

A Progress Report



1953 - 1957

ARIZONA INDUSTRIES FOR THE BLIND

5610 South Central Avenue

Phoenix, Arizona

Operated as an Employment and Rehabilitation facility
of the
STATE OF ARIZONA
DEPARTMENT OF PUBLIC WELFARE



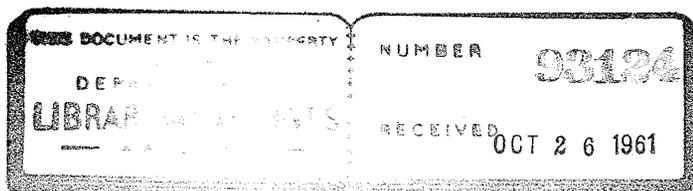
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DEDICATION

The following report on the Arizona Industries for the Blind is submitted with pride in the name of all the workers and employees, both past and present, who have had any part in making yesterday's hopes become true today. The report is dedicated to all the citizens of Arizona—to the legislators and board members who, with wisdom and judgement, have enacted the laws or formulated the policies which have enabled the Arizona Industries for the Blind to attain its present stature; to the property owners and business men whose taxes support the services rendered the community by the Arizona Industries for the Blind; to the many friends who, through purchases of articles produced at the Arizona Industries for the Blind, have made possible work opportunities and earnings to its handicapped employees.

INTRODUCTION

It is a big undertaking to operate a training center where human lives are transformed and where new-found or rediscovered confidence is developed. Understanding and using business principles to successfully operate a manufacturing venture is equally difficult. It is not surprising, then, that a concern like the Arizona Industries for the Blind, combining training and manufacturing, is a difficult operation to administer and understand.

At the Arizona Industries for the Blind, training is FOR

people who cannot initially compete with others in obtaining or holding a job because of visual loss, other physical or emotional handicap, or lack of work experience.

helps DEVELOP

the maximum use of a trainee's capacities.

includes WORK

with materials and equipment similar to that found in regular manufacturing operations, working in a situation comparable to similar small business enterprises.

fosters LEARNING

of good work habits such as quality consciousness and pride in work done, punctuality and a steady work pace, the desire to follow instructions and rules, and the ability to work with others.

encourages PROGRESS

to more difficult work as the trainee becomes skilled at his present task.

provides RECORDS

of a trainee's progress and evaluation for his future guidance.

Training and business are not incompatible nor do they have contradictory objectives. When properly balanced they can and do work together to produce a better life for more people. Arizona Industries for the Blind provides the people of Arizona with "cash dividends" and "social divi-

dends" from its combination training and business oriented workshop. The "cash dividend" is declared every time a handicapped worker ceases to be a tax consumer and becomes self-supporting. The "social dividend" is realized when the handicapped worker finds himself paying his own way. It includes those intangibles of personal importance such as dignity, self-respect, independence and pride.

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HISTORY

Arizona Industries for the Blind, like other parts of Arizona's development, is new in comparison with similar enterprises in other states. It took form in November 1952 when the first visually handicapped were chosen for training. Through the early, precarious months only a dream of what might develop kept the program together.

During July 1953 the plant was moved from 1915 East Washington Street to 5610 South Central Avenue in Phoenix where larger quarters made expansion possible.

Always a part of the State Department of Public Welfare, Arizona Industries for the Blind was originally a unit in the Division of Services for the Blind. It was given new status as a section in the Division of Public Assistance shortly after it moved to South Central Avenue as a part of the Welfare Department's effort to secure the maximum gain in rehabilitation and tax savings.

The enabling legislation for the Arizona Industries for the Blind was passed in 1953 and revised in 1954 by the Twenty-first legislature. It became a part of the Arizona Revised Statutes in 1956 as passed by the Twenty-second legislature. It is found in Exhibit A of the appendix.

Modifications in the purposes of the Arizona Industries for the Blind will always result from the effects of time and experience. At first, because of its own and Arizona's infancy, it was forced to exist almost exclusively to provide training for blind persons who blazed a new trail with their every act. More than a year passed before serious thought could be given to the business considerations which were essential to its future growth.

Since Arizona's size and economy seemed too small to support as separate functions both a training center and business employment for blind persons, the Arizona Industries for the Blind early in 1954 combined these ideas into a single workshop program. At that time little difference could be seen between the newcomer to the workshop and trainees who had several months experience practicing new work methods. A new person could quickly bridge the gap between himself and the more experienced trainees. In the early stages production standards and personnel selection practices had not been developed. Individual differences in rates of learning and progress had not yet been noted.

Gradually, during 1954 and 1955, the workers who could gain the most from the Arizona Industries for the Blind began to show themselves. Some demonstrated the

ability to meet the greater responsibility which the increased business activity was demanding. Some new trainees accepted the challenge to increase their skills in the workshop. Marginal workers and those who could not meet the requirements for attendance or conformity to rules began to drop out.

During 1956 the improved production abilities of the workers was widening the gap between themselves and new inexperienced trainees. Contact with Industries for the Blind in other states made it clear to management that the the progress Arizona workers were making was far faster than that found during the same period in other workshops. In fact, the Arizona Industries for the Blind was becoming known in other states and in the national program for its quality of work and its reliability in meeting contract and order delivery dates. All of this prompted a new concept of the purposes of the workshop. It is well expressed by the American Foundation for the Blind in a recent monograph titled, "The Middletown Lighthouse for the Blind—A Survey." They make the recommendation that a community

“ . . . utilize its facilities to establish a productive workshop . . . the phrase 'Productive Workshop' . . . means a workshop where the primary purpose is to assist blind persons to achieve economic independence. This should not be construed as minimizing the important role that workshops can play in the areas of diagnosis, treatment and training. It is suggested that a productive workshop provides a most effective base for the subsequent development and inclusion of these essential aspects of the total rehabilitation process.”

