

The Time Before...

It's 1963. The Beatles record "I Want to Hold Your hand" and Martin Luther King captivates the world with his "I have a Dream" speech. In a Special Message to the Congress that changed the course of history for people with disabilities, President John F. Kennedy called for a reduction "over a number of years and by hundreds of thousands, [in the number] of persons confined"



Special Olympics - 1977

to residential institutions and asked that methods be found "to retain in and return to the community the mentally ill and mentally retarded, and there to restore and revitalize their lives through better health programs and strengthened educational and rehabilitation services." One of President Kennedy's sisters, Rosemary, had mental retardation, as it was known as in the 1960s, and the family was very sensitive to the archaic conditions that many with developmental disabilities faced. Another Kennedy sister, Eunice Kennedy Shriver was instrumental in starting the remarkable Special Olympics movement.

President Kennedy's commitment and the many parents who filed lawsuits to force states to recognize the civil and legal rights of their children resulted in deinstitutionalization and an increase in community services. In Pueblo, a microcosm of what was happening nationwide, that meant leaving the State Hospital Mental Retardation Center and returning to a community that was initially ill-prepared to provide for them.

Locally, two families approached the Pueblo Association for Retarded Citizens to ask if it would be willing to financially support a program for the younger individuals. Additional community support for this project was provided by the Pilot Club of Pueblo as participation increased. Pilot Arts and Crafts met three times per week in the basement of the St. Paul Methodist Church. Volunteers provided crafts, sewing, cooking and some academic work. There were field trips, health and adult basic living skills training and support for basic social skills.



The following year the program name was changed to Pueblo Association for Retarded Children (P.A.R.C.). The Interagency and Citizen's Council for the Severely Handicapped and Mentally Retarded, Inc., obtained a federal grant and with the support of the Fraternal Order of Eagles rented new facilities upstairs in the First Four-Square Gospel Church. Enrollment grew to 30, exceeding the capacity of the church that resulted in a separation of the boys who were moved to Strack School which later became part of the Pueblo County Board for Developmental Disabilities (Colorado Bluesky) while the girls remained at the church.



In 1965 P.A.R.C. purchased a property from Jess Hunter, a successful Pueblo auto dealer, at 3801 Thatcher Avenue, for \$21,500 which allowed the boys and girls to recombine. It was originally known as the Curative Workshop (and often referred to as the Saddle Club because another organization of horseback riders also met there) and later renamed the Pueblo Therapy Center until finally settling on Pueblo Diversified Industries in 1967.

Now It's Business

Pueblo Diversified Industries, Inc., was incorporated in 1967 with a mission to focus on remunerative work gained through contracts with various area businesses including CF&I Steel, Alpha Beta Packing, Dana Corporation, Rocky Mountain Bank Note and Sangray Corporation. There were 40 individuals enrolled, the minimum wage was \$1.40 per hour, the Green Bay Packers and the Kansas City Chiefs met in the first Super Bowl and the first heart transplant was performed by Christiaan Barnard in Cape Town, South Africa.



In August, 1968 PDI's contract operations and the number of individuals enrolled exceeded the Thatcher Avenue location and the organization moved to The Quonset hut structures at 2700 North Freeway. After

PDI's first president proved to be a questionable choice, Jerry Daugherty, treasurer of the board, was asked to temporarily assume the position which was made permanent in February of 1969. Mr. Daugherty remained President and CEO until his retirement in 1994.

There was yet another move in the early 1970s to an old three story building located on 112 W. D Street that may have belonged to an electrical contractor.





The fourth and final move in took place in 1973 to PDI's current location. Broome Brothers originally operated the building as Sparkletone photo processing plant at 2929 Burnt Mill Road. Fortunes changed and Mr. Daugherty was able to acquire the building for \$375,000. Purchasing the original 27,000 square feet was a risky venture for a young nonprofit and it appeared to be more space than would ever be needed. The original business plan called for leasing about 9,000 square feet. When the area around PDI was incorporated in to the Graneros Industrial Park the address was changed to 2828 Granada Boulevard.

