

Wisconsin State Use Board

FY 24 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 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 39 nonprofit work centers certified to do business under the State Use Program in FY24, 27 work centers (69%) did some business with the State.

In June 2024, the Department of Administration decommissioned WISBuy, the State's online marketplace. State Use contracts previously available on WISBuy were also on the Wisconsin VendorNet website with ordering instructions. There were four work centers with a total of five product catalogs featured on WISBuy: floor pads, mops, non-sterile disposable gloves, alkaline batteries, and hand sanitizer. WISBuy sales for State Use contracts during FY24 before the site was decommissioned was \$743,829. This was an increase of \$27,768.00 from FY23 to FY24.

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 FY24, some topics discussed by the Board during FY24 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 and continued to meet during FY24.

July 2023, the State Use Board approved five of the six recommendations:

- 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 recommendation regarding Board membership was tabled for the subcommittee to discuss what the role of an additional member on the Board would be. The subcommittee recommended the additional Board member be a "Member at Large" and was approved by the State Use Board.

The subcommittee prepared a document that was shared with Legislative Liaisons from the Department of Administration (DOA) and Department of Workforce Development (DWD). The DOA's Legislative Liaison has been assisting the subcommittee with the process of initiating these recommendations to update the state use law.

Contracts – Additions, New

A request was submitted in FY24 to add three new glove styles to the Non-Sterile Disposable Glove contract. All three glove styles were approved by the Board and added to the contract.

In FY23 the Department of Corrections received notification of cancellation of their state use Work Boots and Oxford Shoes contracts and another work center requested the set-aside to research the possibility of a new contract that continued into FY24.

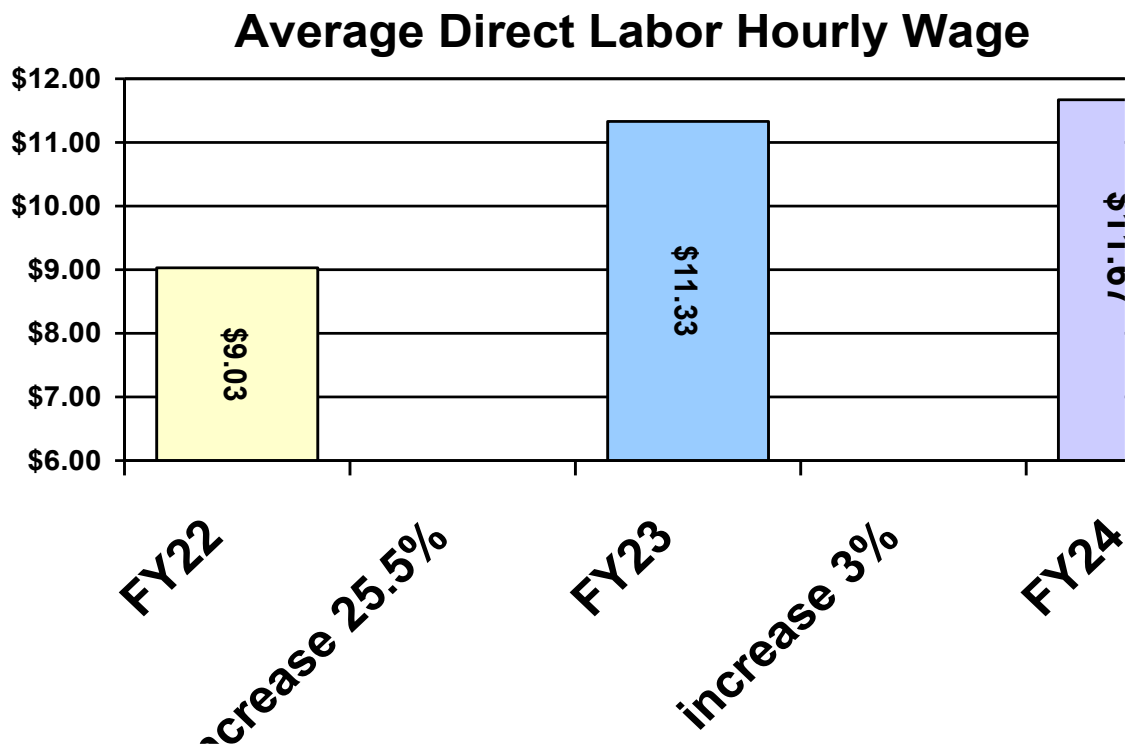
After negotiations and completing a fair market analysis, the Department of Corrections signed a new state use contract which began in February 2024.

