

Wisconsin State Use Board

FY 2016 Annual Report

State Use Board Mission

The Wisconsin State Use Board attempts to maximize state agency and campus contracting with certified Wisconsin Work Centers, ensuring the procurement of quality products and services while providing a positive impact on the employment of individuals with severe disabilities.

In 1989, Wis. Stat. 16.752 created Wisconsin's State Use Program to provide gainful employment for the thousands of Wisconsinites with severe disabilities across the state seeking job opportunities in their communities. The law requires all state agencies to purchase products and services from Wisconsin nonprofit work centers when the work center is able to meet the state's specifications and provide the product or service at fair market value.

The work centers provide long-term, transferable work experience and marketable job skill training to people with disabilities that increase their independence and self-sufficiency in both large and small local communities throughout the State. When individuals with disabilities gain employment, they are able to reduce or eliminate reliance on government funded programs and services. In addition, they add to the tax base by becoming tax payers.

The State Use Board has advanced the entrepreneurship and innovation where both a social mission of jobs for people with disabilities; and a business mission of providing products and services to state agencies, could be satisfied.

Executive Summary

Wisconsin's State Use Program is a business oriented response to social needs that creates a partnership between state contracting and Wisconsin's work centers resulting in jobs, increased independence, and a greater self-worth for citizens with disabilities. Jobs equal respect in very real ways in many of the workers' lives; respect from families, co-workers, employers and from the community. Through the State Use Program, certified work centers are guaranteed the opportunity to show they can offer state agencies quality products and services at competitive prices while providing good jobs, decent pay and self-determined futures to people with disabilities. Because of the State Use Program, countless workers with disabilities across Wisconsin get the opportunity to reach their full employment potential.

In FY 2016, the State developed an online shopping and ordering website for State contracts that serves the needs of multiple state agencies and includes various State Use contracts. This provides more opportunity and visibility for agencies to order products from state use contracts.

Of the 60 nonprofit work centers certified to do business under the State Use Program in FY 2016, 37 work centers (62%) did some business with the state.

State Use Board Accomplishments

The eight-member, Governor appointed State Use Board is attached to the Department of Administration, is provided staff support, and has numerous duties and responsibilities defined in the State Use Law.

The Board meets quarterly on the second Thursday of January, April, July and October and encourages comments and questions from the public at each of its meetings to ensure the Board is aware of developing opportunities, issues and concerns.

State Use Program initiatives have been challenging - necessitated by the economic times and an ever evolving environment. The State Use Board continues to coordinate an agenda on behalf of the certified, nonprofit employment centers around the state participating in the State Use Program. Some topics discussed by the Board during FY 2016 meetings include:

Policy Changes

The Board discussed possible federal policy changes regarding the Home and Community Based Settings Rule (HCBS). The rule mandates all employment settings must meet conditions to ensure individuals are not isolated from the community, have the ability to seek employment, are able to engage in community life, and work in an integrated and competitive setting. States were given until March 17, 2019 to be in compliance with the above-mentioned provisions. These changes could affect the number of individuals with disabilities who may be employed by work centers.

There were also changes to the Subminimum Wage Certificate Program (14(c)) due to passage of the Workforce Innovation and Opportunity Act. This could affect placement of individuals with developmental disabilities in work center settings. The Board continues to monitor changes at the national level to discuss the potential impact on Wisconsin's State Use Program.

Set Aside Requests

The Board reviewed and approved a work center request to research the possibility of providing inmate clothing to specific state agencies through new contracts. Successful research and development could result in a new contract benefiting both the work center and the agency end users.

Price Increase and Product Additions

The Board approved price increases and product additions to several contracts once the work center provided proper documentation of the increases or addition of new products and met fair market pricing. These products included can liners, scrubber pads, and mops.

New Contracts

A new state use contract was created for alkaline batteries and was approved by the Board to begin providing product to state agencies in April 2016. State Agencies purchased \$10,231.00 batteries in the first three months of the contract.

Program Results

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 940 Wisconsin citizens with disabilities, who worked 237,218 hours and earned \$1,818,543.07 in wages.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$7.67/hour, a 1.7% increase from FY15 (**Table 1**).

