

Wisconsin State Use Board
FY 2018 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 contractual relationship between state agencies 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.

Most Department of Administration-managed State Use contracts are 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. Five work centers have product catalogs featured on WISBuy including floor pads, mops, brushes/brooms, writing instruments, non-sterile disposable gloves and alkaline batteries.

Of the 55 nonprofit work centers certified to do business under the State Use Program in FY 2018, 35 work centers (64%) 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.

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 2018 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 has statutory obligations and responsibilities to ensure contracted products are within fair market pricing. The calculation of fair market pricing is handled by the State Bureau of Procurement (SBOP) and has been an ongoing topic of interest, specifically related to how SBOP conducts the fair market analysis and the sources used to obtain market prices. SBOP worked closely with the Board to develop a process that aligned with the goals of the statute and the program. The new process was discussed at multiple Board meetings allowing work centers, agencies and the public to provide input and discuss any concerns. The process has been implemented, increasing transparency and bringing greater consistency to the fair market analysis.

New Contract Awarded

Staff to the Board provided the information regarding an awarded contract for spices and seasonings to a certified work center. The contract is primarily used by the Department of Corrections and Department of Health Services. Other agencies who are also using the contract are Department of Public Instruction and Department of Veteran's Affairs. This contract has provided employment opportunities for 8-10 individuals with disabilities. Additionally, agencies, the work center and SBOP have worked closely to address issues and concerns that often arise during the first few months of a new contract. This collaborative effort resulted in adding new products at the agencies' request and helped identify additional cost savings and efficiencies that benefit all parties.

Program Results

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 796 Wisconsin citizens with disabilities, who worked 209,645 hours and earned \$1,581,629.40 in wages.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$7.60/hour, a 1.9% increase from FY17 (**Table 1**).

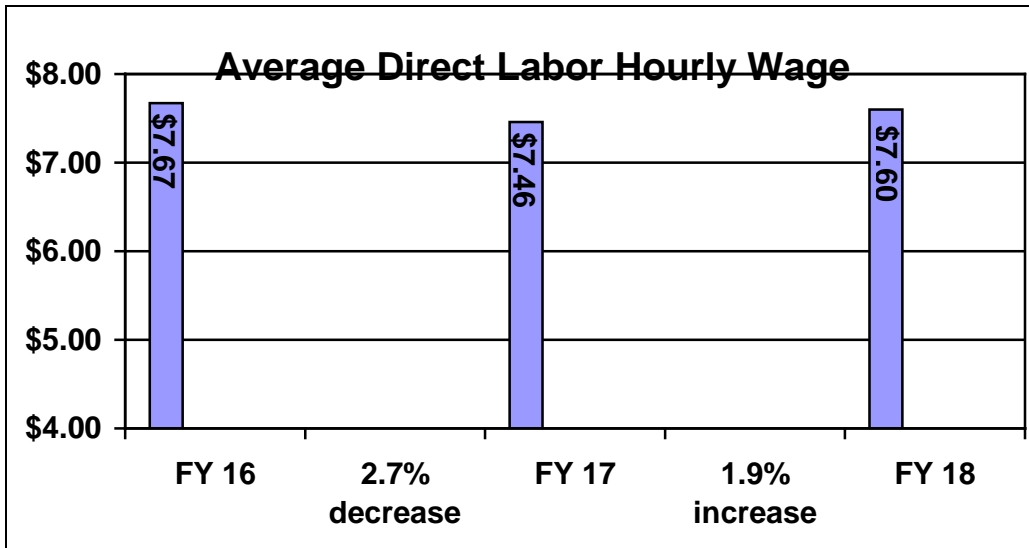


Table 1

FY 2018 was challenging with changing business models among some work centers. Due to business model changes, work centers requested to cancel contracts, such as 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 has continued to perform satisfactorily in the face of frugal state spending, with work centers reporting annual sales to state agencies totaling \$12,832,645.64. This is a decrease of \$359,471.00, or 2.7% from FY17 (**Table 2**).