Program Results

State Use Program contracts provided job opportunities that created a better and more fulfilling quality of life through employment for 440 Wisconsin citizens with disabilities, who worked 163,597.66 hours and earned \$1,908,973.32 in wages in FY24.

The average hourly wage earned by people with disabilities employed through the State Use Program was \$11.67, a 3% increase from FY23 (Table 1).

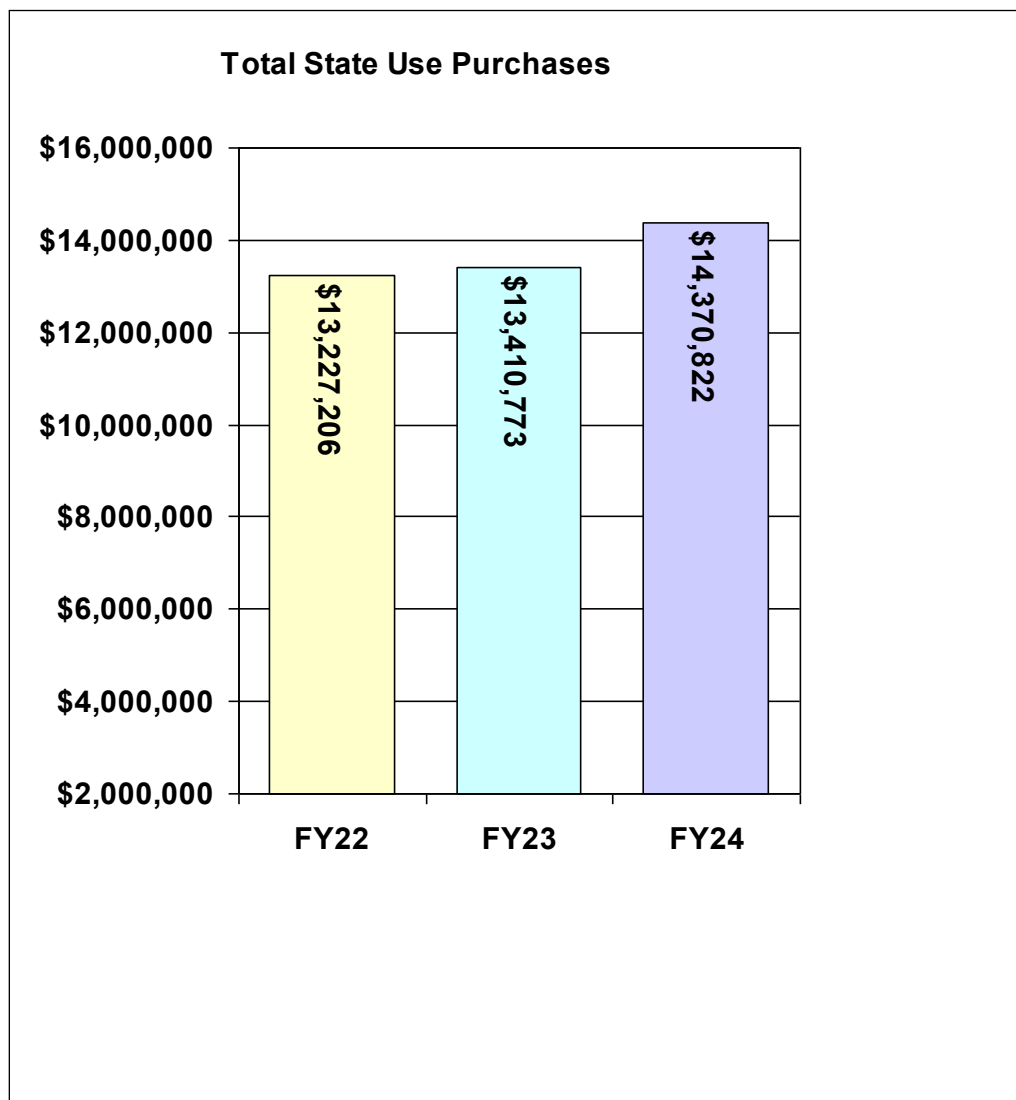
Table 1



In FY24, agencies have continued to allow hybrid work environments. With less employees physically in office buildings, agencies have been able to consolidate and are using less supplies as buildings become vacated and sold. Even so, agencies and work centers continue to work together to maintain contracts and explore new opportunities for contracts, such as the confidential shredding contract for the Department of Administration, Division of Enterprise Operations.

The work centers reported annual sales to state agencies totaling \$14,370,822.02, an increase of \$1,143,616.02 or 7.2% from FY23 (Table 2).

