

Wisconsin State Use Board

FY 22 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.

Of the 47 nonprofit work centers certified to do business under the State Use Program in FY22, 30 work centers (63.8%) did some business with the State.

Several Department of Administration-managed State Use contracts (which are available to all state agencies, as well as some campuses and municipalities) are prominently featured on WISBuy, the State's online marketplace. Presence on WISBuy provides these State Use contracts with greater visibility, allowing for an enhanced opportunity for agencies to order products from State Use contracts. Four work centers have a combined total of five product catalogs featured on WISBuy, including floor pads, mops, non-sterile disposable gloves, alkaline batteries, and hand sanitizer. Since FY16, sales of State Use contracts via WISBuy have increased from \$907,898.00 to \$2,919,726 in FY21.

FY21 WISBuy spend was unique, because of the need for PPE equipment during the pandemic. The spend total for the State Use non-sterile disposable gloves contract was almost double in FY21 from previous years. As the need for PPE equipment diminished, the price of the gloves decreased as raw materials were readily available.

Total sales for all State Use contracts via WISBuy were \$1,129,306.00 in FY22.

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 Thursdays of January, April, July, and October. The Board 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 Wisconsin's certified, nonprofit employment centers participating in the State Use Program. In FY22, the State Use Board meetings were held via video/teleconferencing software. Some topics discussed by the Board during FY22 meetings include:

- **State Use Program Updates**

In April 2021, the Board Chair resigned and relinquished the governor appointed position. A new member was appointed to the Board in July 2021. At the October 2021 quarterly meeting, the Board nominated and approved a new Board Chair.

The Board continues to monitor 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.

- **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. This set aside resulted in a new contract which began March 2022.

A set aside request was also approved for computer monitor privacy screens to research a possible contract opportunity. This set-aside was ended at the request of the work center based on researching current contracts sales volume. It would not be a feasible contract due to minimal sales.

- **Contracts – Price Increases & Decreases**

Shipping prices increased dramatically this past year due to increased petroleum prices. Contracts for spices and seasonings, mops, and alkaline batteries requested price

increases in FY22. The Board approved all price increases for State Use contracts in FY22.

In addition, the non-sterile disposable glove contract had numerous price decreases throughout the fiscal year, as raw material pricing decreased.

Program Results

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 470 Wisconsin citizens with disabilities, who worked 158,615.05 hours and earned \$1,432,029.68 in wages.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$9.03, an increase from FY21 (Table 1).

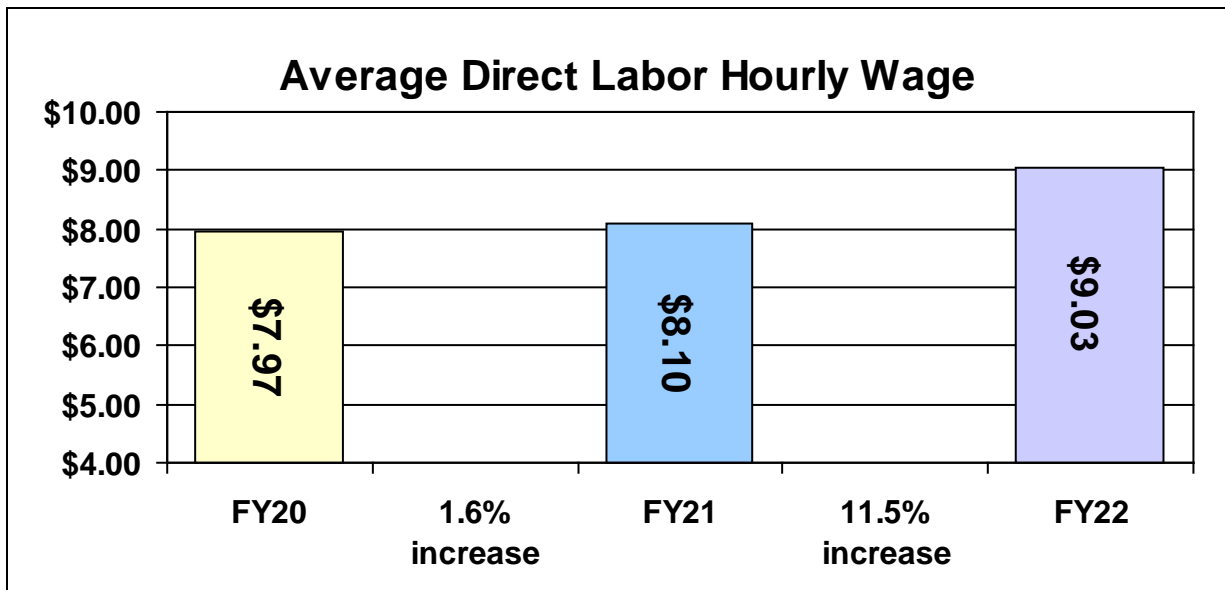


Table 1

FY22 was a challenging year due to the continued COVID-19 pandemic's negative effect on employees with disabilities' ability to safely work onsite. Under normal circumstances, State statute requires that 75% of the labor must be performed by individuals with disabilities at a work center under the State Use Program. In order to continue to fulfill contractual obligations during FY22, an emergency procurement waiver was approved March 20, 2020 and remained in place to allow allowed able-bodied individuals to complete orders for products/services until clients with disabilities were able to return to work. Once vaccines became widely available, employees began to return to work in FY22. On June 1, 2022, the emergency procurement waiver was rescinded and work centers are once again relying upon employees with disabilities to provide at least 75% of the labor.

