

# **Wisconsin State Use Board**

## **FY 21 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. Four work centers have product catalogs featured on WISBuy, including floor pads, mops, non-sterile disposable gloves, and alkaline batteries. Since FY16, sales of State Use contracts via WISBuy have increased from \$907,898.00 to \$2,432,371 in FY20. Sales continued to increase in FY21 as WisBuy spend was \$2,919,726. This is an increase of 20% for purchases from FY20 to FY21 through WISBuy.

Of the 47 nonprofit work centers certified to do business under the State Use Program in FY21, 29 work centers (61.7%) 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. It 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 throughout the state participating in the State Use Program. Due to the Coronavirus pandemic, the State Use Board meetings were held via video/teleconferencing software. Some topics discussed by the Board during FY21 meetings include:

### State Use Program Trends

State Use Program certifications declined as centers follow federal law changes directing more community placement. The work centers' business model may not be consistent with federal policy.

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 spend for services (excluding Rest Area Maintenances/Standard Weights Enforcement Facilities [RAM/SWEF]) declined due to most state agencies working from home during the COVID-19 pandemic. However, product spend increased by almost 50% as agencies purchased needed items, such as non-sterile disposable gloves, for use during the pandemic.

### Documents via DocuSign

The yearly Fair Market Review, the Annual Report, and the work center recertification documents were digitized and sent through DocuSign for work centers to submit all information including an electronic signature. This provided a more efficient process to obtain needed and required information.

### Set Aside Requests

The Board reviewed and approved a work center's continued request to research the possibility of providing hand sanitizer and sanitizing wipes for state agencies through a new contract. Successful research and development could result in a new contract benefiting both the work center and agency end users.

### Contracts – Price Increase

Raw material prices increased dramatically this past year due to increased needs for mops and non-sterile disposable gloves. The non-sterile disposable glove contract required numerous price increase approvals throughout the fiscal year.

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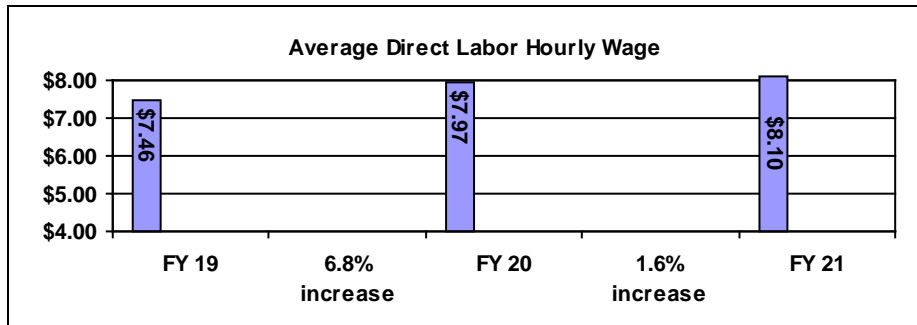
From July 1, 2020 to June 30, 2021, seven price increases were approved by the Board for the non-sterile disposable glove contract. In June 2021, raw material pricing began to decrease, which allowed price decreases for several contracted glove types.

The Board approved all price increases for State Use contracts in FY21.

**Program Results**

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 482 Wisconsin citizens with disabilities, who worked 147,407.35 hours and earned \$1,413,615.86 in wages.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$8.10, an increase from FY20 (Table 1).

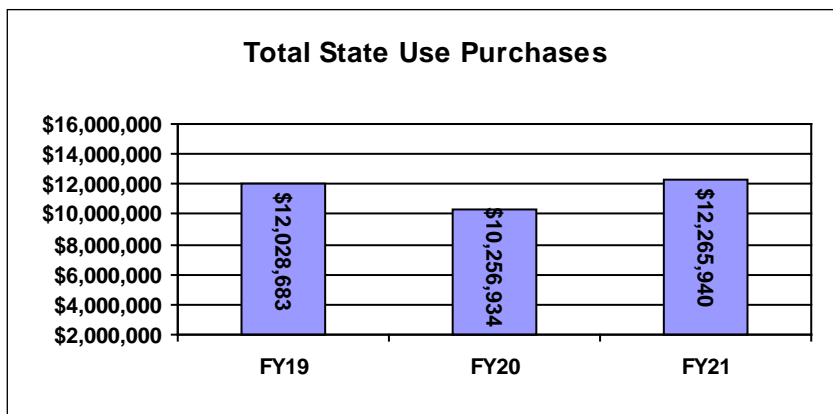


**Table 1**

FY21 was another difficult year due to the COVID-19 pandemic affecting employees with disabilities' ability to work onsite. Numerous contracts did not meet the 75% direct labor hours because of employees' unavailability.

In order to continue to fulfill contractual obligations, the emergency procurement waiver approved on March 26, 2020, allowed able-bodied individuals to provide contractual obligations and fulfill orders for products/services until clients with disabilities were able to return to work. The emergency procurement waiver has remained in place during FY21.