Today at the Arizona Industries for the Blind those workers who are making the greatest progress in quality production are, given the opportunity to continue to improve as workers in a business oriented workshop so they may achieve reasonable standards of private employment. As they progress toward these standards some of them will be able to seek and fill jobs in other industries.

* * * *

OPPORTUNITIES OFFERED BLIND PERSONS

Work-Training

To meet the needs of new unskilled trainees a work-training program is in operation offering a chance for a person to enter the workshop for approximately an eight-week period. During this time he is taught several jobs which he performs at his own best speed even though it may be far below that of the experienced worker. This is to help the blind person, himself, as well as the rehabilitation counselor and workshop management, to better understand his shortcomings as well as his interests and abilities. An opportunity is kept open as continuously as possible for at least one blind person at a time to receive this training.

When a blind person begins training it is presumed that he can care for his own personal needs and affairs, can travel alone and has a desire to improve his abilities. It is unfortunate that many blind persons have been protected or pampered by family or friends until they find it difficult to be self-reliant in grooming, eating habits, business affairs, etc. The ability to travel alone is essential to success in employment, but it is often absent due to lack of encouragement. A new trainee's motivation is most important. No person, blind or not, can be successful without it.

During first days of training the blind person learns to adapt to the world of employment. He must meet and get along with other workers. New persons in the workshop are encouraged by other workers who suggest ways to do certain jobs or to cope with particular problems most effectively. The passing on of accumulated experiences provides much of the instruction which a trainee receives. Work routines are also learned. He has a time card to punch when starting and stopping work. A bell rings to signal work periods during the eight-hour day. The five-day work week demands his full time. Personal habits of smoking, eating and using the telephone are regulated. He is treated with both respect and firmness to develop his own self-confidence. Discipline is like that in any private business. Management believes that to be able to integrate into society, a blind person must accept the responsibilities as well as the rights of citizenship. Adapting to workshop rules is not always easy when a life of little or no responsibility or regulation precedes the training. Some workers who dropped out of training or stopped work stated after-

wards that they realized how much their workshop experience had improved their habits.

In work, the trainee gets a trial experience at actual production jobs. Many of them work at the assembly of link doormats, a job which yields success in a short time and brings a sense of achievement quickly. It is a fairly simple procedure to make a mat. The challenge comes as the number of mats made per day is recorded. They work against their own records to attain improvement. As their work is compared with the average of others, a measure of their finger-hand-arm co-ordination and speed is obtained. This is useful to guide them into or away from jobs requiring hand speed. Other jobs such as folding or packaging bath towels, dish towels, wash cloths and ironing board covers show how well the trainee is adapted to problems involving spatial perception and the accurate matching of edges. Contrary to popular belief, all blind persons do not have well-developed touch. Many times a trainee without a good sense of touch can utilize skills which he does possess if he is given a chance to discover and develop them. He is helped to be realistic in understanding his abilities by recognizing and accepting a failure with the same frankness as is used in seeking success.

During the training period, regular reports of the trainee's work record and personal adjustment are provided to the rehabilitation counselor.

At the conclusion of his training, the trainee leaves to make room for another person. He may be guided by the rehabilitation counselor into other opportunities or experiences, or, should an opening occur in the workshop due to expansion or the loss of a worker, he and others who have completed training are considered to fill the vacancy.

Apprenticeship

When a trainee enters the next phase of the program at the Arizona Industries for the Blind, he calls himself a "worker." He takes pride in his upward step. As a production worker, he earns a regular wage which increases as he acquires more skills and gains experience. Although the worker thinks of himself as employed, he seldom realizes the difference between the kind of protected employment which is his at the workshop at this stage of training and that which is found in private industry.

In the workshop he will gain the greatest amount of "training" during the period of apprenticeship. The formal

training period did little more than find a direction for him to follow. Now he perfects the skills which he discovered.

Not only will he learn working skills, but the associated personal problems which accompany increased income and self-confidence will arise for solution. A routine matter like taking an earned vacation is, to a person who never faced it before, an important and occasionally disturbing occurrence. A blind worker who, when asked why he hadn't scheduled his vacation, said, "I didn't know what to do with the time so I was putting off taking it," was expressing this new-found confusion. Perhaps the greatest problem the average worker faces is how to use his income to best meet his needs and desires. His inexperience in money management and business matters frequently brings him to the workshop management for counsel. He is assisted in gradually assuming the full responsibility for these problems.

As he learns to do jobs more rapidly and with greater ease the worker prepares the groundwork for his possible advancement to private employment. The blind person, as well as the sighted person, needs to have evidence of a continuing work background to compete for jobs. The specific type of work experience is often not as important to a prospective employer as is the ability of the applicant to exhibit a record of job stability and reliability as shown by his attendance and the recommendations he receives. Workers who remain on the payroll at the Arizona Industries for the Blind at a regular job develop this type of record. It is not achieved in a few months but will depend on the worker's ability and his goal.

On-the-Job Training and Advancement

Workers with sufficient skill are given try-outs on more difficult machinery or processes. As they gain proficiency at work of one kind and can return to it after absence with little or no loss of efficiency, they may, if they desire, broaden their experience. Even though work try-outs mean new periods of slow production and bring about a waste of materials, the practice is consistent with the purpose of the Arizona Industries for the Blind. Workers continue to earn the same wages while practicing in the new area.

During periods of business slowness, extensive re-training and experimentation are carried out. This has been done in place of lay-offs which have been avoided although they are common in other workshops throughout the nation. As a result workers have become versatile. They can

contribute more to the workshop's stability and can offer more to prospective employers.

Ideally, at this point it should be possible for the blind worker to move out into private employment. However, it has been found that a certain number will not or cannot do so. In effect they then become continuing employees of the workshop. Another difficulty that has presented itself is to persuade private industry to accept the blind worker. A real "selling" job needs to be done in this area. The largest unresolved problem, then, in the final rehabilitation of the blind has been to locate and obtain private employment and to provide the additional specific training to qualify the blind worker for the job. One recent improvement in this over-all situation is an agreement that has been worked out with the Arizona State Employment Service. Blind production workers are now being referred to employment specialists of the Arizona State Employment Service for job development and job placement.