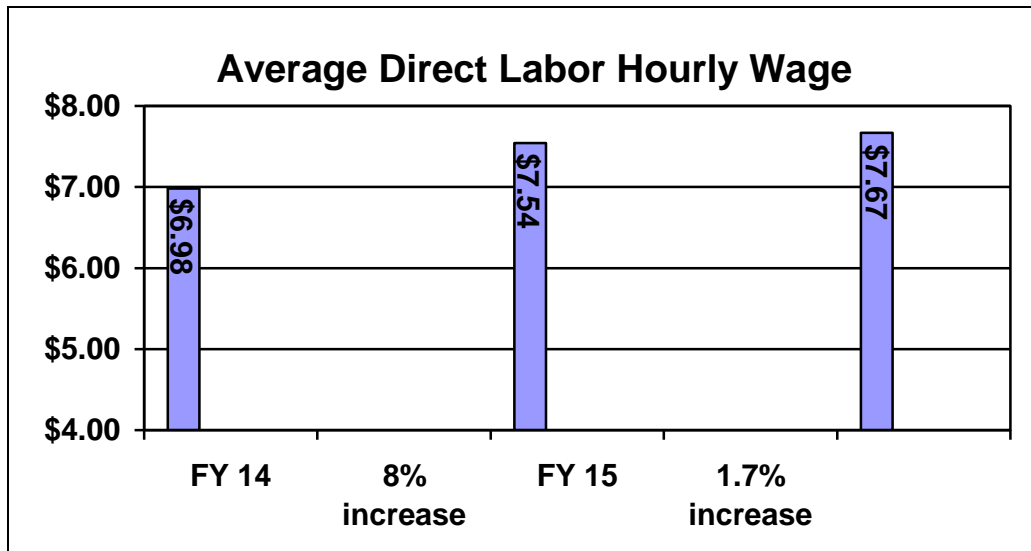


Table 1

FY 2016 was challenging with continued reduced state purchasing budgets. However, through long-term working relationships, work centers were able to work with state agency customers to create and maintain contract opportunities. The program performed effectively in the face of frugal state spending, with work centers reporting annual sales to state agencies totaling \$14,833,588.77. This is an increase of \$1,136,999.16, or 8.3% from FY15 (**Table 2**).

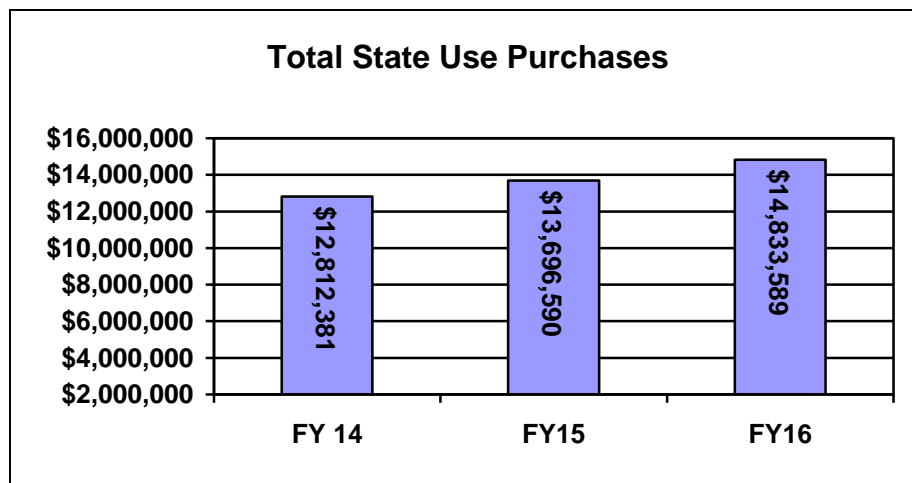


Table 2

Distribution of State Use Contract by Fiscal Year (FY14 – 16)

Table 3 illustrates the breakdown of total annual dollars spent with work centers between product, service and rest area maintenance (RAM) contracts.