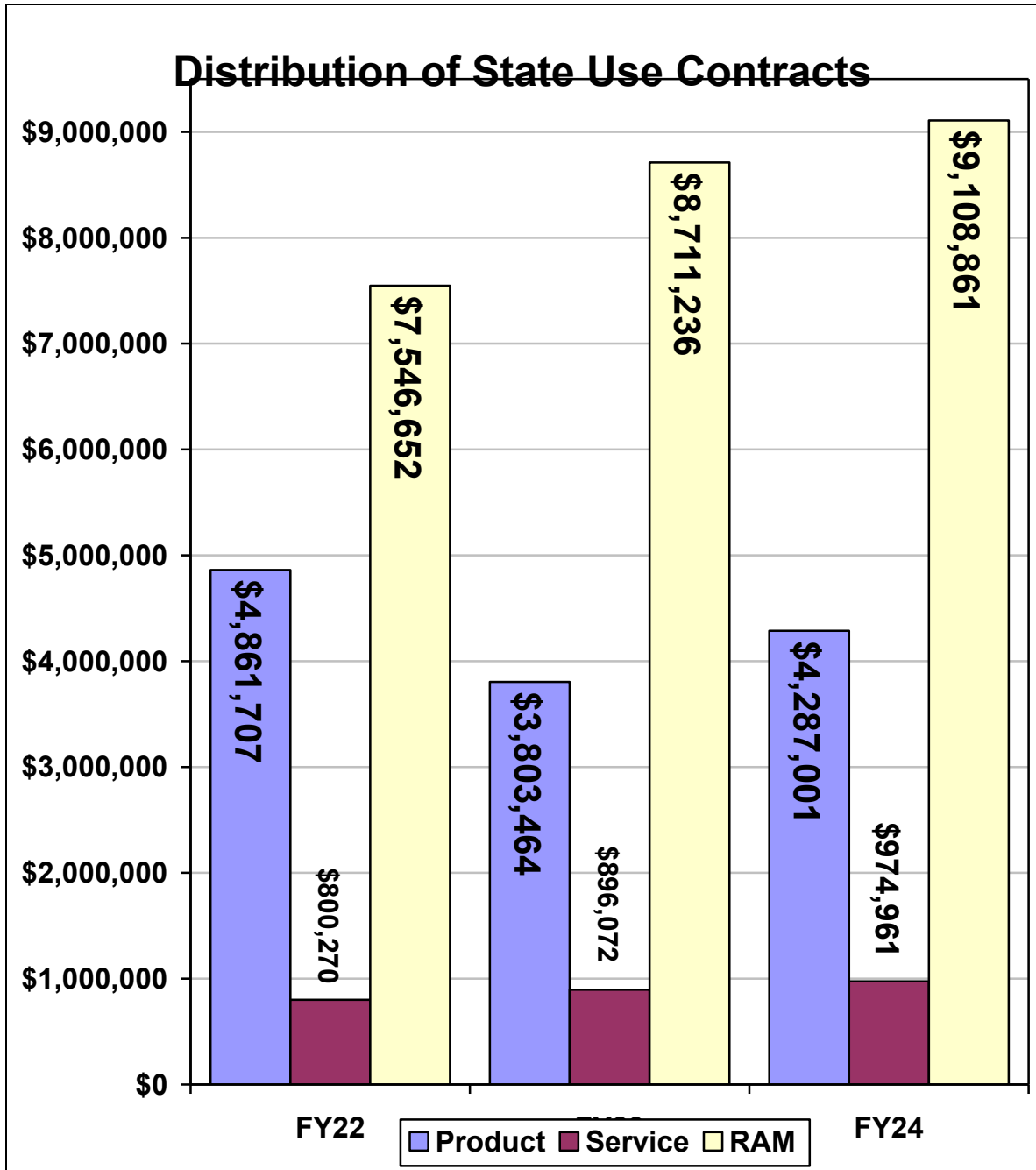
Table 2



Distribution of State Use Contract Spend by Fiscal Year (FY22-FY24)

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
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
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
Lakeside Curative Services	Racine	Gloves

Wisconsin State Use Board Annual Report FY24

Work Center	City	Products & Services
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
The Threshold, Inc.	West Bend	Janitorial, Assembly, Kitting, Packaging
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

Appendix 2: State Use Program Members

State Use Board Members

Tracy Nelson

Board Chair

Representation: Private Business

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

Please visit our website at:

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

VACANT POSITIONS:

DHS Representative

Work Center Representative

*Other Representative – Not named in
Statute*