At the Arizona Industries for the Blind, two of the three supervisors, called leadmen, are blind and were chosen from among the production workers because they showed the ability to do the work themselves, the desire to assume greater responsibility, and the capacity to help others learn skills without either over-protecting them or expecting unreasonable accomplishments. In their jobs as leadmen, they are themselves being trained by management to devise efficient work methods, to properly train workers, to handle minor personnel problems, and to develop the ability to make decisions. They are representative of the highest accomplishments of the Arizona Industries for the Blind as they have progressed from trainee status to important and responsible positions as leadmen in a thriving business.

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ACCOMPLISHMENTS

Production

Chart 1 compares the production of the average worker in different years. Many of the same workers were employed throughout the period, showing that individually they have made and are making personal progress toward greater productivity.

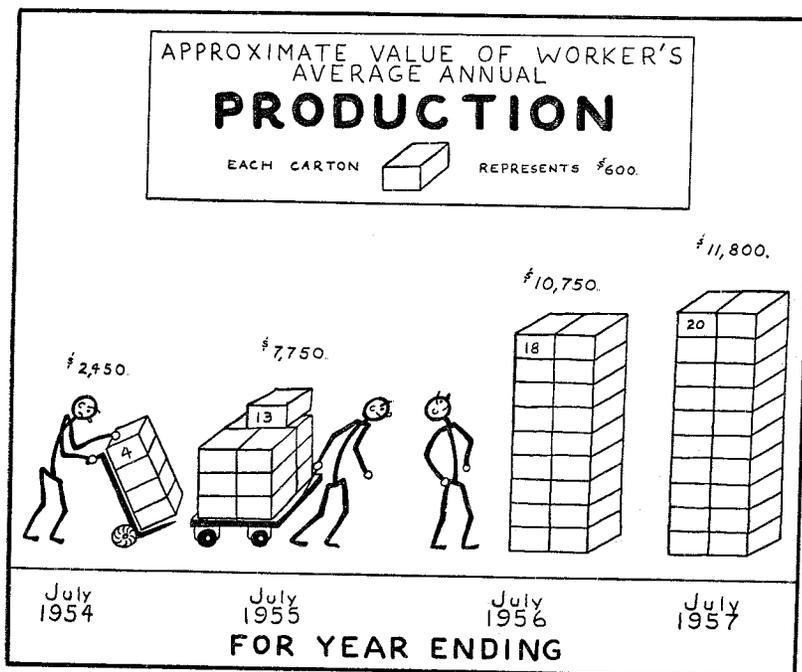


Chart 1

To cite an example, the average worker hemming pillowcases in 1954 made about 10 dozen per day. In 1955, the average was 19 dozen per day, climbing to 31 dozen per day in 1956. Today, the average is around 37 dozen per day. In other industries for the blind 48 dozen per day is considered average for a worker who does this kind of work exclusively. The steady rise toward this goal by workers who receive a variety of work assignments is very encouraging.

Not only are they producing more per hour, but they are increasing total production by their ability to handle more varied work assignments. Management has increased sales, making possible longer work experiences at the same job.

As more work became available, a worker spent more time on production and less at training and practice.

Recently the completion of the one millionth article in the workshop was celebrated. Since July 1953, the volume of production included:

Mopheads	360,000
Pillowcases	215,000
Ironing Board Cover Sets	25,000
Brooms and Brushes	16,000
Rugs	9,000
Doormats	8,000

In any sound business, it is necessary to have goods available for delivery when the customer wants them. To do this, the Arizona Industries for the Blind has a complete system to record the amount and movement of materials from the time they are received until they emerge from the work areas as finished products such as ironing board covers, rugs, mops, etc. All jobs done in the workshop have been studied so that accurate estimates can be made of the length of time required to complete an order. These controls make it possible for the workshop to deliver its orders on time and to keep its workers scheduled efficiently.

When the work order system, as it is called, was first started a great deal of time was spent teaching workers what it was for and how it worked. Today, they not only understand the system, but the basic information which comes from it is used to establish the accurate cost accounting records used by the workshop management.

Personnel

Between July 1953 and July 1957, the number of workers rose from six to twenty.

During the same time, the increase in earnings of the average blind worker is shown in Chart 2. The average wage rose from 69.44 cents to \$1.01 per hour. This is in comparison to the 1956 national average of 92 cents per hour in all other industries for the blind. At the same time, fringe benefits were providing additional value to his earnings. Old Age and Survivors Insurance was obtained in 1954. The addition of paid holidays in 1956 continued the trend as productivity and overall success of the Arizona Industries for the Blind increased. Earnings from fringe benefits are worth about \$181.00 annually per worker in 1957. Wage scales for interstate commerce are regularly reviewed by officials from the Wage and Hour Administration of the Department of Labor.