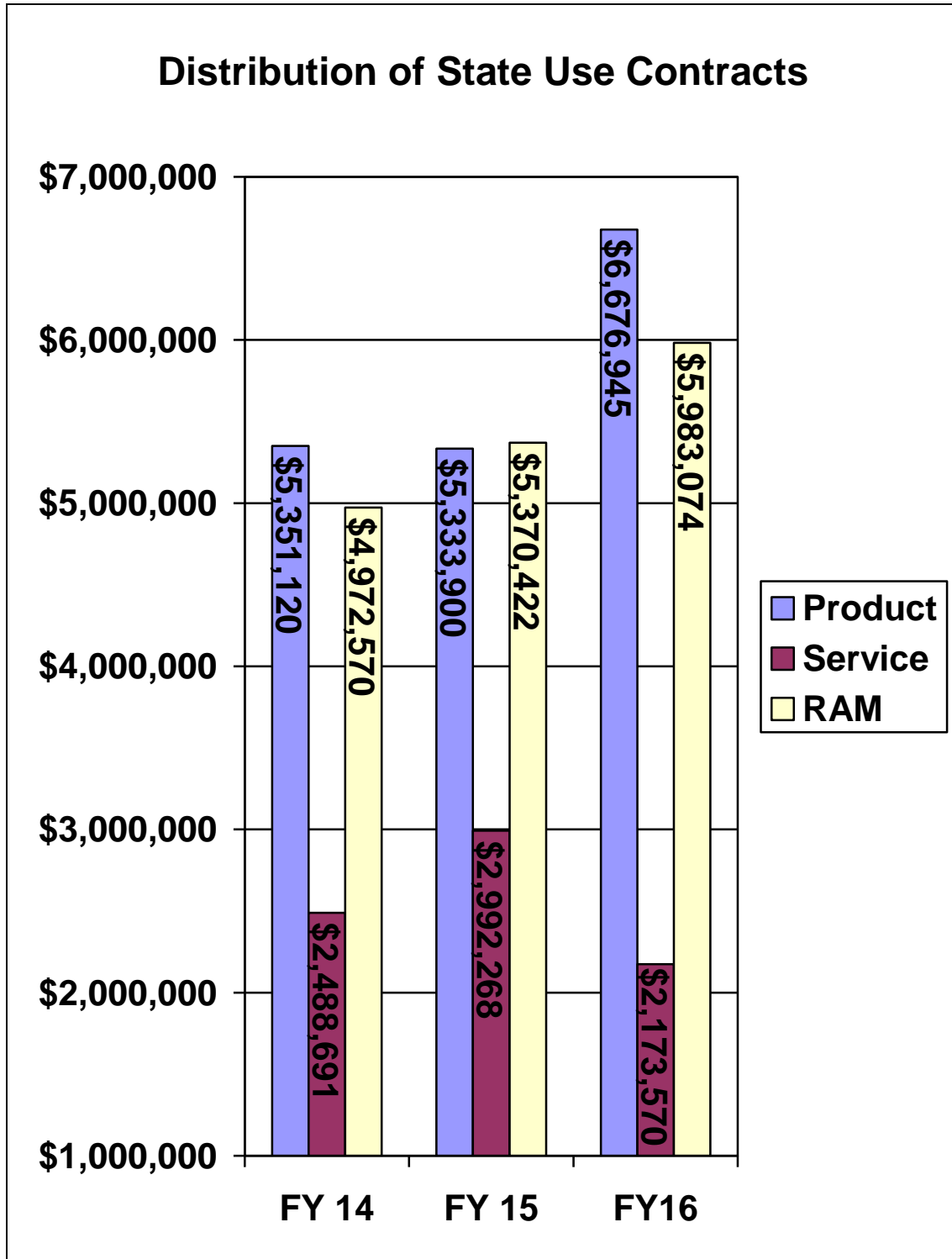


Table 3

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Appendix 1: Listing of Wisconsin State Use Work Centers

Work Center	City	Products & Services
Barron County Developmental Disabilities Services, Inc.	Barron	Rest Area Maintenance
Beyond Vision (Wiscraft, Inc.)	Milwaukee	Scrubber Floor Pads, Call Center Services
Black River Industries, Inc.	Medford	Rest Area Maintenance, Lawn Care, Janitorial, Sewing
Brooke Industries, Inc.	Fond du Lac	Janitorial, Mailing, Packaging
Careers Industries, Inc.	Racine	Trash Can Liners
Challenge Center, Inc.	Superior	Confidential Paper Shredding
Chippewa River Industries	Chippewa Falls	Rest Area Maintenance
Clark County Adult Development Service	Greenwood	Rest Area Maintenance
Counseling & Development Center, Inc.	Phillips	Janitorial, Mailing
Crawford County Opportunity Center, Inc D/B/A Opportunity Center	Prairie du Chien	Floor Covering/Mats
Curative Care Network	West Allis	Rest Area Maintenance
Curative Connections	Green Bay	Collating, Packaging, Small Assembly
Diverse Options, Inc.	Ripon	Socks, Admission Kits
Diversified Services Center, Inc.	Siren	Assembly
East Shore Industries, Inc.	Algoma	Mops
Easter Seals Southeast Wisconsin, Inc. Waukesha Center (Formerly Waukesha Training Center, Inc.)	Waukesha	Rest Area Maintenance, Janitorial, Food Service
Eisenhower Center, Inc.	Milwaukee	Packaging, Assembly, Re-work Projects
Endeavors Adult Development Center, Inc. (Formerly Polk County Adult Development Center, Inc.)	Balsam Lake	Rest Area Maintenance
Fox River Industries	Berlin	Copying Services, Reproduction
Goodwill Industries Northern Wisconsin & Upper Michigan, Inc.	Marinette	Assembly, Mailing, Packaging, Janitorial
Goodwill Industries of Southeastern WI, Inc.	Milwaukee	Janitorial, Packaging, Catering
Green Valley Enterprises, Inc.	Beaver Dam	Mailing, Packaging
Greenco Industries, Inc.	Monroe	Toothpaste, Packaging, Mailing, Assembly
Handishop Industries, Inc.	Tomah	Rest Area Maintenance, Janitorial
Headwaters, Inc.	Rhineland	Rest Area Maintenance, Janitorial, Sewing
Highline Corporation	Hurley	Rest Area Maintenance
Hodan Center, Inc.	Mineral Point	Janitorial, Packaging, Concessions
Holiday House of Manitowoc County, Inc.	Manitowoc	Rest Area Maintenance
Indianhead Enterprises, Inc.	Menomonie	Rest Area Maintenance
Industries for the Blind, Inc.	West Allis	Brushes, Writing Instruments
Kandu Industries, Inc.	Janesville	Assembly, Kitting, Packaging, Bagging
Kenosha Achievement Center, Inc.	Kenosha	Food Service, Janitorial, Rest Area Maintenance
L.E. Phillips Career Development Center, Inc.	Eau Claire	Rest Area Maintenance, Plaques, Custodial, Mailing, Packaging
Lakeland Industries	Shawano	Packaging, Kitting, Pallets
Lakeside Curative Services	Racine	Gloves
Lakeside Packaging Plus	Neenah	Assembly, Mailing, Kitting, Shredding, Inspecting, Packing, Salvage/Recycle
Lincoln County Services/Lincoln Industries	Merrill	Workboots, Oxfords
Madison Area Rehabilitation Centers, Inc. (MARC)	Madison	Mailing, Assembly, Packaging, Janitorial
Milwaukee Center for Independence	Milwaukee	Janitorial, Custodial
New Hope Center, Inc.	Chilton	Assembly, Janitorial, Mailing
New View Industries	Gillett	Assembly, Stakes, Laths, Mailing, Packaging
Northwoods Inc of Wisconsin	Portage	Rest Area Maintenance, Bar Code Printing, Grounds Maintenance

