with the State Controller by the C.I.B. and from 1952-53 data on file at C.I.B.).

Sales: 1951-52 \$ 275,412.85 1952-53 211,765.49 Cost of Finished Product: \$ 282,477.44 1951-52 1952-53 243,603.61 526,081.05 38,902.71 Loss Reflected by above Add General Fund Appropriation Expended (Not included above): 23,254.51 1951-52 20,592.45 1952-53 \$ 43,846.96 Add uncollectible accounts charged off: 1951-52 261.00 83,010.67

AMOUNT BY WHICH SALES FAILED TO MEET

EXPENSES----24 months. \$ 101,385.67

18,375.00

Add - Revolving Fund advances

not repaid (General Fund)

The Controller's office supplied the Legislative Council with additional financial data relating to the manufacturing operation at the C.I.B. for the period in question. These data were on a cash receipts and disbursements basis and accordingly do not correspond in dollar amounts with the accrual-basis data submitted by the C.I.B. However, they do serve to confirm the extent by which sales failed to meet the expenses of the industry in the manufacturing operation:

(cont.)

Loss Reflected by above		\$	44,179.05
Add: Revolving Fund Advances not repaid (General Fund): 1951-52	\$ 5,375.00		
1952-53	13,000.00		
1702 00	10,000.00	\$	18,375.00
Add: General Fund Appropriation			
Expended:			
1951-52	27,771.15		
1952-53	26,756.64		
	,		54,527.79
Sub-total		\$	117,081.84
Less Balance July	1, 1951		25,802.45
			91,279.39
Add overdraft balan	ce,	,	
June 3	30, 1953	-	1.60
AMOUNT BY WHICH SALES FAILED TO MEET EX 24 months	KPENSES	\$	91,280.99

With respect to the financial data above it must be emphasized that the Legislative Council has relied upon the information made available by the C.I.B. and the Controller's office. The Council did not have the resources to thoroughly examine the basic records in detail, and inasmuch as the constitutionally elected State Auditor informed it that he has caused to be made a comprehensive audit of C.I.B. records for the period under discussion, the Council did not feel that it was advisable to duplicate such work--particularly when the auditor was still in the process of examining the basic records at the C.I.B. With respect to the adequacy of the basic accounting records, it is felt that, under the circumstances, this subject more properly comes within the purview of the State Auditor's report. The Auditor has advised the Council that the C.I.B. audit is under the supervision of the C.P.A. on his staff and that his report will be forth coming, but that it will not be available within the thirty day report period allotted to the Council under the terms of S.R. 2, Second Extraordinary Session, 39th General Assembly. The Auditor further advised the Council that his audit will contain a complete statement relative to the in

ventory figures submitted by C.I.B. in its financial statements. Therefore, until such time as the State Auditor's report of his examination of the records at C.I.B. is available the above data are the most reliable which can be analyzed at this time.

It has been stated, by many familiar with sheltered workshop operations, that they are costly undertakings and should not be expected to operate at a profit; and, by others, that they should not be expected to operate at excessive losses. The primary purpose is to provide productive activity for persons handicapped through blindness. In this regard the following data provide a picture as to the services provided through the workshop (exclusive of administration) to the blind and industrially blind during 1951-52 and 1952-53:

•			•
AMOUNT EARNED	1951-52	1952-53	1952 - 53
			Employees also on
BLIND WORKERS	33	31	Payroll in 1951;-52
		-	i i
\$ 2,000-2,600	5	5	5
1,500-2,000	9	8	. 8
1,000-1,500	6	3	3
500-1,000	1	2	2
300- 500	2	1	•
. 100- 300	4	7	4
50- 100	2	1	-
0- 50	4	4	-
	digmonth and a second		
TOTAL EARNED	\$ 37,968	\$ 32,751	
% of Shop Payroll	52%	58%	
1	,,	7,0	
INDUSTRIALLY BLIND WOR	KERS 9	4	
i		-	Į.
\$ 3,000-3,200	1	-	-
2,500-2,600	<u>-</u>	1	1
2,000-2,500	1	Ī	- 1
1,500-2,000	3	2	2
400 or less	4	-	-
		direction of the same	
TOTAL EARNED	\$ 11,708	\$ 7,696	
% of Shop Payrell	16%	13%	
70 7	2070	10/0	
OTHER HANDICAPPED WOR	KERS		
\$ 1,600-1,700	1	1	1
			•
	(cont.)		
	`		