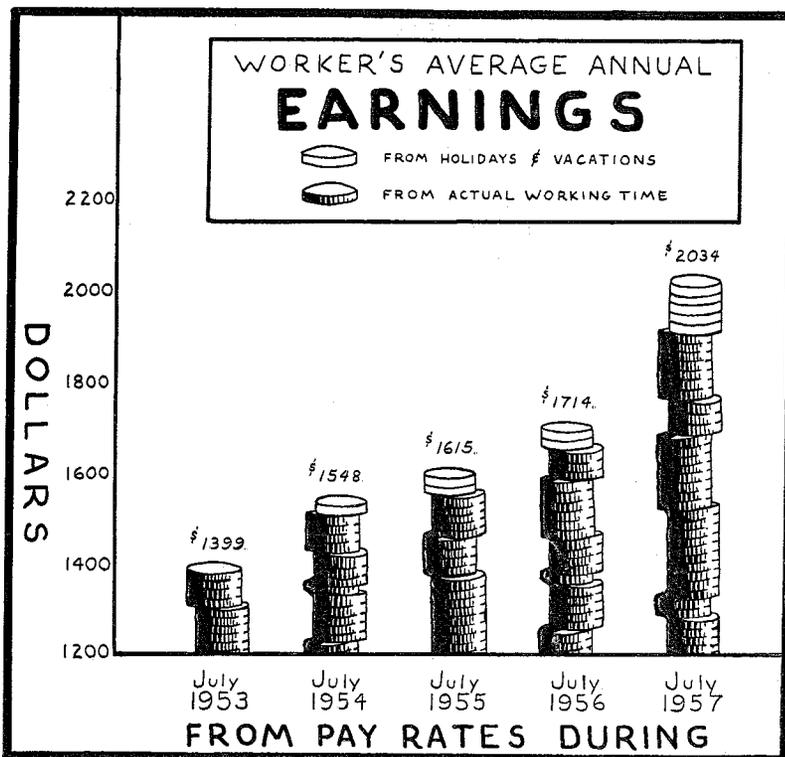


Chart 2

Since July 1953, workers have been paid on an hourly basis. During the first few years their earnings exceeded the value of their work. This was done intentionally since matching earnings with work would not only have been unfair to an untrained, apprentice worker but would have destroyed the feeling of self-support which was being encouraged. Lower earnings would have meant continued reliance on welfare grants to meet life's necessities. As it was, the portion of earning above the value of the work done, coming in the form of a subsidy from the Blind Services of the Welfare Department, was actually a form of grant. But, because it came in a worker's pay check, it had good psychological value.

The workshop management added to the incentive to improve by encouraging new work methods, by rewarding progress by pay raises, and by praising both individual and group increases in production. A zeal to do things better and an eagerness to top yesterday's record gradually characterized the majority of the workers who were working sincerely to improve the workshop.

At the present time an individual worker's production in most cases equals the wages he receives. As a next logical step plans will be developed to meet the needs and abilities of marginal workers as well as to encourage better workers to increase their earnings by increased production. Soon skills will rise to the point where piece rates or similar methods of compensation would be fair to employees and serve a useful function in the realistic training program.

Current personnel policies are found in Appendix Exhibit B.

Management

As the youngest member of the National Industries for the Blind, the Arizona workshop has gained much knowledge from its counsel. This national organization was authorized by an act of congress to be a "central non-profit-making agency to facilitate the distribution of orders among the agencies for the blind". It allocates to the workshop all orders on government contracts as well as merchandise sold to Commissary Stores.

Through attendance at the meetings of the administrators and managers of the fifty-five (55) member workshops, our manager has kept the Arizona Industries for the Blind abreast of new production and management techniques and of new resources and types of raw materials. Personal contacts at National Industries for the Blind meetings have resulted in sales to other States and in contracts from government agencies.

One of management's important concerns is financial administration and control. Payrolls must be promptly and accurately met. Purchase orders and payments for goods and services received involve many clerical and accounting steps in any governmental agency. All funds are under the control of the State Auditor. It is no accident that the Arizona Industries for the Blind earned over \$2,200.00 during 1956-57 in the form of cash discounts on bills promptly paid. Only a smoothly operating system can produce this result. Equal in importance is the prompt collection of money owed the workshop for goods delivered. Accounting covers all phases of these operations with periodic statements to show current conditions and trends.

A certified public accountant now audits all bookkeeping records at the close of each fiscal year to insure accuracy and to keep the system used in conformity with the best practices. His report and recommendations provide management with invaluable tools for business and procedural evaluation.

In the negotiation of the building rental, management saved \$1,200.00 per year in rent beginning in fiscal 1956-57. Current work toward the goal of securing a state owned building will further reduce this cost in the future.

The Cash Revolving Fund which receives income from sales and from which operating costs are paid was increased by the legislature in 1956 by \$15,000.00. This made possible a savings of \$3,300.00 during fiscal 1956-57 by enabling management to make carload purchases of mop yarn.

Since the luxury of repairmen could not be afforded during the early years, management often spent long hours making sure that equipment would be ready to operate when workers arrived the following day. Improvising machines and testing new processes as well as outfitting and maintaining the work areas involved extra work. It was this extra work by management along with the efforts of the workers which brought the Arizona Industries for the Blind to its feet ready to move forward.

Sales

One of the most substantial and outstanding accomplishments of the Arizona Industries for the Blind has been

