

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

INFORMATION MEMORANDUM
RSA-IM-04-13
RSM-3015
DATE: July 1, 2004

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 2003

Attached for your use is a table showing the National Summary of
Operations of the Vending Facility Program for Fiscal Year (FY) 2003 as
compared with FY 2002.

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 2003 was
\$38,147.

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 2003. 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 \$475.8 million in FY 2003 compared to \$453.4 million in FY 2002, a 4.9 percent increase. The total earnings of all vendors were \$98.7 million in FY 2003 and \$97.0 million in FY 2002, an increase of 1.9 percent. The national average annual earnings of vendors increased 2.2 percent to \$38,147 in FY 2003 from \$37,323 the previous year.¹

The number of vendors in FY 2003 was 2,631 compared to 2,681 in FY 2002, a decrease of 50 operators. There were 3,119 vending facilities in FY 2003 and 3,129 the previous year, a decrease of 10 facilities.

The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 2003 the number of vendor person years was 2,587.2

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Please direct any questions concerning this report to Ms. Suzette Haynes, Management-Program Analyst, Rehabilitation Services Administration, Potomac Center Plaza, 550 12th Street, SW, Washington, DC, 20004 or by telephone (202) 245-7374.

INQUIRIES TO: RSA Regional Commissioners

/s/
Joanne Wilson
Commissioner

Attachment

**RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM
DATA SUMMARY FOR FISCAL YEARS 2002 and 2003**

ITEM	FY2002		PERCENT CHANGE
INCOME & EARNINGS			
Gross Income ²	453,639,203	475,886,540	4.9%
Vendor Earnings	96,824,362	98,694,278	1.9%
Average Earnings ³	37,323	38,147	2.2%
NUMBER OF VENDORS			
Federal Locations	912	905	-0.7%
Non-Federal Locations	1,769	1,726	-2.4%
Total	2,681	2,631	-1.8%
NUMBER OF VENDING FACILITIES			
Federal Locations	1,097	1,096	-0.1%
Non-Federal Locations	2,032	2,023	-.3%
Total	3,129	3,119	-.2%

²Gross sales, vending machine income, and fair minimum return

³Vendor earnings divided by vendor person years

