

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

INFORMATION MEMORANDUM

RSA-IM-08-04

DATE: June 24, 2008

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 2007

Attached for your use is a table showing the National Summary of
Operations of the Vending Facility Program for FY 2007 as compared
with FY 2006.

The *Randolph-Sheppard Act* at 20 U.S.C. Section 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 property¹ that is disbursed to eligible
vendors each year. Accordingly, the implementing regulations at 34
C.F.R. Section 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 Section 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 fiscal year
based on the prior year's vending operation. However, vending machine

¹ 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"

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.

The data contained in the attached table were obtained from the Report of Vending Facility Program, Form RSA-15, for FY 2007. The following data have been used by the commissioner to determine that the national average net income in FY 2007 was \$46,753:

- The total gross income² for the program was \$713.2 million in FY 2007, compared to \$692.2 million in FY 2006, a 3.0 percent increase. The total earnings of all vendors was \$116.3 million in FY 2007 and \$115.7 million in FY 2006, an increase of .5 percent. The national average annual earnings of vendors was \$46,753 in FY 2007 in comparison to \$46,963 the previous year.³
- The number of vendors in FY 2007 was 2,545, compared to 2,575 in FY 2006, a decrease of 30 operators. The number of person years worked by licensed blind vendors in FY 2007 was 2,486.74, an increase of 23.09 person years from the previous reporting period. There were 3,031 vending facilities in FY 2007 and 3,040 the previous year, a decrease of nine facilities.

INQUIRIES: Please direct any questions concerning this report to Dr. Thomas Finch, Chief, Service Programs Unit, U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Room 5059, 400 Maryland Avenue, SW, Washington, DC, 20202-2800; telephone: 202-245-7343.

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

Attachment

² Gross Income includes gross sales, vending machine income and fair minimum return.

³ The average annual earnings of vendors are determined by dividing the vendors' total earnings by the number of vendor person years. In FY 2007 the number of vendor person years was 2,486.74.

**RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM
DATA SUMMARY FOR FISCAL YEARS 2006 AND 2007**

ITEM	FY2006	FY2007	PERCENT CHANGE
INCOME & EARNINGS			
Gross Income	\$692,152,876	\$713,175,716	3.0
Vendor Earnings	\$115,701,361	\$116,264,699	0.5
Average Earnings	\$46,963	\$46,753	(0.44)
NUMBER OF VENDORS			
Federal Locations	894	888	(0.7)
Nonfederal Locations	1,681	1,657	(1.4)
Total	2,575	2,545	(1.2)
NUMBER OF VENDING FACILITIES			
Federal Locations	1,069	1,070	0.1
Nonfederal Locations	1,971	1,961	(0.5)
Total	3,040	3,031	(0.3)