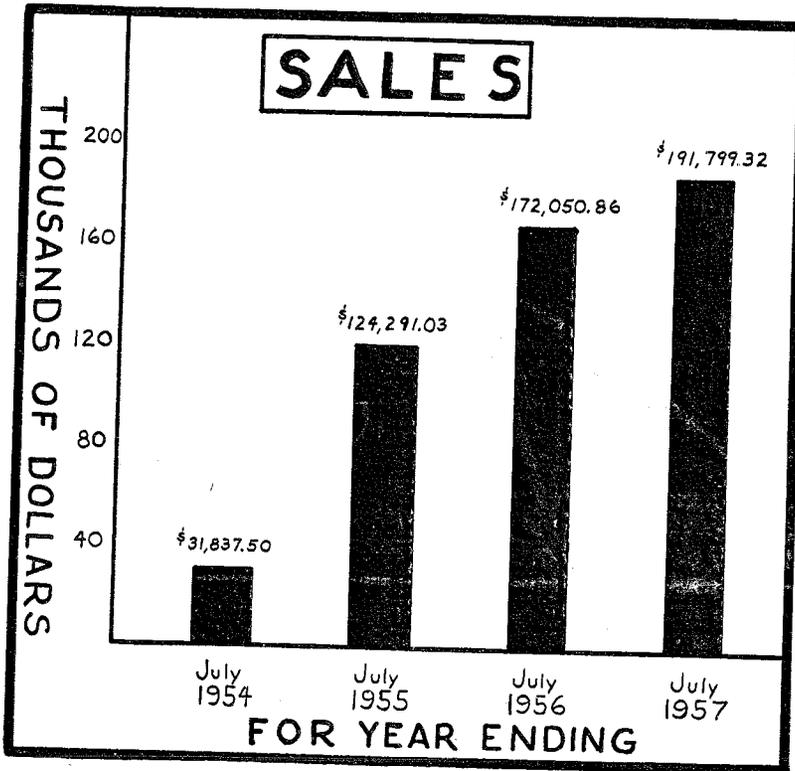


Chart 3

the sale of its products. Chart 3, shows how the climb has been steadily progressing to \$191,799.32 in 1956-57. Diversity of products made (over 31 quite different kinds of articles) along with the ability to enter new promising fields without delay have been teamed with the workers' high quality production to make the trade name of "Sun-crafts" known over all Arizona.

Retail sales are made through an authorized, contracted, State-wide distributor, the State Blind Products Company, who sell directly to Arizonans in their homes at prices comparable to those of other door-to-door sales organizations. This method of retail selling was established in June 1953. It has proven successful here as in other states for products of high quality which need to be demonstrated to the purchaser to get the initial sale. Products are sold to many of the State's other institutions as well as to service clubs. Contracts for mopheads and pillowcases are received from the Government. Recently the workshop began selling articles to Army, Navy and Air Force Commissary Stores in this region and for overseas shipments. Sales of products from the workshop to wholesale and commercial outlets were started recently.

The importance of sales for continued growth and progress has placed responsibility on management beyond that anticipated at the conception of the program. Sales must expand to offer the services of the workshop to more blind persons.

* * * *

PROBLEMS

Unique problems are encountered in an organization like the Arizona Industries for the Blind where a program of work training is combined with a manufacturing business. It is a delicate matter to keep one of these functions from overshadowing the other. The social considerations of helping people to self-sufficiency and maximum growth must be tempered with sound business practices. At the same time, business considerations cannot overrule the necessary human allowances which must be made for inexperienced men and women.

Supervision

In order to produce uniform quality merchandise with new employees, all businesses are forced to provide more supervisory personnel than would be necessary with experienced workers. Private businesses keep this at a minimum with either rapid progress of the new worker or his dismissal. The Arizona Industries for the Blind had to contend not only with the steady influx of new trainees and the continuous retraining of apprentice workers, but also with the problem of the longer time required for the average blind adult to learn to work in a self-sufficient and productive manner.

Because more supervision is required, the costs of operating are higher in the Arizona Industries for the Blind than in a private business manufacturing similar products.

Retaining Workers

Sincere consideration is required in working with blind persons who are gaining independence. Help and encouragement is given those workers who are troubled by problems. Due to its desire to give the maximum possible chance to a worker, management stretches its patience and understanding to the limit whenever personal or disciplinary problems arise. Hope is maintained to the very end that the next thing to be tried may make the difference between success and failure. The policy of giving repeated counseling has resulted in more social, more productive, happier workers. The successes more than compensate for the time and effort invested in those instances when the worker is unable to meet the challenge.

Selecting Work

Products chosen for processing in the workshop must meet two qualifications. Articles must be (1) in demand at prices for which they can be sold, and (2) must be of value as training and production tools for the workers.

The order of testing for these qualifications is important. First, an article should be have a proven market. To discover this the Arizona Industries for the Blind does—and especially did during its early years—buy articles from other industries for the blind to be sold under the “Sun-crafts” label to see if Arizonans desire to buy them in sufficient quantities. The sales of some articles did not justify the expense of the equipment needed to make them. They were dropped. If enough demand is found to exist the necessary tools and equipment are obtained and the articles are made or assembled in Arizona. Examples are the car mop, the self-wringing wet mop, the dust mop, the push broom, and the adjustable household broom.

After an article has proven to be a seller it is judged for its value in providing training and production experience. Some products offer either too little or too much work to be practical. Articles that are very simple to make or require only small amounts of work to complete must be produced and sold in very large quantities to provide enough income for the worker. A good example is the making of wet mopheads. Skilled workers can produce them rapidly and thus earn only a few cents out of the price of the finished mophead. But government contracts which call for between 12,000 and 40,000 mops at a time make it worthwhile to obtain machinery and to train a crew to make them. On the other hand, products whose production is too complex can sometimes be obtained partly finished requiring only assembling and packaging. This leads to a large area of work which can be done by assembly groups in the workshop. The assembly section also works on sub-contracts from other manufacturers in the Phoenix area.

A large area of work is made possible by the use of other handicapped workers to supplement the blind employees. Although the law permits 25 per cent of other handicapped persons as production workers, in Arizona Industries for the Blind the present proportion is 5 percent. Through their work they make possible many jobs for blind workers, jobs which otherwise would not exist because of the inability of an all-blind group to make the articles requiring good vision during some part of their production process.

All work done is strictly of a production nature. It is real employment and in no respect resembles a hobby shop. This is necessary so that most of the operating costs can be met by income from sales.

Cost of Operating

Because the business and training aspects of the Arizona Industries for the Blind are inseparable the final cost to the taxpayers of Arizona cannot be accurately divided between these functions. One of the ways the National Industries for the Blind evaluates a workshop's overall efficiency is to determine the cost of providing earnings to the workers.

Chart 4 provides a graphic portrayal of this cost. To best understand it requires a brief interpretation of the finances of the Arizona Industries for the Blind.