New Laws, Changing Attitudes

The Javits–Wagner–O'Day Act (JWOD), a federal law requiring that all federal agencies purchase specified supplies and services from nonprofit agencies employing persons who are blind or have other significant disabilities, was passed by Congress in 1971. It was this act that established The AbilityOne Commission which includes under its umbrella SourceAmerica, as it is known today. Mr. Daugherty was elected to the NISH Board (National Industries for the Severely Handicapped which later became SourceAmerica) in 1974 and to its Executive Committee in 1975. In 1975, PDI received JWOD certification and about two years received its first federal contract for key tags. PDI received its first accreditation from the Commission on Accreditation of Rehabilitation Facilities (CARF) in 1974. The daily rate for an individual served through a contract with Pueblo County Board for Developmental Disabilities was \$11.70.



Key Tags "Thumper" - 1985
Jerry T.

The (American) Rehabilitation Act of 1973 became law and included Section 504 that states "No otherwise qualified handicapped individual in the United States, shall, solely by reason of a handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." This was the first U.S. federal civil rights protection for people with disabilities although it took until April 28, 1977, for the rules to finally be issued. Inflation was over 11 percent, a gallon of gas cost 55 cents, the MRI scanner was developed and calculators were reduced to pocket size. "The Exorcist" was on the big screen and "Kojak" on TV.

PDI's Revenue Challenges

During the first year in the current building, all PDI's contracts ended at about the same time and the board of directors made personal financial contributions to make payroll. Fortunes improved and by 1974 the Army Corps of Engineers erected the 5,040 square foot Butler Building on the site of a building formerly owned by Smokey's Paint and Body shop and presently referred to as Building Two. It was originally planned for vehicle parking and



GSA Screwdriver Contract
David B.

storage but became the location of the salvage operation for Mountain Bell. Raynor Overhead Door owned a nearby building on a 1.2 acre site that PDI purchased in the early 1980's as contract operations grew. That building now houses the facility maintenance operations. Building 4 was erected in 1986 with the help of a Division of Vocational Rehabilitation grant and an SBA loan to house the GSA Screwdriver Contract and later the plastic manufacturing operations. The screwdriver contract was located in a building added in the mid-1980s.

This building, originally known as the annex, later became Work Center 6. The final construction on Warehouse II took place in 2005 to accept a competitive contract to recycle large format toner cartridges.

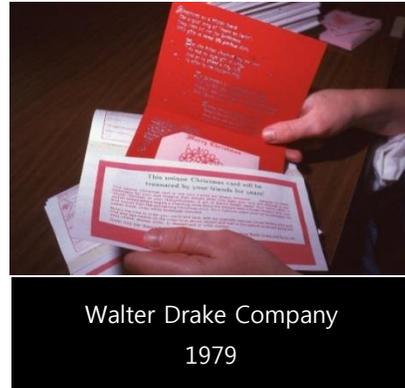
Contract work has always been the savior of PDI as well as its Achilles heel and proof that competitive business in a nonprofit environment would always have unique challenges. With some exceptions, while government contracts are granted in perpetuity as long as performance and accountability are supportable and the service is still required, commercial contracts ebb and flow with the vagaries of fortune and the economic climate.

PDI has been highly successful with key tags (1978), flight crew checklists (PDI assumed the contract in the early 1980s), and equipment log books added in the late 1980s. Not all government contracts have experienced the same success, including GSA screw drivers. Fence post fasteners and fence stays awarded in 1983 continued until about 1999, but at quantities far below projected volumes. Attempts to capture a share of the commercial market were successful until foreign markets began to affect U.S. production. Oklahoma Steel and Wire attempted to counter the foreign competition and undercut PDI's price by a dollar a bundle. The custom made fence stay machines were sold to Oregon Steel around 1996. The Mountain Bell and IBM salvage contracts had their startups around 1978 and were terminated when two employees separated from PDI taking and relocating the business to Colorado City.



