

**Wisconsin State Use Board**  
FY 2019 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 taxpayers.

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. Since FY16, sales of state use contracts via WISBuy have increased from \$907,898.00 to \$1,747,582.00 in FY19. This is an increase of 92.5% for purchases just through WISBuy.

Of the 52 nonprofit work centers certified to do business under the State Use Program in FY 2019, 34 work centers (65%) 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 2019 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. Work center participation in the State Use Program has decreased due to some of these changes.

### Contract Cancellation – Polyethylene Can Liners

The Polyethylene Can Liners contract held by Careers Industries was discussed as the contract prices were outside of fair market. A request for bid was completed to gather pricing for fair market calculations. Careers Industries was unable to meet the fair market prices. The Board approved cancellation of the contract.

### New Product Opportunity

The Coastal Management Program awarded a one-time contract to the Sunshine House to provide mailing services of the hardcover book, "Great Lakes Chronicle". The book contains 120 essays by coastal management practitioners sharing their analysis on issues affecting the Wisconsin's Great Lakes shorelines and communities.

Almost 1,000 books were mailed and made available to every Wisconsin state high school, Wisconsin public library and the University of Wisconsin library. This was the first State Use contract Sunshine House has been awarded.

### Mop Contract – Price Increase

East Shore Industries provided documentation with price increases of raw materials and shipping costs. The fair market analysis was completed and all items were within pricing.

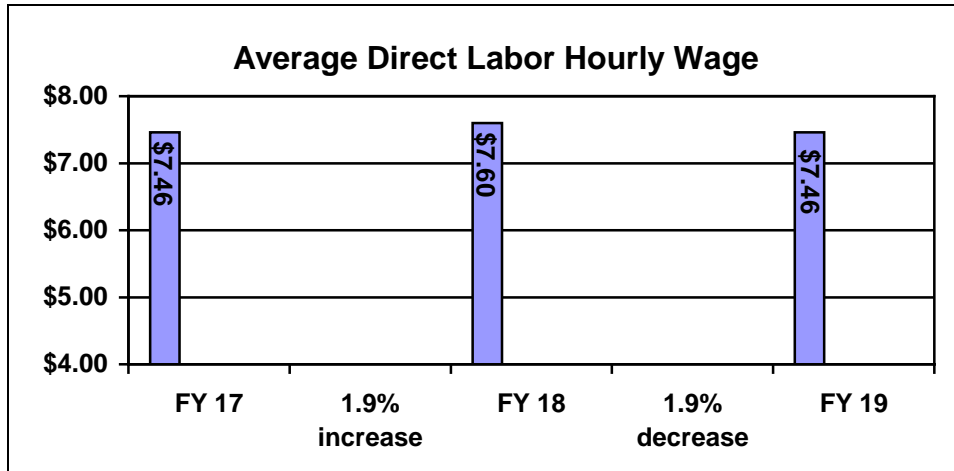
### Update to Products and Services Listing

The Products and Services listing was updated with a column to add an NIGP code on over 1,100 lines to assist agencies with identifying work centers to provide products and services. Work centers use different nomenclature which made it difficult to capture all providing a specific product or service.

**Program Results**

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 771 Wisconsin citizens with disabilities, who worked 206,923 hours and earned \$1,543,355.68 in wages.

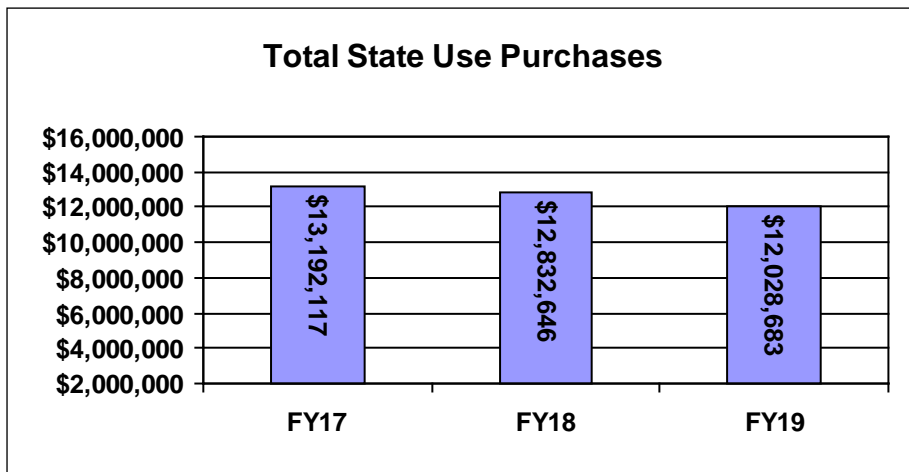
The average hourly wage earned by people with disabilities employed through the State Use Program was \$7.46, a decrease from FY18 (**Table 1**).



**Table 1**

FY 2019 was difficult with changing business models among some work centers. Due to this, work centers requested to cancel contracts, such as janitorial services contracts and a contract for stakes and laths. A contract for Polyethylene Can Liners was cancelled as the work center was unable to meet the fair market pricing. This contract was a significant loss to the State Use Program.

However, through long-term working relationships, many work centers were able to work with state agencies to maintain contract opportunities. The program has continued to perform satisfactorily, with work centers reporting annual sales to state agencies totaling \$12,028,683.10. This is a decrease of \$803,962.54, or 6.3% from FY18 (**Table 2**).