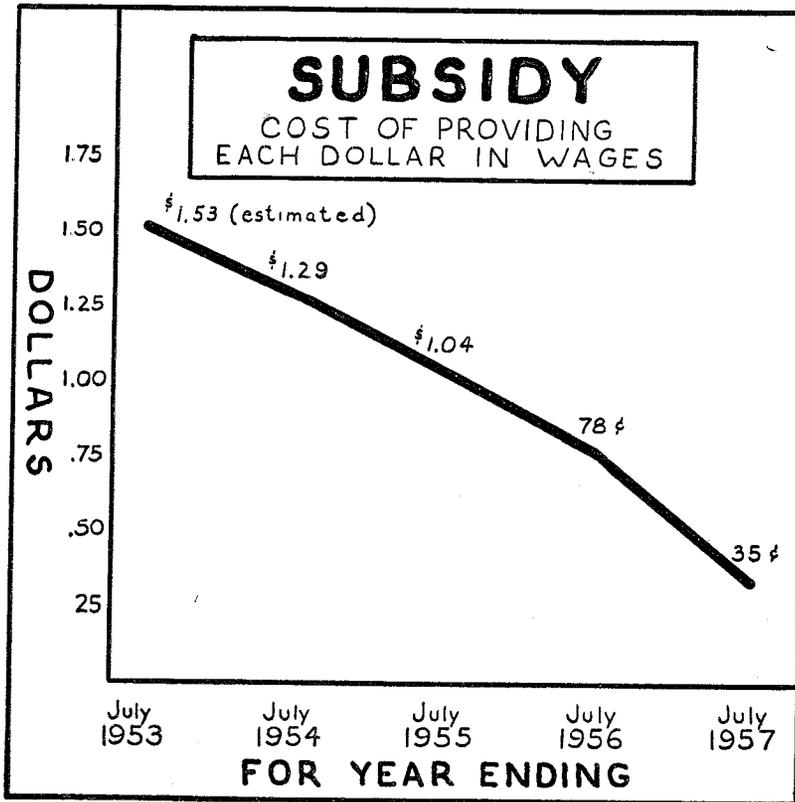


Chart 4

In the operation of the workshop expenditures are made for the following: materials; production wages and administrative salaries; expenses like rent, utilities, supplies, insurance, payroll taxes, and depreciation; and other items. Income comes from the sale of products.

In 1953-54 the workshop spent over \$17,000.00 more than it received from sales. A little more than \$13,000.00 was paid to production workers. Thus, to provide employees with a place to work and carry on a training program cost \$1.29 in state support or subsidy for every dollar received by the workers. From a strictly monetary viewpoint and ignoring the long range purpose of the program and personal values gained by workers who were striving for self-support, it would have been far less expensive to let the workers stay at home and receive the same income.

In 1954-55 expenditures exceeded income by almost \$25,000.00. Production workers received almost \$24,000.00. During this period the subsidy cost \$1.04 for every dollar paid in wages.

During 1955-56 expenses were over \$20,000.00 in excess of income, while workers received more than \$25,000.00 or a subsidy of 78 cents per dollar of wages.

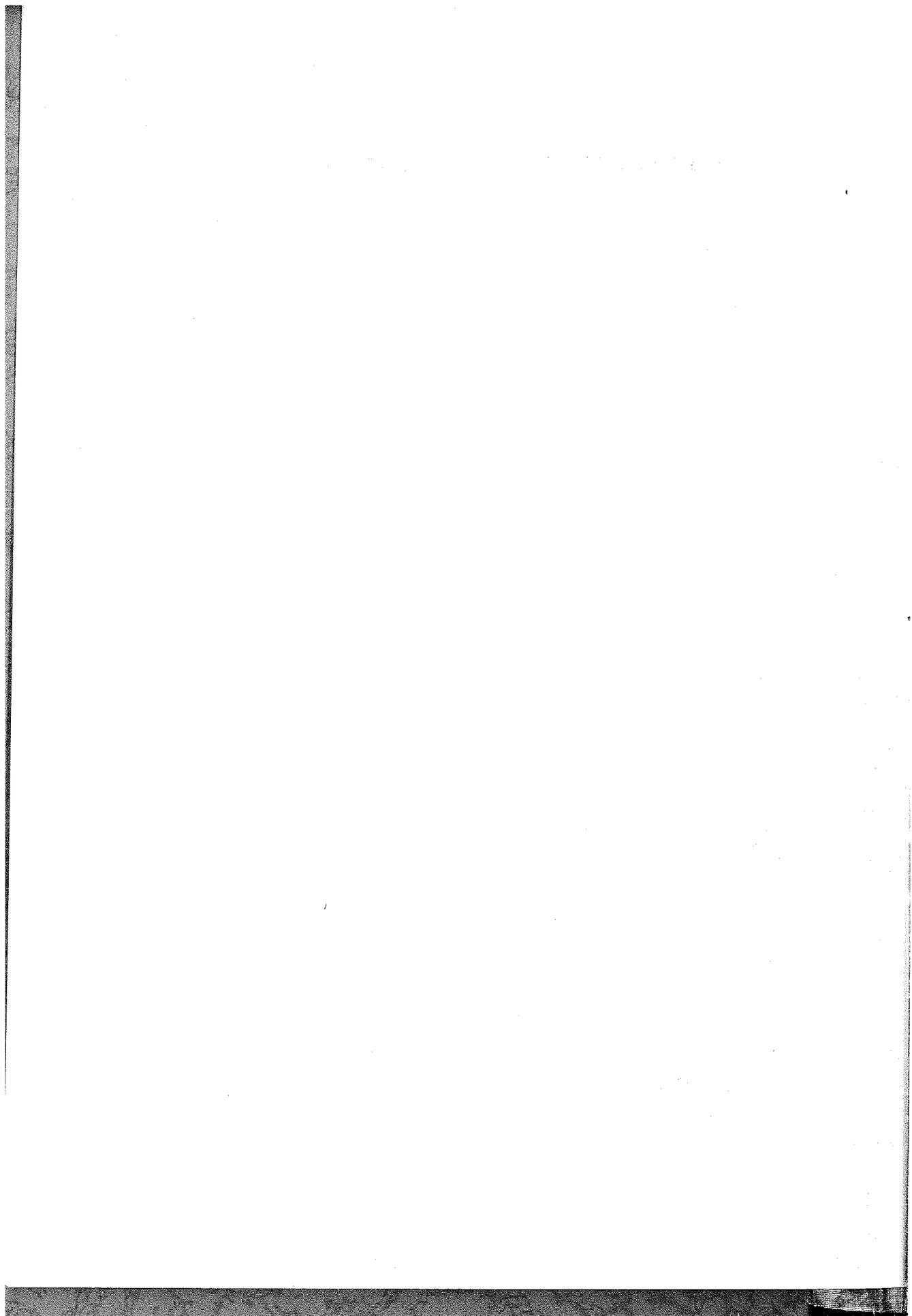
In the past year, 1956-57, with expenditures exceeding income by \$10,000.00, workers received over \$31,000.00. They actually earned all but 35 cents of each dollar received.