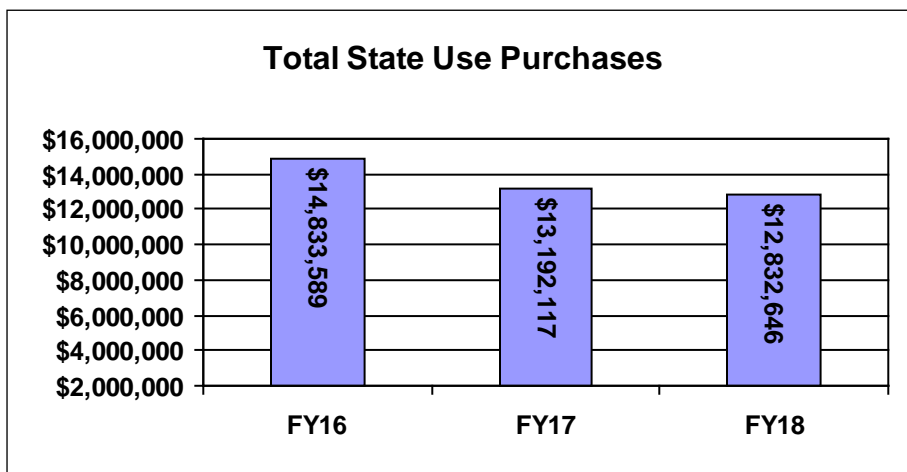


Table 2

Distribution of State Use Contract by Fiscal Year (FY16 – 18)

