

Wisconsin State Use Board
FY 2017 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 can 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 can 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.

All Department of Administration-managed State Use contracts are now available to all state agencies as well as some campuses and municipalities through WISBuy, the State's online shopping and ordering website for State contracts. Presence on WISBuy 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 2017, 38 work centers (63%) 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 2017 meetings include:

Policy Changes

The Board continues to monitor and discuss changes to the Subminimum Wage Certification Program (14(c)) related to the passage of the Workforce Innovation and Opportunity Act and how it may affect the placement of individuals with disabilities in a work center setting.

Fair Market Pricing

The Board had discussions related to fair market calculations and work centers meeting fair market pricing on State Use Contracts. The Board has statutory obligations and responsibilities to ensure contracted products are within fair market pricing. Calculation of fair market pricing has been an ongoing topic of interest.

Set Aside Requests

The Board reviewed and approved a work center request to research the possibility of providing the disposal and recycling of mixed electronics surplus for state agencies through a new contract. Successful research and development could result in a new contract benefiting both the work center and the agency end users.

Contract Possibilities

Staff to the Board provided the information regarding possible contract opportunities for a spices and seasonings contract and a records storage boxes contract.

The Spices and seasonings contract was previously held by a work center who chose to cancel the contract due to a change of their business model. An opportunity for another work center to provide spices and seasonings would be ideal and provide employment opportunities for individuals with disabilities.

Staff to the Board also addressed an opportunity for a work center to provide record storage boxes to state agencies. No contract was created as fair market pricing could not be met.

Product Additions

The Board approved product additions to the can liner contract once the work center provided proper documentation of the addition of new products and met fair market pricing.

Program Results

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 798 Wisconsin citizens with disabilities, who worked 225,145 hours and earned \$1,657,186.70 in wages.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$7.46/hour, a 2.7% decrease from FY16 (Table 1).

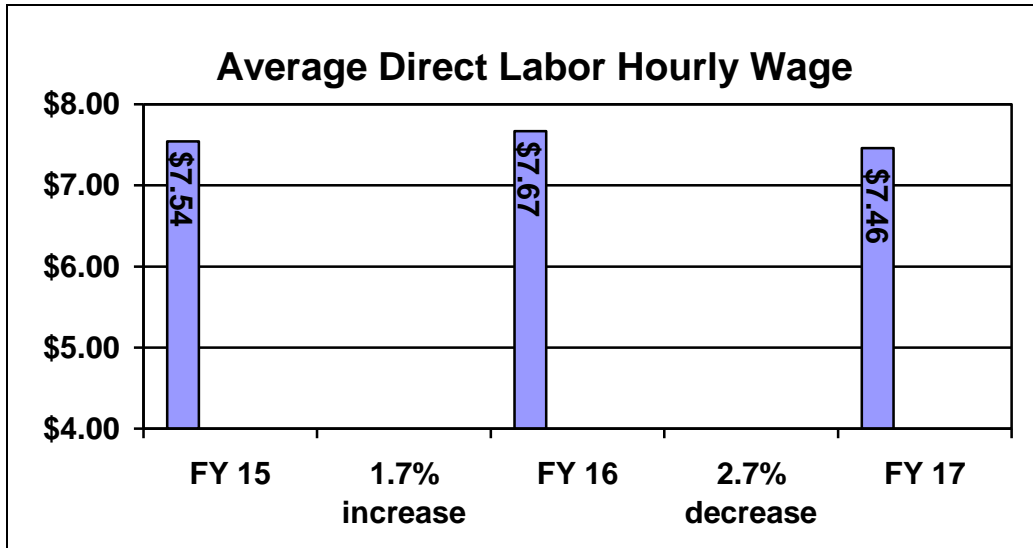


Table 1

FY 2017 was challenging with continued reduced state purchasing budgets and changing business models among some work centers. Due to business model changes, work centers requested to cancel contracts, such as spices and seasonings and janitorial services contracts. However, through long-term working relationships, many work centers were able to work with state agency customers to maintain contract opportunities. The program still performed effectively in the face of frugal state spending, with work centers reporting annual sales to state agencies totaling \$13,192,116.53. This is a decrease of \$1,136,999.16, or 8.3% from FY16 (Table 2).