Fence Stay Machine
1985

The Colorado Springs-based, family owned Walter Drake Company was one of bigger contracts signed in 1979 for 10 million Christmas cards. This relationship proved an excellent resource for PDI for about six months each year growing to 19 million by 1985. That contract terminated when Mrs. Drake joined the Colorado Springs Goodwill



and transferred the contract. The Walter Drake relationship, however, opened the door to Current Company, also located in Colorado Springs, when the company was looking for a vendor to perform fulfillment on checkbook covers. This contract grew from just under \$30,000 a month in 1996 to over a million dollars a year in 2000. The checkbook fulfillment was the beginning of the relationship with Colorado State Mental Health Hospital at Pueblo that continues to this day. Another large contract in this era was a component repackaging project with Quantum Electronics generating nearly a million dollars in gross revenue. Changing economic conditions for both companies lead to the termination of both contracts and represented a significant financial loss to PDI since the profitability accounted for most of the discretionary revenue available to PDI. Bad news seems to come in threes and the final financial catastrophe was the failure of the Department of Defense cold weather cap contract that resulted in a financial loss of nearly \$500,000. To survive PDI took dramatic steps to pare back expenses and ran on a nearly skeleton staff. The ramp up of Operation Desert Storm following the World Trade Center attacks on September 11, 2001, and resulting government product orders provided a way forward.

In 1980 Mt. St. Helens erupted perhaps signaling that the world was about to change forever. By 1983 the Apple Lisa personal computer along with the first versions of Lotus 1-2-3 were introduced and the economy was beginning to rebound while Michael Jackson performed the first moonwalk to “Billie Jean” at Motown Records 25th Anniversary celebration. As the world was changing, so were attitudes toward supported employment for individuals with disabilities. In 1982, Pueblo was hit very hard with the steel market crash and subsequent significant downsizing at CF&I and many people were laid off in this and proceeding years. And these early years of the 1980s were as unsettled at PDI as they were in the Pueblo community. The Pueblo County Board for Developmental Disabilities (PCBDD) and PDI differed in their approaches with regard to supported employment that resulted in an action by the PCBDD Executive Director to remove individuals from PDI and move them into supported employment. By 1987, PDI board members employed by Sperry/Unisys, CF&I and others were able to develop supported employment opportunities at their work places while at the same time, the Pueblo Chemical Depot custodial contract was awarded to PDI. Despite the challenges of several large supported employment contracts in a short period of time, including CF&I, the pressure was reduced for PDI. These supported placements were embraced by the employers who were frequently heard to comment on the very positive attitude and work ethic displayed by PDI crews. Later years brought additional supported employment contracts of note including Columbia House and Innotrac – however, both ended, again, based on changing business environments.



Fort Carson Janitorial
Contract - 2010

Other successful contracts like the Veterans Nursing Home in Pueblo were lost either to changing regulations or competitive pricing. But new business ventures started by PDI to help offset dependency on contracts with outside business, including our five restaurants designed to help employ individuals with significant disabilities, commercial sewing kits, vending and Sangray have had varying degrees of success. The award of the Ft. Carson Janitorial contract in 2010 has turned the fortunes of the company and things have steadily improved financially in recent years.

The Nature of Individual Services Evolves

The challenges of supported employment also went hand-in-hand with the shift in the original consumer base. During the 1970s, individuals employed in a sheltered workshop were supposed to be fully responsible for taking care of themselves within a traditional work environment. Individuals requiring support for restroom needs, eating and behaviors were declined services. With the movement during the 1980s towards supported employment, there was pressure brought to bear on PDI to provide individual support for personal care needs and behaviors. The focus was still primarily on work and paychecks which required the creation and implementation of some of the early assistive devices. Unfortunately, there were few options to engage individuals during those months when work was not available.



Golden Opportunities
2010
Maureen M.

With the turn of century, the philosophy broadened to be inclusive of all individuals with disabilities. New Day Program Services were introduced to actively stimulate individuals' minds when work was not available and new services including Intensive Habilitation, Golden Opportunities and Residential Services, allowed PDI to serve individuals in more services outside of work although work continued to be the most popular option. Services were also expanded to include individuals with disabilities not related to developmental disabilities and now included those with mental health issues through a cooperative program with Colorado State Mental Health Institute at Pueblo that was conceived with the help of Dr. Bob Hawkins, a PDI board member and superintendent of what was then known as the Colorado State Hospital, and additional services for individuals referred from the Division of Vocation Rehabilitation which added an expanded skill base for supported employment and contract work.

