

Wisconsin State Use Board

FY 23 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 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 45 nonprofit work centers certified to do business under the State Use Program in FY23, 27 work centers (60%) 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. 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. Total WISBuy sales for State Use contracts for FY23 were \$716,061. This was a decrease of \$413,245.00 from FY22 to FY23 and was significantly due to price decreases for non-sterile disposable gloves.

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 FY23, some topics discussed by the Board during FY23 meetings included:

- **State Use Program Updates**

In October 2022, a subcommittee was created to review recommendations for changes to the State Use law, as presented by the Governor's Committee for People with Disabilities. Recommendations described updates to:

- Board membership,
- Payment of minimum wage for all workers,
- Definition of "significant disability,"
- Remove holding a 14(c) subminimum wage license requirement,
- Definition of "work center" to eliminate exclusivity to centers and allow private/other nonprofit employers to compete for State Use contracts, and,
- Decrease the direct labor percentage performed by individuals with disabilities from 75% to 51%.

The subcommittee met several times to discuss and review the recommendations. Through those discussions, six recommendations for state use law changes were created and proposed to the Board for consideration.

- **Contracts – Increases, Decreases, Additions, and Cancellations**

Due to supplier price increases passed on to the work center for the Spices and Seasonings contract in FY23, a request to increase pricing was approved by the Board.

With supply and volumes returning to pre-pandemic numbers, the Non-Sterile Disposable Glove contract had three price decreases throughout the fiscal year, as raw material pricing decreased.

A request was submitted in FY23 to add two new glove styles to the Non-Sterile Disposable Glove contract. One glove style was approved by the Board and added to the contract. The second style was already available on the contract.

The Department of Corrections received notification of cancellation for the Work Boots and Oxford Shoes contracts awarded to a work center in FY23. The work center could not continue to meet the requirements of the contracts. The State Use Board was notified of the cancellation in the first quarter of FY23.

- **Set-Aside Requests**

Because the Work Boots and Oxford Shoes contracts were cancelled, the Board approved a set-aside request for another work center to research the possibility of providing those products for the Department of Corrections and other state agencies. The set-aside request was extended to continue contract negotiations with the Department of Corrections.

Program Results

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 499 Wisconsin citizens with disabilities, who worked 170,217.71 hours and earned \$1,928,441.19 in wages.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$11.33, a 25.5% increase from FY22 (Table 1).

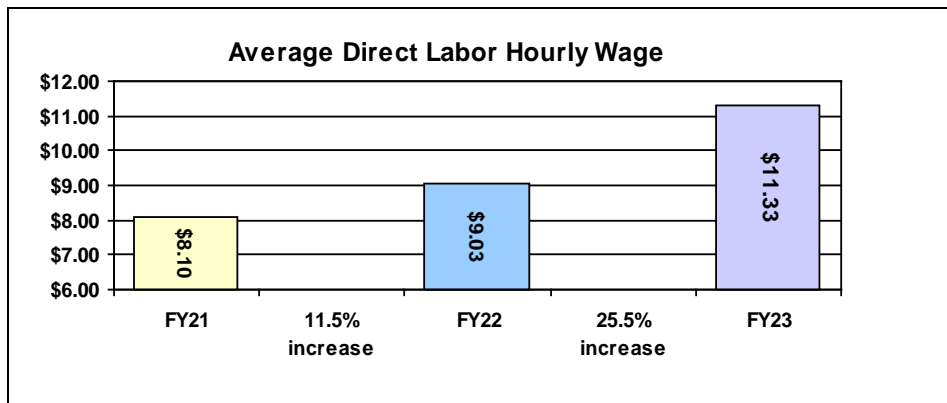


Table 1

In FY23, agencies continued to allow staff to work hybrid schedules (in office/offsite), allowing agencies and work centers to work together to maintain contracts and explore new opportunities. The work centers reported annual sales to state agencies totaling \$13,410,772.73, an increase of \$183,566.73 or 1.4% from FY22 (Table 2).