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	TOTAL EARNED % of Shop Payroll	\$ 1,693 2%	\$ 1,683 3%	
SIGH	TED WORKERS	16	9	
\$	3,000-3,300	1	-	
•	2,600-3,000	1 .	1	1
	2,000-2,600	3	3	3
	1,500-2,000	3	2	2
	1,000-1,500	1	-	- .
	500-1,000	. -	. 2	2
	200- 500	3	1	1
	200 or less	4	-	÷
	TOTAL EARNED % of Shop Payroll	\$ 21,374 30%	\$ 14,628 26%	;

Of the fifty-one different blind and industrially blind workers employed in the workshop during the period 1951-52 and 1952-53, the department of public welfare rolls listed five as having previously received Aid to the Blind grants, and two as currently (one at \$131.60 and another at \$71.00 per month) receiving Aid to the Blind payments.

VENDING STANDS. The supervision of the vending stand program is also a responsibility of Mrs. Ruth DaVolt. During the period under review there were approximately thirty such stands in operation at any one time. They are operated cooperatively, on a non-profit basis, between the board and the stand operators. The federal government through its rehabilitation division participates on a 50-50 matching basis up to \$1,000 federal funds in the equipping of a new stand. Vending stand operators are paid a minimum monthly salary of \$100 and can build their earnings up to a maximum of \$440 per month. Excess earnings of the program are used to finance supervision, to provide funds to "carry along" stands which are not making their own way (6 in each year reviewed) and to accumulate funds to finance new stands. This program started with a loan of \$500 in 1937 and has been built to an enterprise which did \$440,814 in business, paying salaries totaling \$63,735 to blind and industrially blind opera-

tors, and is shown as having a net gain of \$7,633 in the 12 months period July 1952-June 1953, and lists assets of \$77,972.34 on the C.I.B. balance sheet of June 30, 1953. For the fiscal year 1951-52 sales totaled \$332,062 and earnings of blind and industrially blind operators were $\frac{1}{51,373}$ and net gain was \$9,302.

At the request of the Board of the C.I.B., Mrs. DaVolt submitted a report early in 1954 analyzing the overall industries program in which was stated, "The Vending Stand Division is in serious position due to over expansion resulting from the joint Federal-State program. The limited number of blind people qualified for this type of work make it completely unfeasible to continue this division with any federal participation but rather it should be continued as it was prior to the acceptance of federal funds. Expansion should be gradual as program proceeds permit and efficient operators can be developed."

In discussing this program with the regional representative of the Federal Vocational Rehabilitation unit, the Council's attention was directed to the federal audit of the 1952-53 operations of the C.I.B. vending stand program in which several criticisms of accounting procedures were noted plus the fact that such matters had been called to the attention of C.I.B. officials on earlier occasions with verbal agreements to correct--but with no follow through.

In addition, it should be noted that during the period under review a member of Mrs. DaVolt's immediate family was employed as the Assistant Supervisor of the vending stand program; a vending stand operator's wife was supervisor of the vending stand program; and a manufacturing plant foreman's wife earned \$469 working in the broom factory. Irrespective of the merits or alleged demerits of the work--such a practice in a state operated office is open to sever criticism. Nepotism has long been considered undesirable in governmental operations.

REHABILITATION. The rehabilitation division during the period under review has been under the supervision of Mr. Claude Tynar. The function of this unit is to find, train and place blind persons in a productive, self-sustaining capacity. The program is financed in part by

1/ Source: records at C.I.B.

state appropriation and by federal grants under the rehabilitation acts. A brief review of the financial aspect as obtained from records supplied by the State Controller is listed below:

	EXPENDITURES			
	1951-52	1952-53	Total '	
Federal Grant General Fund (State)	\$ 35,734.38 8,995.57	\$ 35,404.38 8,998.02	\$ 71,138.76 17,993.59	
TOTAL	\$ 44,729.95	\$ 44,402.40		
	TOTAL		\$ 89,132.35	

Percent of total expenditures 1951-52 and 1952-53:

Of the above total 50% was expended as follows:

Federal Fund:	1951-52	1952-53	Total
Continuing Salaries Travel, out-of-state Rent State Retirement Fund	\$ 16,055.00 1,609.00 480.00 787.74	\$ 19,757.67 767.71 480.00 972.88	\$ 35,812.67 2,376.71 960.00 1,760.62
Federal	\$ 18,931.74	\$ 21,978.26	\$ 40,910.00
State Funds:			
Continuing Salaries, wages	·	•	
etc.	\$ 1,530.00	\$ 1,630.00	\$ 3,160.00
Travel, out-of-state	148.25	28.77	177.02
State Retirement	76.50	81.50	158.00
State	\$ 1,754.75	\$ 1,740.27	\$ 3,495.02
TOTAL	\$ 20.686.49	\$ 23,718.53	\$ 44,405.02

During the two year period under study the rehabilitation division reports that it has participated in the placement of 94 different blind people in productive employment These include:

- 8 placed in home industry or home worker type activity.
- 9 placed in the sheltered shop.
- 16 placed in the vending stand program.
- 3 placed as salesmen
- 26 placed at the Pueblo Ord nance Depc. and defense plants.
- press operators, etc. or self-employed.

The Federal Office of Vocational Rehabilitation (Dept. of Health, Education and Welfare) in its report "Annual Caseload Statistics of State Rehabilitation Agencies" dated November, 1953, in a table listing the thirty-six states which maintain separate rehabilitation services for the blind, ranks Colorado in 9th place for 1952-53 and 11th place for 1951-52 on the basis of persons rehabilitated per 100,000 population. A comprehensive analysis, case by case, to determine the real effectiveness of the Colorado rehabilitation program for the blind has not been made by the Legislative Council. However, the state department of public welfare was asked to check the list of rehabilitated cases against its aid to blind case load record to determine which, if any, of the rehabilitatees had or were still on the welfare rolls. The department in a letter on April 16, 1954, reported that:

"of the fifty names on the list entitled 'Rehabilitation (closed as employed) 1952-53", one case, that of ______, was found to be still receiving an A.B. (Aid to the Blind) payment in the amount of \$33 per month. One person...... shown on our A.B. rolls as having been discontinued in May, 1952, by transfer to Old Age Pension (O.A.P. payment of \$61.75 was discontinued effective May, 1953, because of "employment"). Seven cases show on our record as having previously received Aid to the Blind. These cases were:

''A''	discontinued,	May, 1953, because	of	employment.
"B"	11	July, 1953 ''	**	
"C"	11	October, 1943 "	† 1	**
''D''	11	November, 1953	tr	11
"E"	••	April, 1951 "	11	11
"F"	11	May, 1952 ''	11	
''G''	11	January, 1941	**	" of spouse.

"Of the forty-seven names on the list which you gave us showing "Rehabilitations (closed as employed) 1951-52," there was one duplication,..., who was also on the 1952-53 list given us. There were three cases found to be currently receiving Aid to the Blind assistance. These were:

"A" - Currently receiving \$56 per month.
"B" - Currently receiving 98 per month.
"C" - Currently receiving 33 per month.

There were seven cases which formerly received Aid to the Blind. These cases

were:

**	Α''	-	discontinued,	August, 194	l because	of emp	oloyment	•
11	В''	-	**	August, 195	0 ''	• •	11	
**	C''	-	**	March, 1948	3 ''	**	11	
*1	C''	-	**	July, 1944	**	11	**	
* 1	E''	-	**	August, 194	4 "	11	**	•
*1	F''	-	**	June, 1953	**	11	**	
*1	G''	-	17	December,	1946, tran	sfer to	Old Age	Pension.

HOME INDUSTRIES. During the two year period under review the rehabilitation department has also operated a program of Home Industry designed to furnish work for the home-bound blind making such items as: clothes pin bags, ironing board covers, aprons, dust mops, plastic items, etc. which are sold principally to blind door to door salesmen. This program, under the general direction of Mr. Tynar, has been supervised by one of the employees who was terminated as of April 1, 1954. On the basis of information supplied by the Home Industries supervisor, twelve blind people (eight of whom are listed as living in Denver) participated in 1952-53 in the manufacture of these home made items and they were paid a total of \$1,884, distributed as follows:

1 - \$ 460 1 - 294 1 - 278 4 - 100 -200 5 - 80 cr less

The total value of the items manufactured was approximately \$13,000, and they were sold to nine salesmen (eight of whom are listed as being in Denver) as follows:

