

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

INFORMATION MEMORANDUM

RSA-IM-98-14

RSM-3015

DATE: April 28, 1998

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
1997.

Attached for your use is a Table showing the
National Summary of Operations of the Vending
Facility Program for Fiscal Year (FY) 1997 as
compared with FY 1996.

The Randolph-Sheppard Act at 20 USC §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 that is
disbursed to eligible vendors each year. The
Randolph-Sheppard regulations at 34 C.F.R. §395.8(a)
state: "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 §395.32 shall accrue to each blind
vendor operating a vending facility on such Federal
property in each State in an amount not to exceed
the average net income of the total number of blind
vendors within such State, as determined each fiscal
year on the basis of each prior year's operation,
except that 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." (Underlining added.)
The national average net income in FY 1997 was
\$27,889.

It should be noted that the degree of competition presented to blind licensees operating facilities on Federal property by non-blind operated vending machines is relevant only to a determination of the amount of vending machine income the Federal agency must disburse to the State licensing agency. The degree of competition is not relevant to the obligations imposed upon the State licensing agency to, in turn, disburse income to a licensed vendor on the Federal property. See 20 U.S.C. §107d-3 and 34 C.F.R. 395.32.

The Randolph-Sheppard regulations at 34 C.F.R. 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 Form RSA-15 for FY 1997. Any subsequent data revisions by individual States may cause minor changes in the totals. These data in part are used by the Commissioner to implement 34 C.F.R. 395.8(a).

The total gross income for the program was \$421.0 million in FY 1997 compared to \$419.6 million in FY 1996, a 0.3 percent increase. The total earnings of all vendors were \$81.9 million in FY 1997 and \$79.1 million in FY 1996, an increase of 3.6 percent. The national average annual earnings of vendors increased 4.6 percent to \$27,889 in FY 1997 from \$26,653 the previous year.¹

The number of vendors in FY 1997 was 3,090 compared to 3,108 in FY 1996, a decrease of 18 operators. There were 3,427 vending facilities in FY 1997 and 3,448 the previous year, a decrease of 21 facilities.

¹ The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 1997, the number of vendor person years was 2,937.6.

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Please direct any questions concerning this report to George F. Arsnow, Chief, Vending Facility Branch, Rehabilitation Services Administration, Mary E. Switzer Building, 330 "C" Street, S.W., Washington, DC 20202-2738 or by telephone (202) 205-9317.

INQUIRIES TO: RSA Regional Commissioners

Fredric K. Schroeder, Ph.D.
Commissioner

Attachment