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Opportunities, Inc. of Jefferson County	Fort Atkinson	Rest Area Maintenance, Assembly, Fulfillment Services, Packaging, Batteries
Opportunity Development Centers, Inc.	Wisconsin Rapids	Assembly, Shipping, Electronic Recycling, Fulfillment, Mailing Services
Pantheon Industries, Inc.	Dousman	Mailing, Packaging, Assembly, Shredding, Janitorial, Disassemble/Recycling
Pathways of Wisconsin, Inc.	Madison	Janitorial, Mailing, Shredding
RCS Empowers, Inc.	Sheboygan	Janitorial, Mailing, Packaging, Assembly
Regional Enterprises for Adults And Children, Inc. (REACH)	Eau Claire	Janitorial
Riverfront, Inc.	La Crosse	Janitorial, Rest Area Maintenance, Packaging, Document Destruction, Kitting, Mailing, Recycling
Southwest Opportunities Center, Inc.	Lancaster	Document Destruction, Janitorial, Packaging/Assembly
Sunshine House, Inc.	Sturgeon Bay	Assembly, Janitorial, Mailing, Packaging
Superior Vocations Center, Inc.	Superior	Janitorial, Rest Area Maintenance, Landscaping, Assembling, Mailing,
The Threshold, Inc.	West Bend	Janitorial, Assembly, Kitting, Packaging
Valley Packaging Industries, Inc.	Appleton	Packaging, Fulfillment, Warehousing,
Ventures Unlimited, Inc.	Shell Lake	Rest Area Maintenance, Shoes
Vernon Area Rehabilitation Center, Inc. (VARC)	Viroqua	Rest Area Maintenance, Assembly, Disassembly/Repackaging, Sewing, Kitting, Mailing, Packaging
VIP Services, Inc.	Elkhorn	Rest Area Maintenance, Janitorial, Kitting, Assembly, Fulfillment, Mailing, Packaging
Waupaca County Industries	Manawa	Rest Area Maintenance, Janitorial, Packaging, Groundskeeping,
Wausaukee Enterprises, Inc.	Wausaukee	Mailing, Packaging, Kit Assembly
Waushara Industries, Inc.	Wautoma	Rest Area Maintenance

Appendix 2: State Use Program Members

State Use Board Members

Jean Zweifel

Board Chair
Chief Executive Officer
Greenco Industries, Inc.
Representation: Work Center

Michael Casey

Representation: Public Member

Enid Glenn

Deputy Administrator
Division of Vocational Rehabilitation
Department of Workforce Development
Representation: Vocational Rehabilitation

Nickolas C. George, Jr.

President
Midwest Food Processors Association, Inc.
Representation: Private Business

James. M. Langdon

Administrator
Division of Enterprise Operations
Department of Administration
Representation: Department of
Administration

Bill Smith

State Director
National Federation of Independent
Business
Representation: Small Business

State Use Board Staff

Nadine Malm

Coordinator
Wisconsin State Use Program
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For further information on the State Use
Program please contact:

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Please visit our website at:
<http://stateuseprogram.wi.gov/>