1 - \$ 3,083 6 - 1,000 - 2,000 2 - 700 or less

A review by the State Department of Public Welfare of records of its assistance cases

for the names listed as helped through the home industries program developed that:

Six cases are currently receiving Aid to the Blind,

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"F" - $33.00 " "
"E" - $25.00 " "
"G" - 71.35 " "
"B" - 36.50 " "
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At least one additional case was receiving the Old Age Pension. In addition, at

jeast six cases had received hid to the Blind payments previously;

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"F" - Discontinued, July, 1943, because of employment.
"C" - " April, 1944 " " "
"C" - " April, 1944 " " "
"F" - " April, 1945 " " "
"F" - " April, 1945 " " "
```

The June 30, 1953 balance sheet for this unit included, as assets, raw materials inventory valued at \$3,989 and finished goods inventory valued at \$5,646. The direct cost administering this program during 1952-53 was approximately \$3,600, indicating a direct administrative cost paid to a sighted worker of \$2.00 for each \$1.00 paid to a blind worker.

(If indirect administrative costs were calculated--it would probably raise this to \$3.00 administrative to \$1.00 blind labor.)

expressed by Mr. Tynar as "...,while it is true that the administrative cost of this program exceeds the wages paid its workers, we are certain this condition will not exist for long. Greater volume of business should soon solve this difficulty. With the advice of leading businessmen of this city, through the Home Industry Council, this venture will succeed in bringing better living standards to this group of descrving people. The program's value to the door to door salesman cannot be overestimated. Most of them say that their income has increased appreciationing the overestimated. Most of them say that their income has increased appreci-

At the C.I.B, there are at least two schools of thought regarding this program: one is

ably since the inception of this effort. Many blind people who do not normally sell also find this program helpful in tiding them over periods of unemployment..."

The second is expressed by Mrs. DaVolt as "With the proven unfeasibility of the Home Industry Division and the extremely small wages developed for the blind, this division should be abolished..."

GENERAL OBSERVATIONS AND CONCLUSIONS:

- 1. NUMBER OF BLIND. On the basis of data available from the State Department of 1/2 Public Welfare there are approximately 2,100 blind people in Calorado. Of this number, some 340 are on the "aid to blind" assistance rolls and an unknown number aged 60 and over are on the old age pension rolls (qualified needy blind have a choice of either program and in Colorado the O. A. P. program pays the largest monthly benefit). Nationally an average of 32% of a state's blind population are on the welfare rolls--applying the average to the total Colorado's blind population as shown above and comparing it with the number receiving A. B. payments, it can be roughly estimated that some 330 are on the O.A.P. rolls. Of the 340 on the Aid to the Blind rolls, 293 are over 50 years of age, and it is doubtful whether rehabilitation would be economically practical for these persons. Thus leaving approximately 50 blind persons on the welfare rolls of an age responsive to rehabilitation efforts (of this number it is
- Definition of blindness. The Bureau of Public Assistance (Federal) has recommended the following definition in terms of opthalmic measurements: "Central visual acuity of 20/200 or less in the better eye with correcting glasses is considered as economic blindness, an individual with central visual acuity of more than 20/200 in the better eye with proper correction is usually not considered blind unless there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees". Mr. Ralph G. Hurlin, Russell Sage Foundation, estimates a total of 3,048 (over) blind persons in Colorado as of July 1, 1952. (Social Security Bulletin, July, 1953.)

unknown how many suffer additional physical or mental problems which may preclude successful rehabilitation). Reliable statistics are not available regarding age and condition of the non-welfare blind cases in Colorado with respect to need for or susceptibility to reasonably successful rehabilitation.

- 2. "BOARDITIS". As stated above, there is the five member board (five year term.) created to supervise the Colorado Industries for the Blind; in addition, there are the following boards, the function of which relate either directly or indirectly with the state's activities in the field of services for the handicapped:
 - The Board of the Colorado School for the Deaf and Blind composed of five trustees (six year terms) to oversee the School for the Deaf and Blind at Colorado Springs,
 - 2. The State Board of Public Welfare, seven members (three year terms) administers the aid to blind and the aid for needy disabled programs. Included under the Department of Public Welfare is the Division of Services for the Blind, with a Director of Services for the Blind.