Standards proposed by the American Foundation for the Blind in their previously mentioned monograph set an ideal for "reasonably sound administration" of about 33 cents of administrative and overhead expense per dollar of wages.

The rapid progress made by the Arizona Industries for the Blind toward this goal with the co-ordinated increases in sales and employee's wages has been very encouraging.

CONCLUSION

The achievement of economic independence is one of the major goals of rehabilitation. When economic independence is achieved there follows a chain reaction of social and psychological improvement. Your Arizona Industries for the Blind is in the vanguard of this effort to move blind people toward the goal of economic independence. We are well aware of the improvements and expansion needed and possible in the future. We look forward with confidence toward a vigorous growth which will enable a greater number of blind people to live a more complete life.



A P P E N D I X

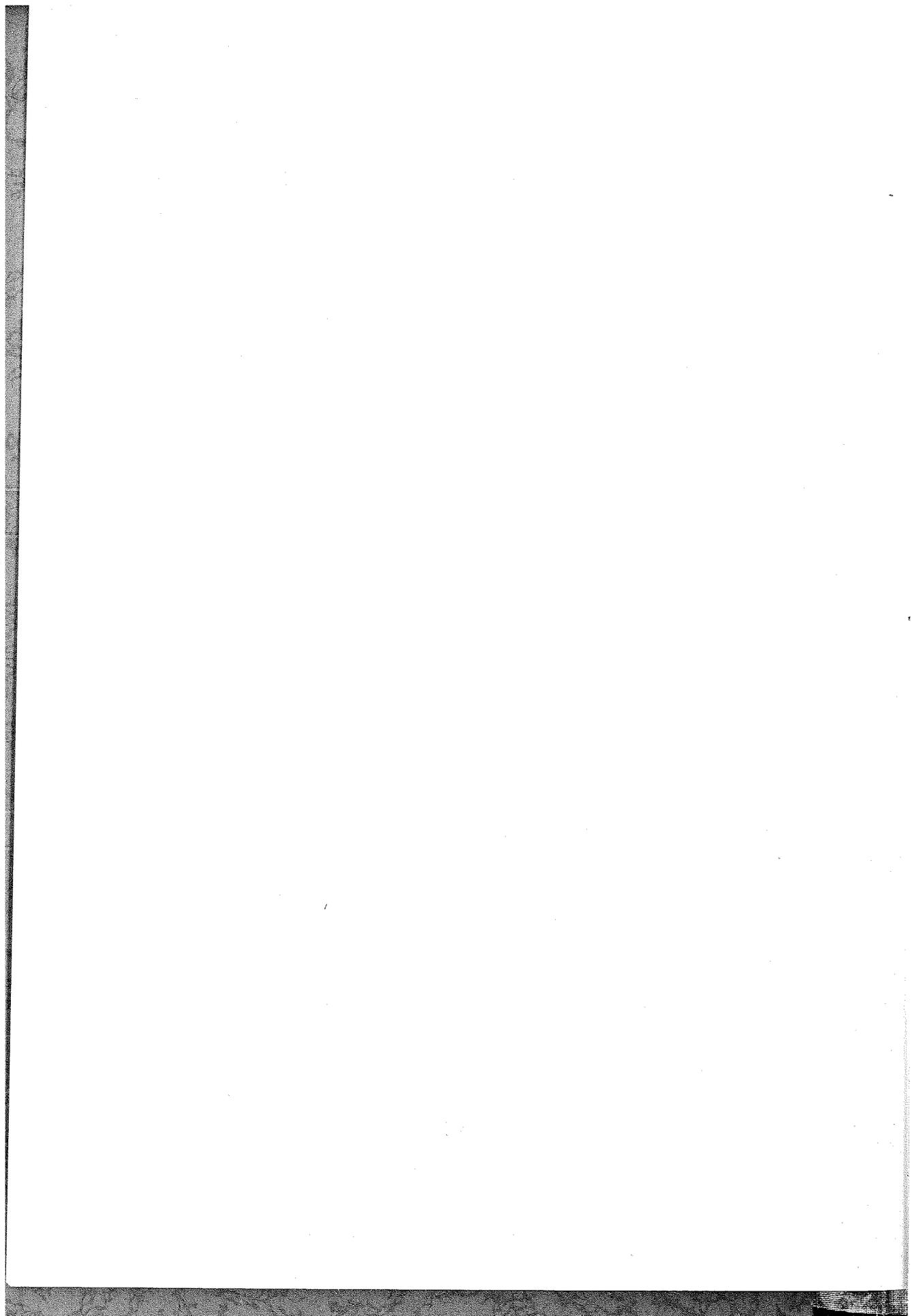


EXHIBIT A

ARTICLE 6. ARIZONA INDUSTRIES FOR THE BLIND

SB 15-1181. Arizona industries for the blind; establishment of program by state department of public welfare

The state department of public welfare may establish and maintain a program of industries for the blind, the activities of which, as authorized by this article, shall be known as "Arizona Industries for the Blind."