In FY22, most state agencies' staff began to work hybrid schedules (in office/offsite). Even with this new type of environment, many work centers were still able to collaborate with state agencies to maintain and start new contract opportunities. The work centers reported annual sales to state agencies totaling \$13,227,205.99, an increase of \$961,265.78 or 7.8%% from FY21 (Table 2).

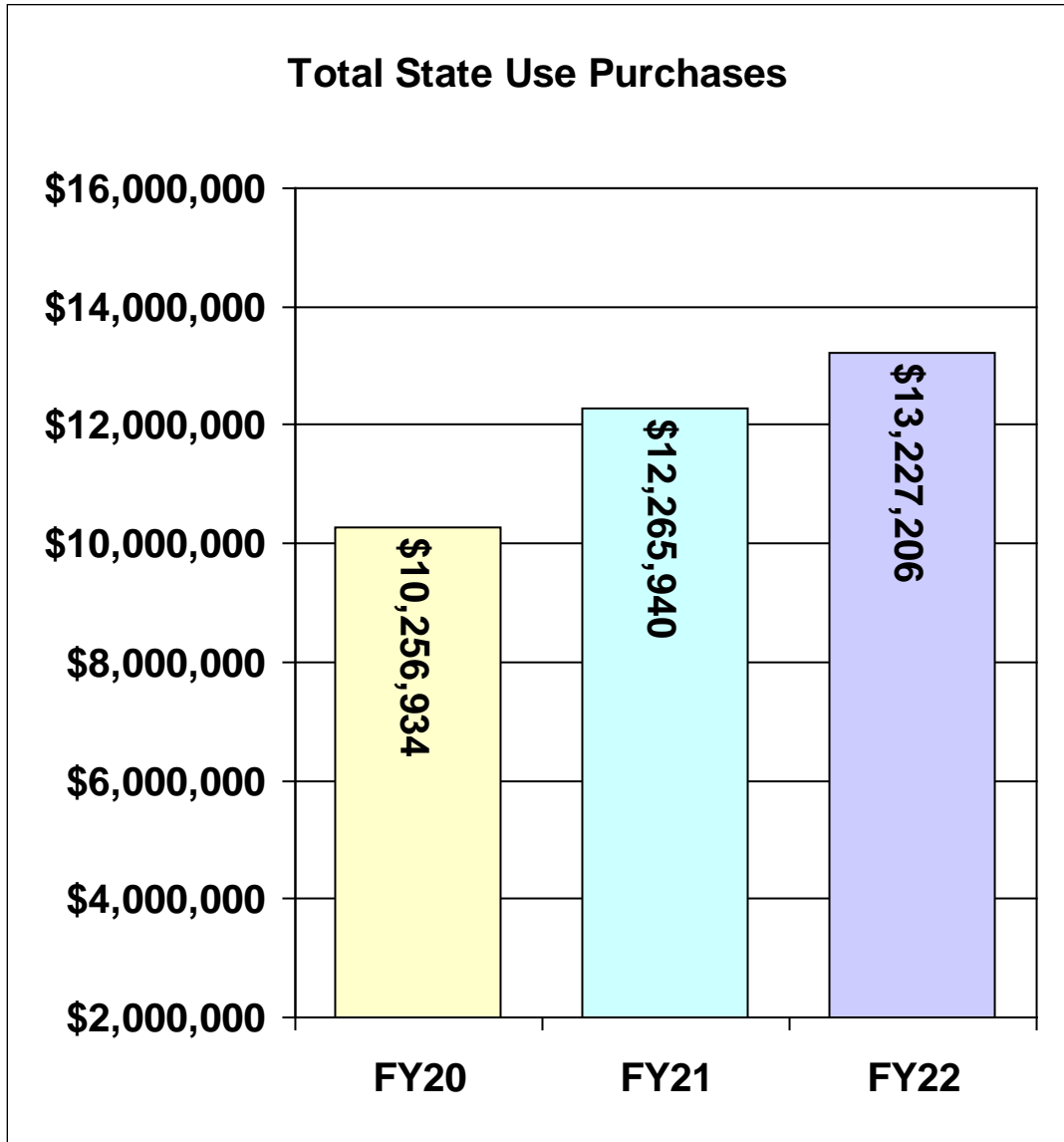


Table 2

Distribution of State Use Contract by Fiscal Year (FY20-FY22)