It's 1994. Bill Clinton is President, Apple has released the Macintosh, Nelson Mandela is inaugurated as President of South Africa and Heather Whitestone is the first Miss America with a disability and PDI hires Ms. Karen Lillie as its second President and CEO. PDI has just experienced a major commercial contract failure with Case Logic and operating funds are draining quickly. There was a great deal of work to be done.

Adapting to the Changing World

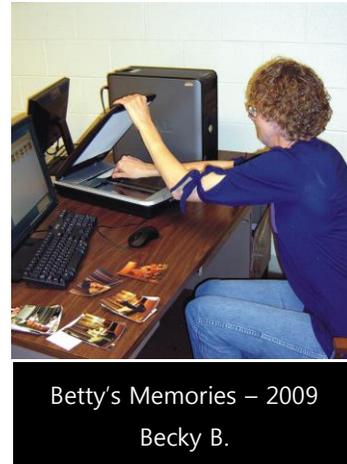


Demolition to the front
of PDI – 1998
Sel Elizondo doing the
honors.

In 1990, Congress passed the Americans with Disabilities Act (ADA) and the following year published the Accessibility Guidelines for creating environments that allowed for the free and unimpeded movement of individuals with disabilities throughout the community. It was an opportunity to make PDI a showplace for accommodation. Although PDI was not specifically required to modify facilities to meet the ADA requirements, the age and condition of facility, and the fact that accommodation for individuals with disabilities was accomplished solely with personal and direct staff support, transformation was a priority. Millions of dollars over many years were raised to upgrade and bring restrooms, common areas, work centers and overall facilities in to compliance with established guidelines, as well as upgrade and improve the facility itself. In addition to a strong base of grant support were two well-attended formal Black and White Balls that featured key note speakers including the first Miss America with a hearing impairment.

PDI also had to take a very active role with the Colorado State Legislature and especially with the Joint Budget Committee in trying to protect all options of work choice for individuals with disabilities. In 1996 and 1997 The Department of Human Services internally adopted a policy to preclude the use of new Day Program resources for congregate work service programs. Very vigorous and successful efforts with state and local government officials resulted in elimination of that internal policy. PDI continued to actively advocate for maintaining a full choice of services including Prevocational Services in the following years with another significant effort in 2007 and 2008. President Barack Obama's Executive Order of July 26, 2010, that eliminated choices for employment services for individuals with disabilities and directed various state and federal agencies to ensure the every individual was to work in an integrated community environment if work was their choice.

Through the later years, as in the early years, finding and maintaining stable financial revenue streams remained a challenge. Three commercial contracts along with their significant discretionary revenue disappeared on thirty day notice and PDI was draining operating reserves on a monthly basis. Desert Storm and the subsequent award of 86,000 button kits was critical in 2002 and 2003. The new contract revenue breathed life into operations and we once again pursued new lines of service to provide individual jobs and increase operating revenue including food service, Betty's Memories, Katun, Permacast and Western Forge, as well as a significant number of supported employment contracts. While there were not huge increases in reserves there was at least breathing room despite the ebb and flow of our business ventures. As mentioned above, the award of the Ft. Carson Custodial Contract in 2010 marked the beginning of a period of significantly improving finances. Improvement in facilities, staff compensation and amenities ushered in a general feeling of success and the opportunity to plan for the future.





Black & White Ball - 1997
Carlos M., Heather Whitestone,
Max C.

Efforts to engage public support for PDI that started with the Black and White Balls include Pay Day Tours, Business after Hours, Parent and Provider Spaghetti Night Dinners, Harvest Walk and the PDI Proms. We have hosted Pueblo City Council, local Legislators, department Heads from the Colorado Department of Human Services, Public Health and Environment and representatives of the Joint Budget Committee, as well as those

senators and members of Congress whom we encourage to visit. The Leadership Pueblo Tour is an annual event and always very well received. The remark we hear consistently is "I had no idea..."

The future brings new challenges, new ways of addressing the long struggle of individuals with disabilities to access and enjoy the privileges of independence and the freedom of choice while participating in the caring support of their friends and peers. PDI is evolving again to ensure we are providing the opportunities and encouragement that will support this expanding world of opportunity.