

U.S. DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND  
REHABILITATIVE SERVICES  
REHABILITATION SERVICES ADMINISTRATION  
WASHINGTON, D.C. 20202

INFORMATION MEMORANDUM  
RSA-IM-07-05  
DATE: June 27, 2007

TO : STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)  
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)  
CLIENT ASSISTANCE PROGRAM  
REGIONAL REHABILITATION CONTINUING EDUCATION  
PROGRAMS  
RSA SENIOR MANAGEMENT TEAM

SUBJECT : Summary of Statistical Information of the Randolph-Sheppard Vending  
Facility Program for Fiscal Year 2006

Attached for your use is a table showing the National Summary of  
Operations of the Vending Facility Program for fiscal year (FY) 2006 as  
compared with FY 2005.

The Randolph-Sheppard Act at 20 U.S.C. Sec. 107d-3(a) provides  
authority to the Commissioner of the Rehabilitation Services  
Administration to prescribe regulations that impose a ceiling on income  
from vending machines on federal property<sup>1</sup> that is disbursed to eligible  
vendors each year. Accordingly, the implementing regulations at 34  
C.F.R. Sec. 395.8(a) state that vending machine income from vending  
machines on federal property which has been disbursed to the state  
licensing agency by a property managing department, agency or  
instrumentality of the United States under Sec. 395.32 shall accrue to each  
blind vendor operating a vending facility on such federal property. The  
regulation further states that the amount accruing to each blind vendor  
shall not exceed the average net vendor income of the total number of  
blind vendors within the state. This determination is made each FY based  
on the prior year's vending operation. However, vending machine income  
shall not accrue to any blind vendor in any amount exceeding the average  
net income of the total number of blind vendors in the United States.

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<sup>1</sup> The Randolph-Sheppard regulations at 34 C.F.R. Sec. 395.1 (g) state in relevant part: "Federal property means any building, land, or other real property owned, leased, or occupied by any department, agency, or instrumentality of the United States ...."

The data contained in the attached table were obtained from the Report of Vending Facility Program, Form RSA-15, for FY 2006. The following data have been used by the Commissioner to determine that the national average net income in FY 2006 was \$46,963.

- The total gross income<sup>2</sup> for the program was \$692.2 million in FY 2006 compared to \$661.3 million in FY 2005, a 4.7 percent increase. The total earnings of all vendors were \$115.7 million in FY 2006 and \$111.2 million in FY 2005, an increase of 4.1 percent. The national average annual earnings of vendors increased 7.8 percent to \$46,963 in FY 2006 from \$43,584 the previous year.<sup>3</sup>
- The number of vendors in FY 2006 was 2,575 compared to 2,564 in FY 2005, an increase of 11 operators. There were 3,040 vending facilities in FY 2006 and 3,080 the previous year, a decrease of 40 facilities.

INQUIRIES: Please direct any questions concerning this report to Mr. Raymond E. Hopkins, Program Specialist, U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Room 5023, 400 Maryland Avenue, SW, Washington, DC, 20202-2800 or by telephone (202) 245-7308.

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Edward Anthony, Ph.D.  
Delegated the Authority to Perform the  
Functions of Commissioner for the  
Rehabilitation Services Administration

Attachment

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<sup>2</sup> Gross Income includes gross sales, vending machine income, and fair minimum return

<sup>3</sup> The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 2006 the number of vendor person years was 2,463.65.

**RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM  
DATA SUMMARY FOR FISCAL YEARS 2005 AND 2006**

ITEM	FY2005	FY2006	PERCENT CHANGE
<b>INCOME &amp; EARNINGS</b>			
Gross Income	661,311,042	692,152,876	4.7%
Vendor Earnings	111,165,525	115,701,361	4.1%
Average Earnings	43,584	46,963	7.8%
<b>NUMBER OF VENDORS</b>			
Federal Locations	895	894	-.1%
Nonfederal Locations	1,669	1,681	.7%
<b>Total</b>	<b>2,564</b>	<b>2,575</b>	<b>.4%</b>
<b>NUMBER OF VENDING FACILITIES</b>			
Federal Locations	1,115	1,069	-4.1%
Nonfederal Locations	1,965	1,971	.3%
<b>Total</b>	<b>3,080</b>	<b>3,040</b>	<b>-1.3%</b>