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

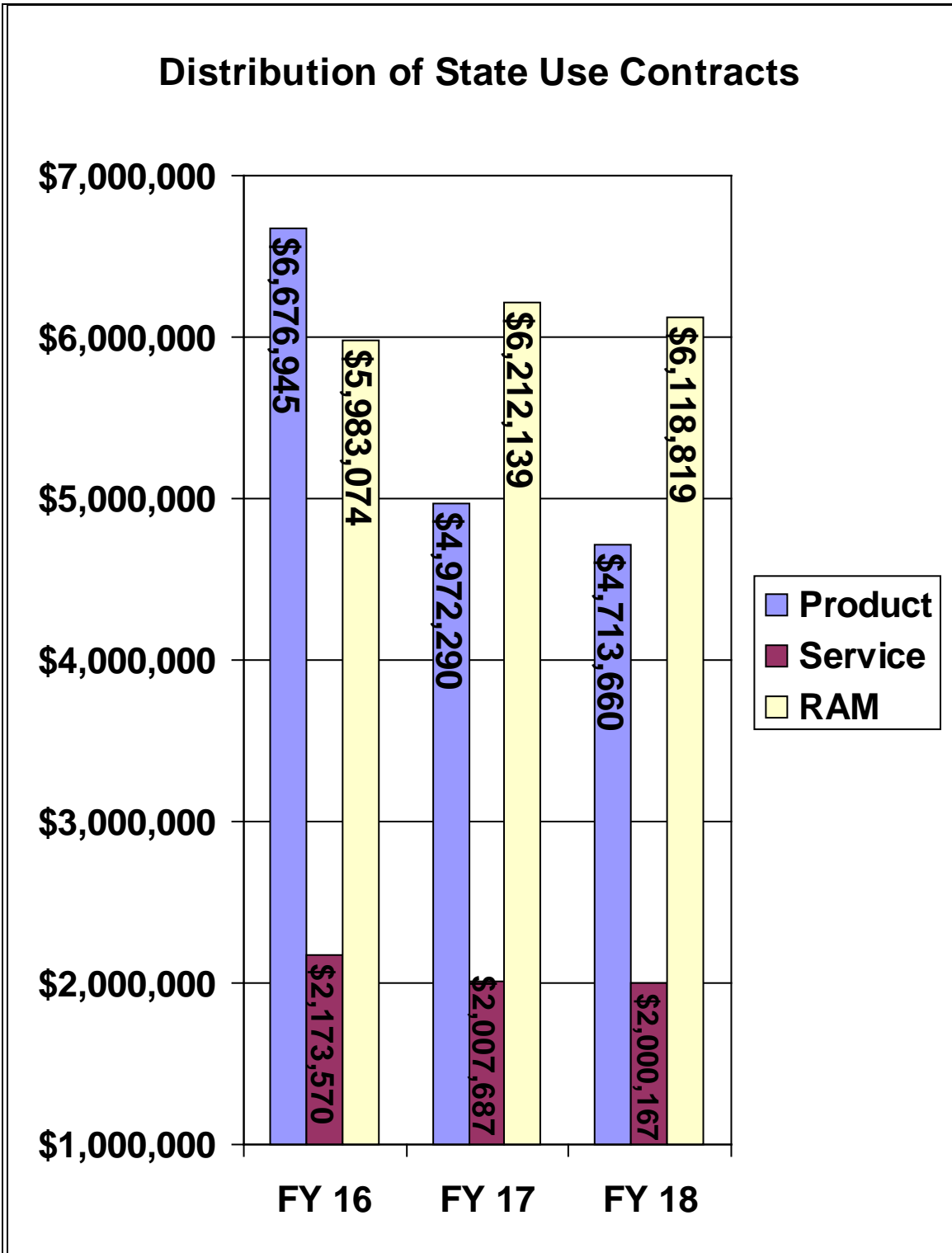


Table 3

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Appendix 1: Listing of Wisconsin State Use Work Centers

Work Center	City	Products & Services
Aptiv, Inc.	La Crosse	Janitorial, Rest Area Maintenance, Packaging, Document Destruction, Kitting, Mailing, Recycling
Ascend, Inc.	Manitowoc	Rest Area Maintenance, Grounds keeping, Janitorial, Wood Fabrication
Barron County Developmental Disabilities Services, Inc.	Barron	Rest Area Maintenance, Assembly, Packaging
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, Greenhouse Grown Vegetables
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, Catering, Warehousing
Curative Care Network	West Allis	Rest Area Maintenance, snow Removal and Salting,
Diverse Options, Inc.	Ripon	Socks, Admission Kits
East Shore Industries, Inc.	Algoma	Mops and Mop Handles
Easter Seals Southeast Wisconsin, Inc. Waukesha Center (Formerly Waukesha Training Center, Inc.)	Waukesha	Rest Area Maintenance, Janitorial, Food Service, Landscaping, Catering
Eisenhower Center, Inc.	Milwaukee	Dot Treats, Corporate Gift Assembly, Quality Control Projects
Endeavors Adult Development Center, Inc. (Formerly Polk County Adult Development Center, Inc.)	Balsam Lake	Rest Area Maintenance, Janitorial Services, Assembly and Packaging, Nursery Products Year Round – Vegetables and Flowers, Lawn Maintenance
Goodwill Industries Northern Wisconsin & Upper Michigan, Inc.	Marinette	Assembly, Mailing, Packaging, Janitorial
Green Valley Enterprises, Inc.	Beaver Dam	Mailing, Packaging
Greenco Industries, Inc.	Monroe	Packaging, Mailing, Assembly, Rework/Inspection, USDA Certified Co-Packer, Licensed Food Processor
Handishop Industries, Inc.	Tomah	Rest Area Maintenance, Janitorial
Headwaters, Inc.	Rhineland	Rest Area Maintenance, Janitorial, Grounds Maintenance
Highline Corporation	Hurley	Rest Area Maintenance, Shredding Services, Grounds Maintenance, Janitorial
Indianhead Enterprises, Inc.	Menomonie	Rest Area Maintenance, Janitorial, Assembly & Packaging
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

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Work Center	City	Products & Services
Madison Area Rehabilitation Centers, Inc. (MARC)	Madison	Mailing, Assembly, Packaging, Janitorial, Electronics Recycling
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
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
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
Representation: Work Center

Amy Grotzke

Director, WDA Region 9
Division of Vocational Rehabilitation
Department of Workforce Development
Representation: Vocational Rehabilitation

Nickolas C. George, Jr.

President
Midwest Food Products Association
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

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Teresa Hagstrom

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For further information on the State Use
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Please visit our website at:
<http://stateuseprogram.wi.gov/>