**Table 2**

**Distribution of State Use Contract by Fiscal Year (FY17 – 19)**

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

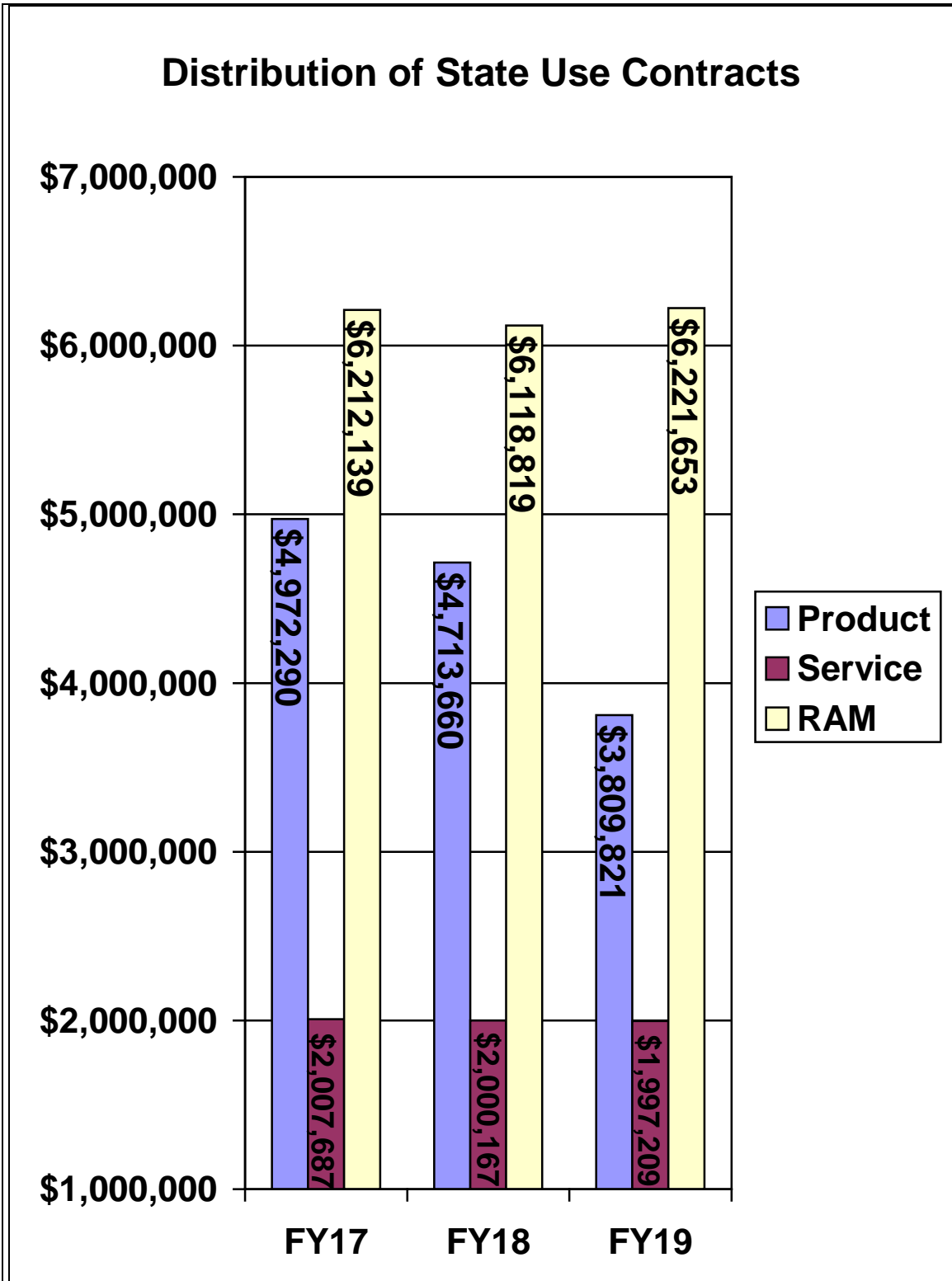


Table 3

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**Appendix 1: Listing of Wisconsin State Use Work Centers**

<b>Work Center</b>	<b>City</b>	<b>Products &amp; Services</b>
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, Spices and Seasonings
Brooke Industries, Inc.	Fond du Lac	Janitorial, Mailing, Packaging
Careers Industries, Inc.	Racine	Packaging, Assembly, Fulfillment
Challenge Center, Inc.	Superior	Confidential Paper Shredding, Greenhouse Grown Vegetables
Chippewa River Industries	Chippewa Falls	Rest Area Maintenance, Fulfillment, Assembly
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	Production and Manufacturing Services
Curative Care Network	West Allis	Rest Area Maintenance, Snow Removal and Salting, Fulfillment, Mailing, Data Processing, Assembly
Diverse Options, Inc.	Ripon	Socks, Admission Kits
East Shore Industries, Inc.	Algoma	Mops and Mop Handles
Eisenhower Center, Inc.	Milwaukee	Dog 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, Lawn Maintenance
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
Madison Area Rehabilitation Centers, Inc. (MARC)	Madison	Mailing, Assembly, Packaging, Janitorial, Electronics Recycling

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Work Center	City	Products & Services
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
Westlake Enterprises Inc	Ladysmith	Wood Products, Janitorial, Assembly

**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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Department of Administration

**Teresa Hagstrom**

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Wisconsin State Use Program  
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<http://stateuseprogram.wi.gov/>