 - 3. The State Board of Vocational Education and Vocational Rehabilitation, five members (six year term), was established in recognition of the need for rehabilitation services to handicapped persons (other than blind). This program is administered by a full-time director and a sizable staff.
 - 4. The Public Institutions Advisory Board, three members (six year term) created in 1951 has the function "to advise with the governor on the supervision, management, conduct and control of the public institutions..." The Department of Public Institutions with a full-time Director has "general supervisory control" over the Board of Industries for the Blind and the Department of Public Welfare (as well as nine other institutions).
 - Three of the above boards (all but welfare and the advisory board are classified as being "Educational" in nature and this brings into the discussion:
 - 5. The State Board of Education, constitutionally provided for, five members, (six year term) which under said basic document has "general supervision of the public schools of the state..." In addition, the Laws of 1949 included under the newly created Department of Education, among other activities, the State Board for Vocational Education-however, the law further provides that the Vocational Education Board (also charged with supervision of vocational rehabilitation) would continue "as now constituted and existing." This situation has caused the State Board of Education concern as to where it stands legally in relation to the state vocational program.

It appears reasonable to conclude that Colorado has more than a slight case of "BOARD-ITIS" in the field of providing educational and rehabilitation services for the handicapped.

Such a dispersal of authority readily lends itself to a lack of coordination of effort and can result in unnecessary duplications, overlapping of authority and an uneconomic expenditure of state funds.

- 3. <u>C.I.B.</u> <u>COST EXCESSIVE?</u> On the basis of financial data presented earlier in this report, it appears reasonable to conclude that the excess of cost of operation over sales receipts at the C.I.B. is sufficient to cause deep concern.
- 4. PRODUCTION vs. TRAINING. The Colorado Industries for the Blind have apparently found it difficult in the past two years to successfully integrate a production unit with the training unit (as prescribed in the authorizing legislation). This is evidenced by the fact that the Director of Rehabilitation for two years has hired an instructor (machine shop) at the Denver Opportunity School for training purposes related to his program despite the fact that the C.I.B. has had funds available which could be used for the purpose of purchasing training equipment and already has the facilities to house it. (Mention should be made here of the considerable facilities available for this type of training at the Denver Opportunity School and that the state rehabilitation office (other than blind) maintains an office thereat.)
- 5. <u>NEW FEDERAL PROGRAM</u>. The federal government has borne a sizable share of the cost of services for the blind in Colorado, and its future participation is important to a continuation of the present level of service. In this regard, there is a measure (S. 2759), being considered at this time by Congressional committees, which would substitute for the existing law a new Vocational Rehabilitation Act making substantial changes in the program not only as to enlargement of services to which the federal government would contribute (e.g., adds construction of rehabilitation facilities and sheltered workshops and grants for "extension and improvement" projects), but also as to the degree of federal financial participation. If enacted, S.2759

could have a considerable effect on the Colorado program.

6. RECOMMENDATION. The thirty day period authorized for the small staff of the Legislative Council to investigate this problem was inadequate in view of the seriousness of the issue and the other projects already assigned to it by the legislature. Therefore, it is the recommendation of the Legislative Council that the permanent Subcommittee on Boards, Bureaus and Institutions of the Governor's Committee on Administrative Organization further examine this overall problem and attempt to effect an integration of services to the handicapped, including the blind. SPECIFICALLY, THAT SAID SUBCOMMITTEE EXAMINE THE FEASIBILITY OF COMBINING ALL REHABILITATION EFFORTS (INCLUDING THE SHELTERED WORKSHOP) AND PLACING THEM, AS A UNIT, WITHIN THE DEPARTMENT OF EDUCATION UNDER THE SUPERVISION OF THE STATE BOARD OF EDUCATION.

April, 1954 at the C.I.B. The remaining members of the Board at the C.I.B. have taken several actions, in addition to the resignations requested and accepted referred to earlier, to improve conditions at the Industry. A new male employee qualified to prepare toperating accounting statements and experienced in institution management has been added to assist Mrs. DaVolt in the general operation, a new male employee with considerable merchandising experience has been hired to supervise the vending stands, and a new director (blind) for the rehabilitation program has been employed. In addition, Mrs. DaVolt's daughter has tendered her resignation and the other "relatives" referred to earlier have been released.