

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

INFORMATION MEMORANDUM  
RSA-IM-02-16  
RSM-3015  
DATE: April 9, 2002

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 2001

Attached for your use is a table showing the National Summary of Operations of the Vending Facility Program for Fiscal Year (FY) 2001 as compared with FY 2000.

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 that is disbursed to eligible vendors each year. The Randolph-Sheppard regulations at 34 C.F.R. Sec. 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 Sec. 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 2001 was \$34,921.

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. Sec. 107d-3 and 34 C.F.R. Sec. 395.32.

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 Form RSA-15 for FY 2001. 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. Sec. 395.8(a).

The total gross income for the program was \$466.5 million in FY 2001 compared to \$469.4 million in FY 2000, a 0.6 percent decrease. The total earnings of all vendors were \$95.0 million in FY 2001 and \$93.3 million in FY 2000, an increase of 2.8 percent. The national average annual earnings of vendors increased 1.8 percent to \$34,921 in FY 2001 from \$34,298 the previous year.<sup>1</sup>

The number of vendors in FY 2001 was 2,711 compared to 2,716 in FY 2000, a decrease of 5 operators. There were 3,194 vending facilities in FY 2001 and 3,292 the previous year, a decrease of 98 facilities.

Please direct any questions concerning this report to Mr. George F. Arsnow, Randolph-Sheppard Program Specialist, Rehabilitation Services Administration, Mary E. Switzer Building, 330 "C" Street, SW, Washington, DC, 20202-2738 or by telephone (202) 205-9317.

INQUIRIES: RSA Regional Commissioners

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Joanne Wilson  
Commissioner

Attachment

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<sup>1</sup> The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 2001 the number of vendor person years was 2,720.3.

**RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM  
DATA SUMMARY FOR FISCAL YEARS 2000 and 2001**

| <b>ITEM</b>                         | <b>FY 2000</b>     | <b>FY2001</b>      | <b>PERCENT CHANGE</b> |
|-------------------------------------|--------------------|--------------------|-----------------------|
| <b>INCOME &amp; EARNINGS</b>        |                    |                    |                       |
| <b>Gross Income<sup>2</sup></b>     | <b>469,395,355</b> | <b>466,507,379</b> | <b>-0.6%</b>          |
| <b>Vendor Earnings</b>              | <b>93,273,607</b>  | <b>94,997,401</b>  | <b>2.8%</b>           |
| <b>Average Earnings<sup>3</sup></b> | <b>34,298</b>      | <b>34,921</b>      | <b>1.8%</b>           |
| <b>NUMBER OF VENDORS</b>            |                    |                    |                       |
| <b>Federal Locations</b>            | <b>897</b>         | <b>900</b>         | <b>0.3%</b>           |
| <b>Non-Federal Locations</b>        | <b>1,819</b>       | <b>1,811</b>       | <b>-0.4%</b>          |
| <b>Total</b>                        | <b>2,716</b>       | <b>2,711</b>       | <b>-0.1%</b>          |
| <b>NUMBER OF VENDING FACILITIES</b> |                    |                    |                       |
| <b>Federal Locations</b>            | <b>1,114</b>       | <b>1,111</b>       | <b>-0.2%</b>          |
| <b>Non-Federal Locations</b>        | <b>2,178</b>       | <b>2,083</b>       | <b>-0.4%</b>          |
| <b>Total</b>                        | <b>3,292</b>       | <b>3,194</b>       | <b>-3.0%</b>          |

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

<sup>3</sup>Vendor earnings divided by vendor person years