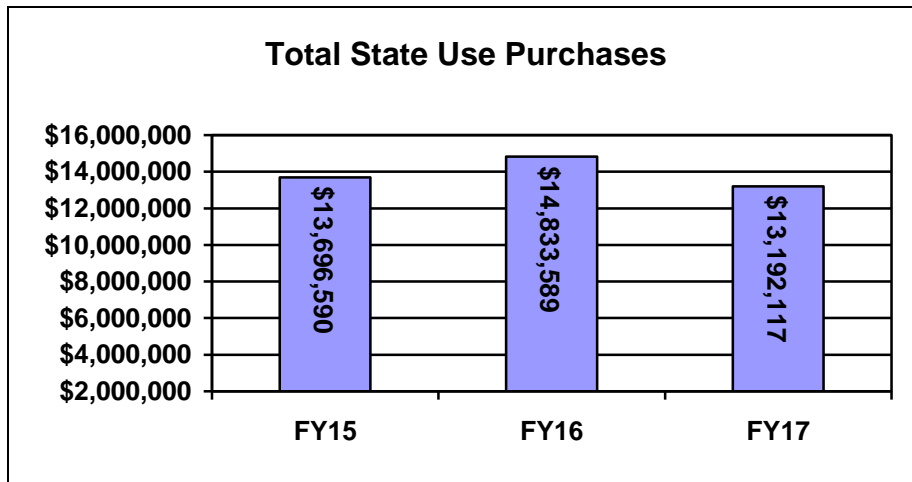


Table 2

Distribution of State Use Contract by Fiscal Year (FY15 – 17)