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

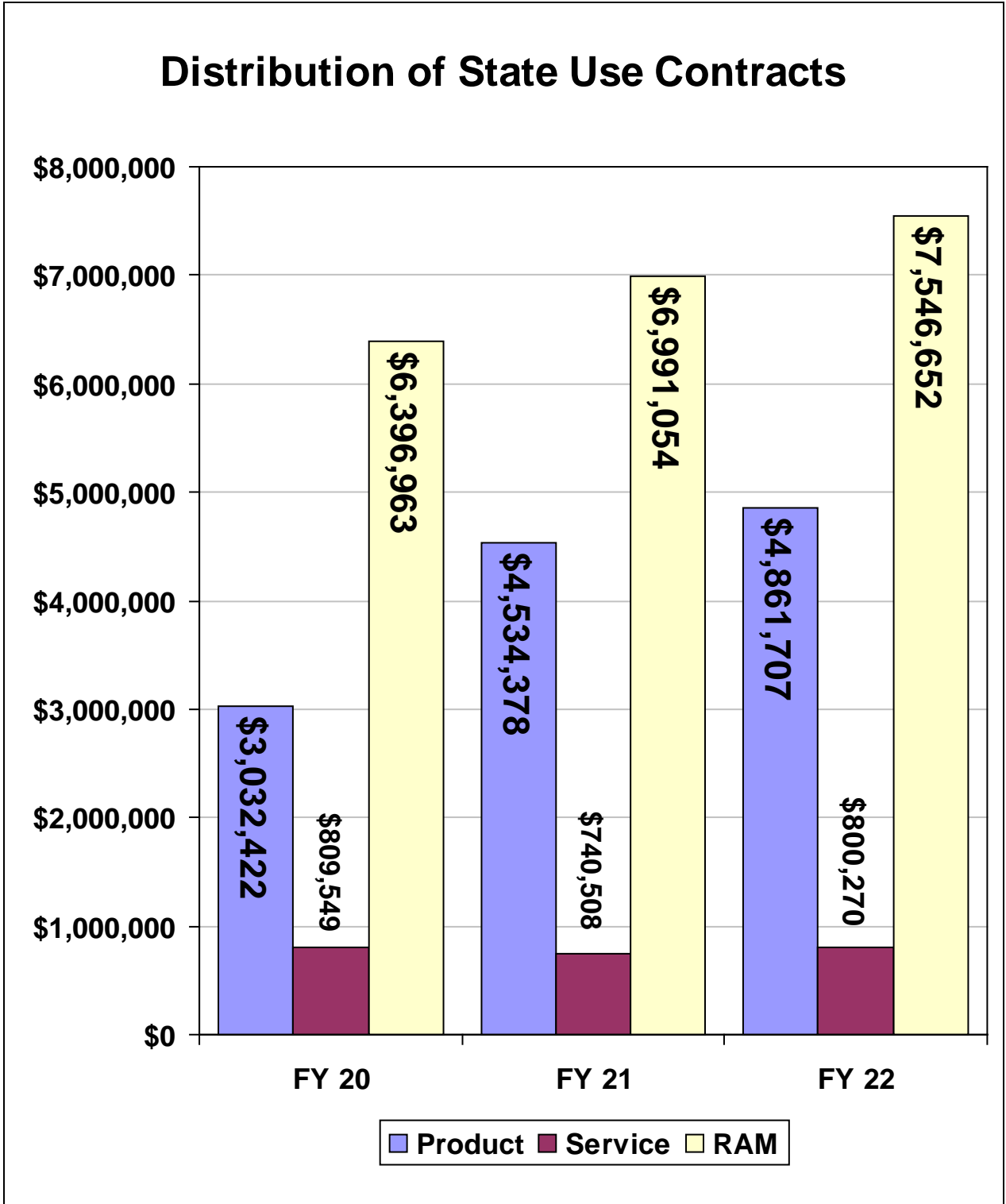


Table 3

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
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

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Work Center	City	Products & Services
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
New Hope Center, Inc	Chilton	Assembly, Packing, Custom Buttons, Heat Sealing, Janitorial, Labeling, Mailing, Screen Printing, Shrink Wrapping
New View Industries	Gillett	Assembly, Mailings, Counting, Labeling, Packaging, Sealing, Shrink Wrapping, Sorting, Woodworking
North Central Health Care/Lincoln Industries	Merrill	Workboots, Oxfords
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
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
The Red Apple Center, Inc. (formerly known as Counseling & Development Center, Inc.)	Phillips	Janitorial, Mailing
Regional Enterprises for Adults and Children, Inc. (REACH)	Eau Claire	Janitorial, Assembly & Packaging
Southwest Opportunities Center, Inc.	Lancaster	Document Destruction, Janitorial, Packaging/Assembly
Sunshine Resources of Door County	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

Tracy Nelson

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

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

Assistant

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:

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