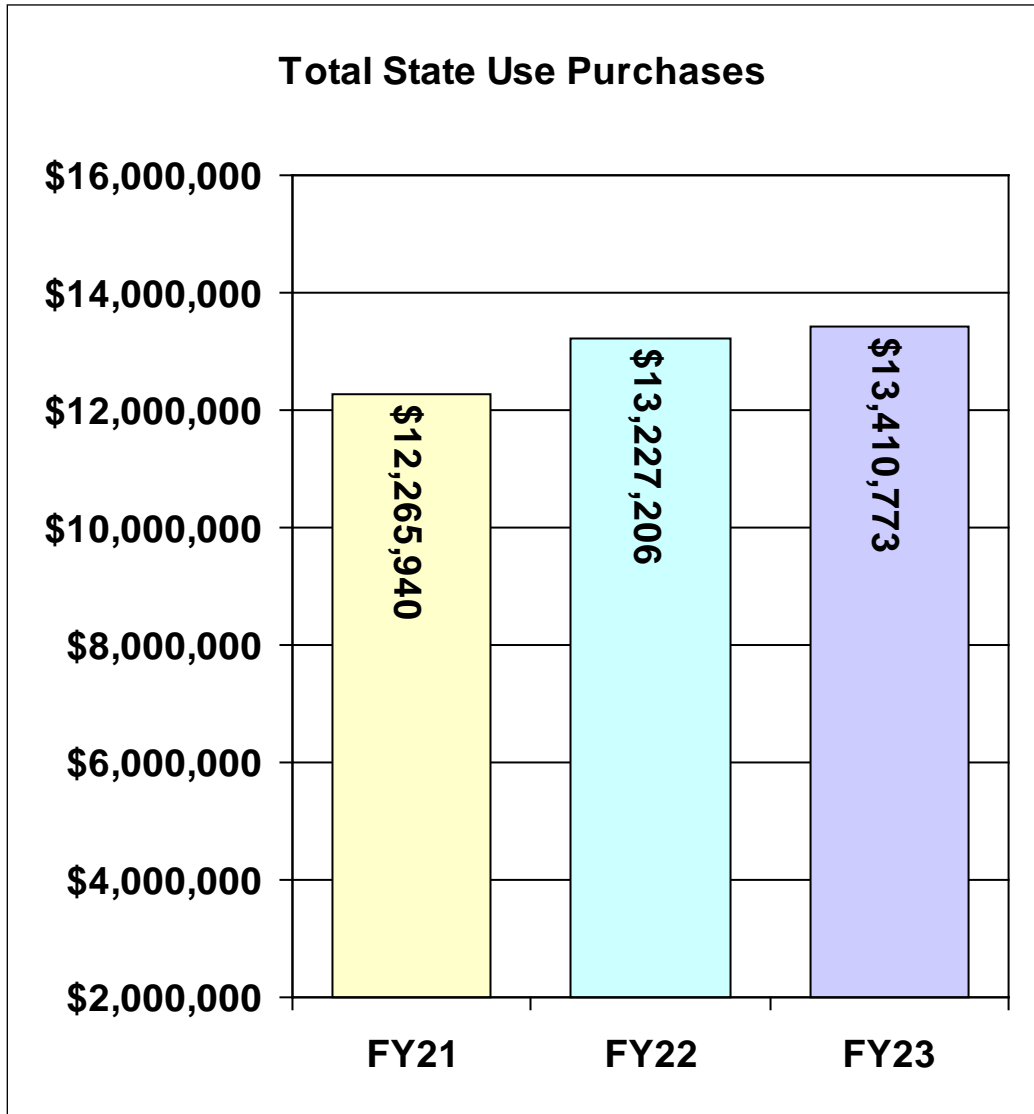


Table 2

Distribution of State Use Contract Spend by Fiscal Year (FY21-FY23)