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

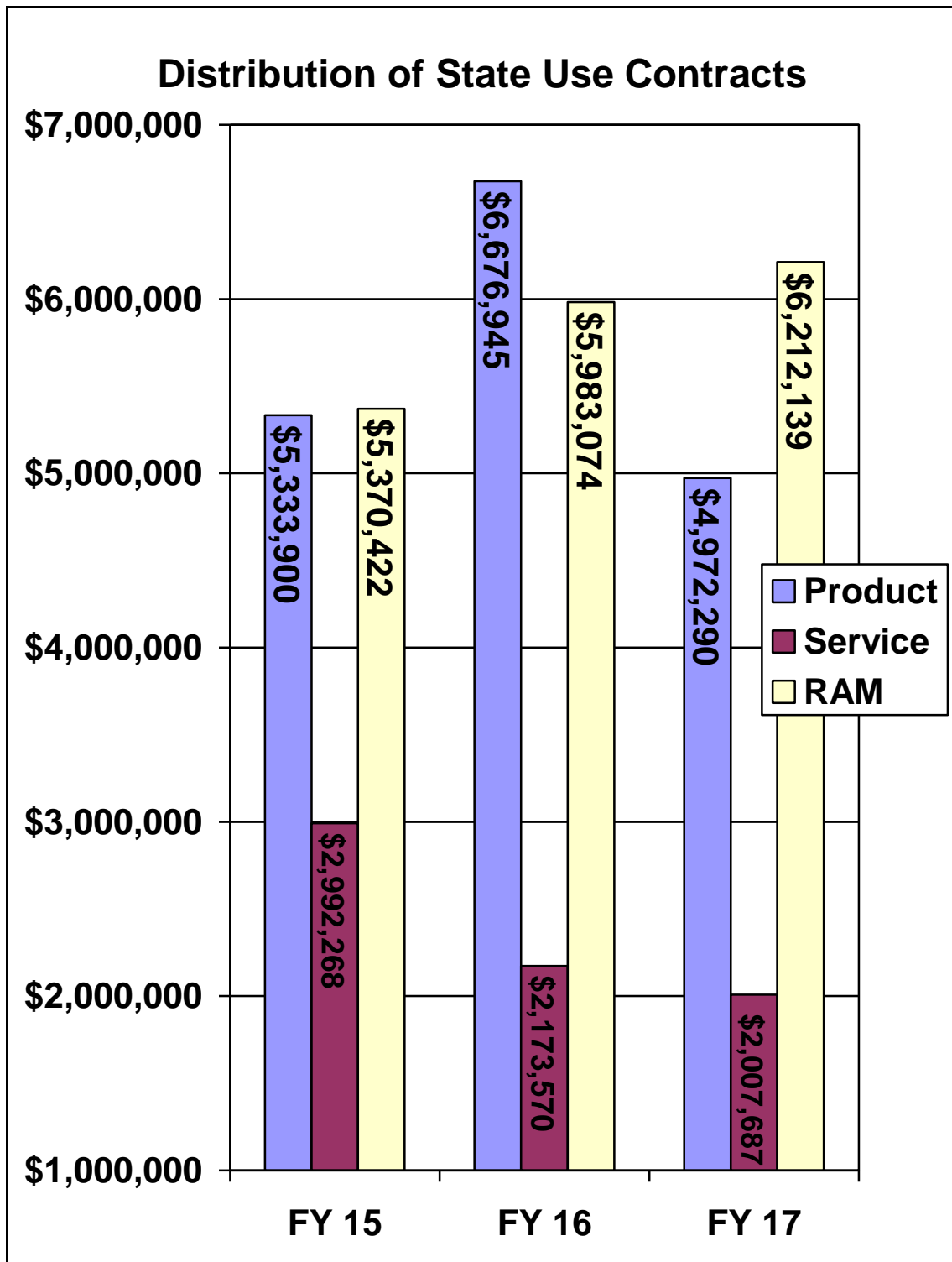


Table 3

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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, Assembly, Packaging
Beyond Vision (Wiscraft, Inc.)	Milwaukee	Scrubber Floor Pads, Call Center Services, Rest Area Maintenance, Lawn Care, Janitorial, Sewing
Black River Industries, Inc.	Medford	Janitorial, Mailing, Packaging
Brooke Industries, Inc.	Fond du Lac	Trash Can Liners
Careers Industries, Inc.	Racine	Confidential Paper Shredding, Greenhouse Grown Vegetables
Challenge Center, Inc.	Superior	Rest Area Maintenance
Chippewa River Industries	Chippewa Falls	Rest Area Maintenance
Clark County Adult Development Service	Greenwood	Janitorial, Mailing
Counseling & Development Center, Inc.	Phillips	Floor Covering/Mats, Catering, Warehousing
Crawford County Opportunity Center, Inc D/B/A Opportunity Center	Prairie du Chien	Rest Area Maintenance, snow Removal and Salting,
Curative Care Network	West Allis	Socks, Admission Kits
Diverse Options, Inc.	Ripon	Kitting, Packaging
Diversified Services Center, Inc.	Siren	Mops and Mop Handles
East Shore Industries, Inc.	Algoma	Rest Area Maintenance, Janitorial, Food Service, Landscaping, Catering
Easter Seals Southeast Wisconsin, Inc. Waukesha Center (Formerly Waukesha Training Center, Inc.)	Waukesha	Dot Treats, Corporate Gift Assembly, Quality Control Projects
Eisenhower Center, Inc.	Milwaukee	Rest Area Maintenance, Janitorial Services, Assembly and Packaging, Nursery Products Year Round – Vegetables and Flowers, Lawn Maintenance
Endeavors Adult Development Center, Inc. (Formerly Polk County Adult Development Center, Inc.)	Balsam Lake	Assembly, Mailing, Packaging, Janitorial
Goodwill Industries Northern Wisconsin & Upper Michigan, Inc.	Marinette	Mailing, Packaging
Green Valley Enterprises, Inc.	Beaver Dam	Packaging, Mailing, Assembly, Rework/Inspection, USDA Certified Co-Packer, Licensed Food Processor
Greenco Industries, Inc.	Monroe	Rest Area Maintenance, Janitorial
Handishop Industries, Inc.	Tomah	Rest Area Maintenance, Janitorial, Grounds Maintenance
Headwaters, Inc.	Rhineland	Rest Area Maintenance, Shredding Services, Grounds Maintenance, Janitorial
Highline Corporation	Hurley	Rest Area Maintenance, Grounds keeping, Janitorial, Wood Fabrication
Holiday House of Manitowoc County, Inc.	Manitowoc	Rest Area Maintenance, Janitorial, Assembly & Packaging
Indianhead Enterprises, Inc.	Menomonie	Brushes, Writing Instruments
Industries for the Blind, Inc.	West Allis	Assembly, Kitting, Packaging, Bagging
Kandu Industries, Inc.	Janesville	Food Service, Janitorial, Rest Area Maintenance
Kenosha Achievement Center, Inc.	Kenosha	Rest Area Maintenance, Plaques, Custodial, Mailing, Packaging
L.E. Phillips Career Development Center, Inc.	Eau Claire	Packaging, Kitting, Pallets
Lakeland Industries	Shawano	Gloves
Lakeside Curative Services	Racine	Assembly, Mailing, Kitting, Shredding, Inspecting, Packing, Salvage/Recycle
Lakeside Packaging Plus	Neenah	Workboots, Oxfords
Lincoln County Services/Lincoln Industries	Merrill	Mailing, Assembly, Packaging, Janitorial, Electronics Recycling
Madison Area Rehabilitation Centers, Inc. (MARC)	Madison	

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Work Center	City	Products & Services
Milwaukee Center for Independence	Milwaukee	Janitorial, Custodial
New Hope Center, Inc.	Chilton	Assembly, Janitorial, Mailing, Screen Printing
New View Industries	Gillett	Assembly, Stakes, Laths, Mailing, Packaging
Northwoods Inc of Wisconsin	Portage	Rest Area Maintenance, Bar Code Printing, Grounds Maintenance
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, Catering
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, Assembly & Packaging
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, Mowing
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, Lawn Care, 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
Department of Administration

For further information on the State Use Program please contact:

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