Most state agencies' staff worked offsite during FY21 due the COVID-19 pandemic, but many work centers were still able to work with state agencies to maintain contract opportunities. The work centers reported annual sales to state agencies totaling \$12,265,940.21. This is an increase of \$2,009,006.21 or 19.6% from FY20 (Table 2).



**Table 2**

**Distribution of State Use Contract by Fiscal Year (FY19 – 21)**

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

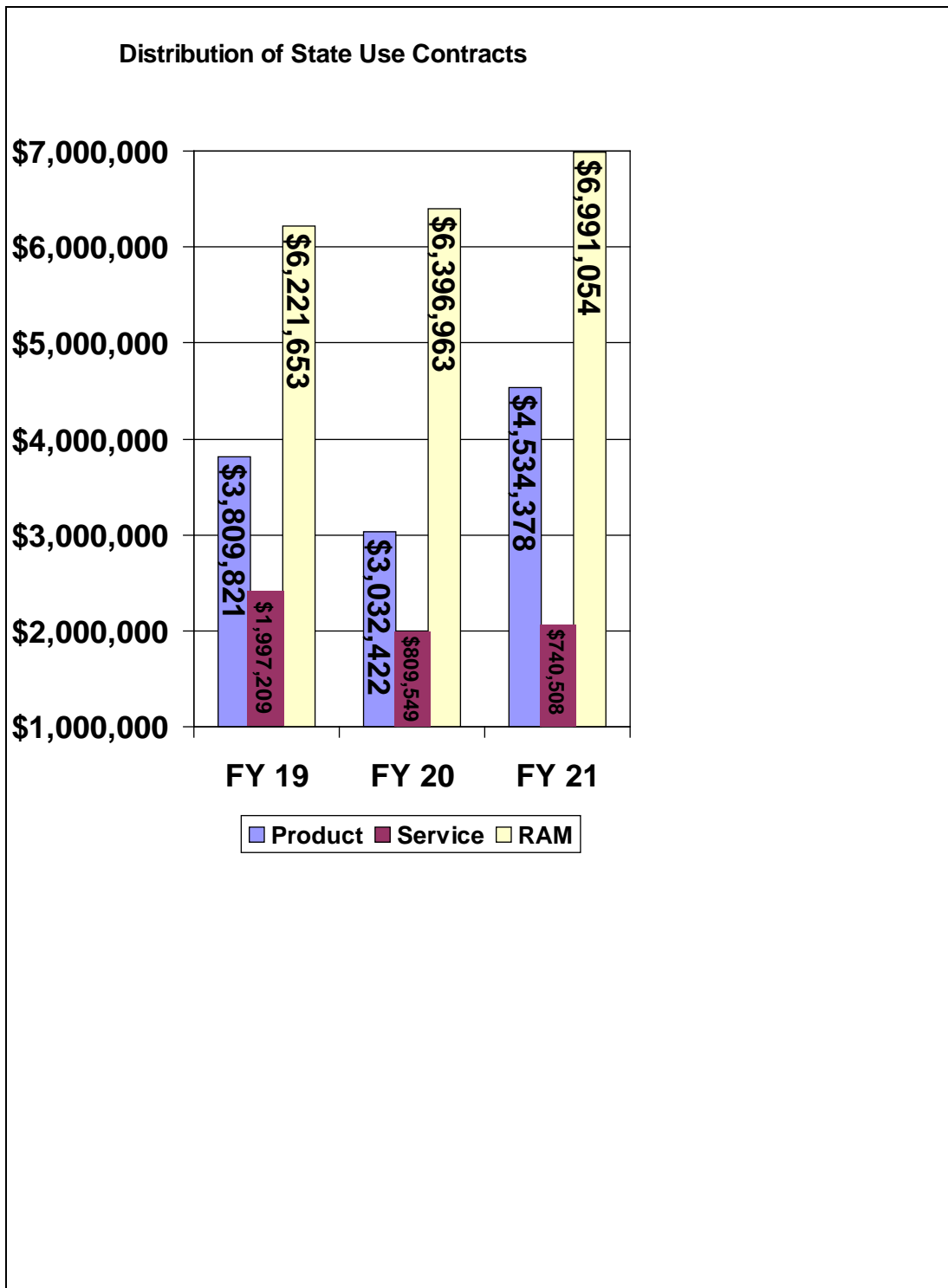


Table 3

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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
Aspiro, Inc	Green Bay	Sewing, Sorting/Collating, Product Assembly, Contract Packaging
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
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
Embark Support Employment (formerly Superior Vocations Center, Inc.)	Superior	Janitorial, Rest Area Maintenance, Landscaping, Assembling, Mailing,
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
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
North Central Health Care/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
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
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
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

**Nickolas C. George, Jr.**

Representation: Public Position

**Amy Grotzke**

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

**James. M. Langdon/Jana Steinmetz**

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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Wisconsin State Use Program  
Department of Administration

**Teresa Hagstrom**

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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/>