SB 15-1182. Activities of Arizona Industries for the Blind

A. For the purpose of the program of industries for the blind authorized by this article, the state department of public welfare may equip and operate one or more training centers, one or more workshops, a business enterprise program, and a home industries program for training and employment of adaptable blind persons.

B. The state department of public welfare may devise ways and means for the sale, distribution and marketing of the products of the training centers, workshops and home industries authorized by subsection A of this section.

C. The state department of public welfare may, in addition to the activities authorized by subsections A and B of this section, aid individual blind persons or groups of such persons to become self-supporting by supplying materials, equipment or machinery to them, and may also aid them in the sale and distribution of their products.

SB 15-1183 Compensation of workers; proportion of workers required to be legally blind; workers as state employees

A. The state department of public welfare may compensate blind and other workers for their work in the training centers, workshops and home industries authorized in subsections A and B of SB 15-1182, but a minimum of seventy-five per cent of such workers in each of the training centers, workshops and home industries shall be legally blind as defined in paragraph 1 of SB 46-272.

B. Persons participating in activities authorized by this article, and determined by the state department of public welfare to be blind or otherwise handicapped persons, shall be deemed state employees but shall not be eligible for participation in the state retirement system, or entitled to the benefits of the merit system procedures

pertaining to the recruitment and retention of regular administrative employees of the department.

SB 15-1184 Purchase of products of Arizona Industries for the Blind by state institutions and departments

When any of the products of Arizona Industries for the Blind, produced under the supervision and direction of the department of public welfare, meet the requirements of any state department or institution as to quality, quantity and price, such products shall have preference, and such state departments and institutions shall purchase from the department such products as are required.

SB 15-1185 Industries for the blind account; disbursements; subsidy funds

A. Proceeds from sales of products of Arizona Industries for the blind shall be paid into a non-reverting revolving account, which shall be known as the industries for the blind account.

B. Expenditures for wages and salaries of production workers, inspectors and other employees necessary for the operation of the training centers, workshops or home industries, and for supplies, materials, equipment, equipment repair, overhead costs, and other costs incidental to the conduct of the program may be made from the industries for the blind account.

C. The department of public welfare may, in addition to the funds paid into the industries for the blind account as provided in subsection A, provide subsidy funds necessary to meet the costs set forth in subsection B from other funds available to the department for rehabilitative purposes.

SB 15-1186 Prohibition upon disposal of goods labeled or sold as products of the blind without permit from state department of public welfare; violation; penalty

A. A person, group of persons, or organization of any description may not sell, market or otherwise dispose of to the public by any means, any goods or articles labeled as made by the blind or sold as products of the blind, either of this state or any other state, without a permit in writing from the state department of public welfare upon a form prescribed by the department.

B. Issuance of permits as provided for in subsection A shall be at the discretion of and subject to rules of the department.

C. A person violating any provision of this section is guilty of a misdemeanor punishable by a fine of two hundred dollars, by imprisonment for thirty days, or both.

EXHIBIT B

PERSONNEL POLICIES

Trainees

Trainees will be given a supplement for personal expenses incurred during their time at workshop. This supplement is not to exceed \$44.00 per month.

Placement on Payroll

Persons who have received training will be placed on the payroll as production apprentice workers when an opening is available in an area which is in line with their desires, demonstrated ability and other factors shown during their training period. They will receive 75 cents per hour when starting on the payroll.

Pay Increases

During apprentice employment, a worker will be aided in every practical way to improve his or her work abilities and correct his or her problems.

As total work abilities improve within the section or sections where most of the employee's work is done, an increase of 5 cents per hour will be forthcoming. Work ability includes: effort and application, getting along with fellow workers, accepting and benefiting from supervision, and quality and quantity of production.

Wage Reviews

If after 12 weeks at one wage the apprentice employee does not justify an increase, he or she will be notified of the reason. He or she will then be granted a 6 week period to make the necessary changes.

If at the end of this probationary period the worker still does not justify the increase, his or her position will be opened to another person.

Wage reviews will be conducted until a worker has reached a basic rate of \$1.00 per hour.

Further rate increases will be determined by the production abilities of the worker within the section where they have demonstrated satisfactory capabilities of cooperation, co-ordination and increased production above normal standards. Any exceptions will be made by workshop management's recommendation.

Progress to Other Employment

All employees are encouraged to make the best use of their work experience while in the workshop to develop their skills as much as possible. It is the workshop's desire that every employee advance himself or herself as far as his

or her skills and desire permit. To aid this, any worker will be given the full cooperation of management to seek out and obtain a better position. Workers are further assured that if they wish and so long as their performance is satisfactory a continuing job will be open to them as long as there is work available in the workshop.

Blind personnel leaving for private employment may return to the workshop within a 5 month period for re-employment at the same rate of pay as when they left.

This is to be used when the private employment does not prove to be of satisfaction to all persons concerned. When over 5 months have passed the person will be placed on an available list and given consideration for return as there are openings available.

Fair Hearing

Employees submitting a written request for a hearing concerning wages or personnel action will have a hearing conducted informally and without counsel in accordance with the procedures set forth by the Welfare Department for all such hearings.

Vacations

All production workers earn one week (five working days) of vacation during their first year on the payroll. During their second and subsequent years of employment, they earn two weeks (10 working days) of vacation. One week will be taken during the first week in July of each year and any remaining within the following 12 months as desired by the employee subject to scheduling by management.

Holidays

The following holidays will be taken with pay by employees on the active payroll:

Washington's Birthday	February 22
Memorial Day	May 30
Independence Day	July 4
Labor Day	September
Thanksgiving Day	November
Christmas Day	December 25
Employee's Birthday	Actual Day

When any of the above holidays fall on a Sunday, the following Monday will be observed. The preceding Friday will be taken when the employee's birthday falls on Saturday. If birthday should occur during holidays or vacation period an extra day with pay will be granted after original vacation or holiday period has been completed.