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

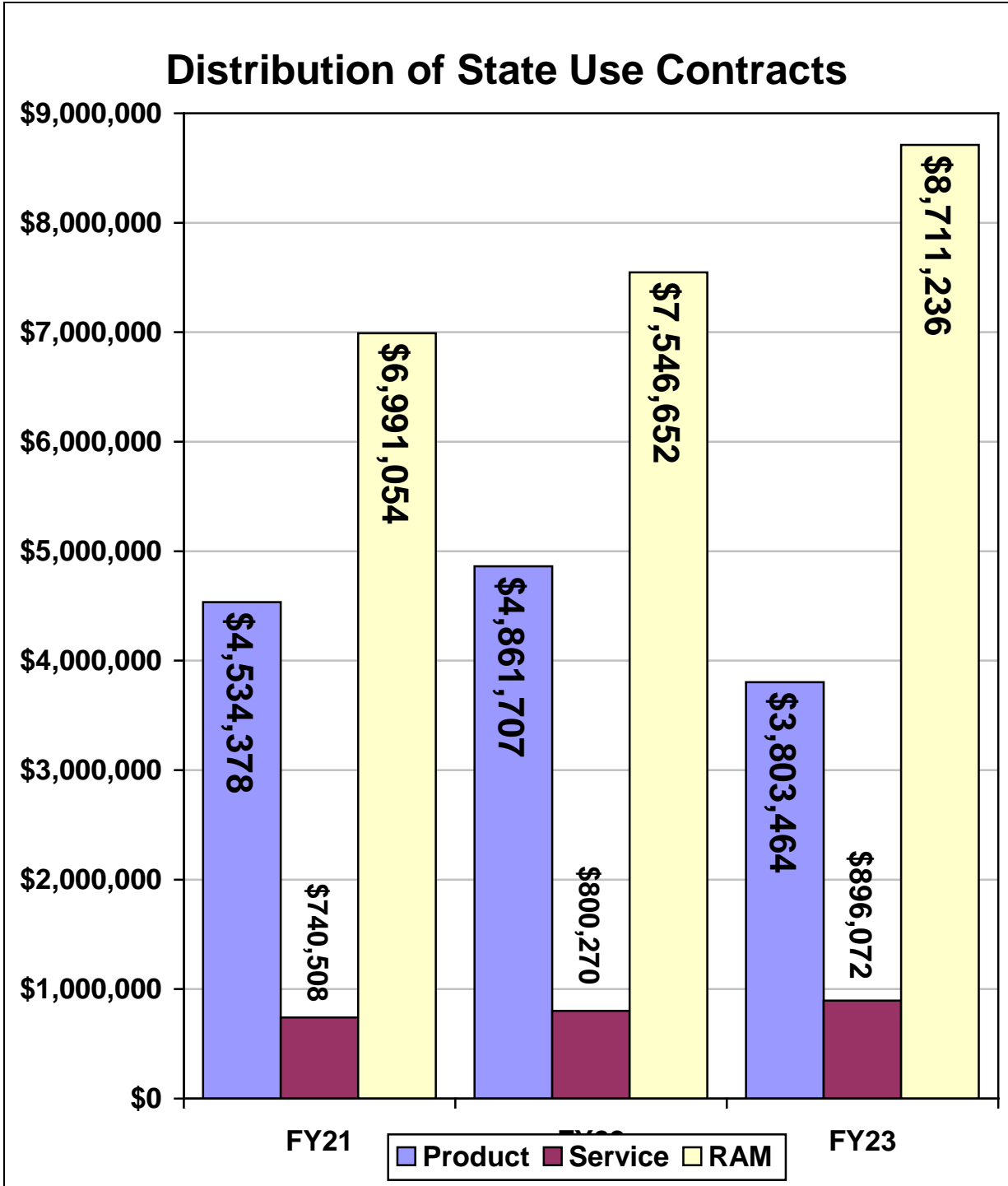


Table 3

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
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

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Work Center	City	Products & Services
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
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, Mailings, Janitorial
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

Nadine Malm

Coordinator

Wisconsin State Use Program

Department of Administration

For further information on the State Use Program please contact:

**NADINE MALM, COORDINATOR
WISCONSIN STATE USE PROGRAM**

**P.O. BOX 7867
MADISON, WI 53707-7867**

Email: Nadine.Malm@wisconsin.gov

Phone (608) 266-5462

Fax (608) 267-0600

Please visit our website at:

<http://StateUseProgram.wi.gov/>