

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

INFORMATION MEMORANDUM
RSA-IM-03-14
RSM-3015
DATE: July 21, 2003

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

SUBJECT: Correction to Summary of Statistical Information of the Randolph-
Sheppard Vending Facility Program for Fiscal Year 2002

Attached for your use is a table showing the National Summary of Operations of the Vending Facility Program for Fiscal Year (FY) 2002 as compared with FY 2001.

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 2002 was \$37,246.

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 2002. 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 \$453.6 million in FY 2002 compared to \$466.5 million in FY 2001, a 2.7 percent decrease. The total earnings of all vendors were \$96.8 million in FY 2002 and \$95.0 million in FY 2001, an increase of 1.9 percent. The national average annual earnings of vendors increased 6.7 percent ¹ to \$37,246 in FY 2002 from \$34,921 the previous year.²

The number of vendors in FY 2002 was 2,680 compared to 2,711 in FY 2001, a decrease of 31 operators. There were 3,127 vending facilities in FY 2002 and 3,194 the previous year, a decrease of 67 facilities.

¹ The average annual earnings of vendors increased 6.7 percent, not 0.7 percent as stated in the July 11, 2003 issuance of this IM.

² The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 2002 the number of vendor person years was 2,600.1

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Please direct any questions concerning this report to Ms. Suzette Haynes, Management Program Analyst, Rehabilitation Services Administration, Mary E. Switzer Building, 330 "C" Street, SW, Washington, DC, 20202-2738 or by telephone (202) 205-8536.

INQUIRIES TO: RSA Regional Commissioners

/s/
Joanne Wilson
Commissioner

Attachment

**RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM
DATA SUMMARY FOR FISCAL YEARS 2001 and 2002**

ITEM	FY2001	FY2002	PERCENT CHANGE
INCOME & EARNINGS			
Gross Income ³	466,507,379	453,639,203	-2.8%
Vendor Earnings	94,997,401	96,824,362	1.9%
Average Earnings ⁴	34,921	37,246	6.7%
NUMBER OF VENDORS			
Federal Locations	900	912	1.3%
Non-Federal Locations	1,811	1768	-2.4%
Total	2,711	2680	-1.1%
NUMBER OF VENDING FACILITIES			
Federal Locations	1,111	1097	-1.2%
Non-Federal Locations	2,083	2030	-2.6%
Total	3,194	3127	-2.1%

³Gross sales, vending machine income, and fair minimum return

⁴Vendor earnings divided by vendor person years

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