

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

INFORMATION MEMORANDUM
RSA-IM-05-10
RSM-3015
DATE: September 14, 2005

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 2004

Attached for your use is a table showing the National Summary of
Operations of the Vending Facility Program for Fiscal Year (FY) 2004 as
compared with FY 2003.

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 property¹ that is disbursed to eligible vendors each year. Accordingly, the implementing regulations at 34 C.F.R. Sec. 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 Sec. 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 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.

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"

The data contained in the attached table were obtained from the Report of Vending Facility Program, Form RSA-15 for FY 2004. The following data have been used by the commissioner to determine that the national average net income in FY 2004 was \$39,880.

- The total gross income for the program was \$488.5 million in FY 2004 compared to \$475.8 million in FY 2003, a 2.7 percent increase. The total earnings of all vendors were \$103.6 million in FY 2004 and \$98.7 million in FY 2003, an increase of 4.9 percent. The national average annual earnings of vendors increased 4.5 percent to \$39,880 in FY 2004 from \$38,147 the previous year.²
- The number of vendors in FY 2004 was 2,584 compared to 2,631 in FY 2003, a decrease of 47 operators. There were 3,100 vending facilities in FY 2004 and 3,119 the previous year, a decrease of 19 facilities.

Note: Any subsequent revisions by individual states may cause minor changes in the totals.

INQUIRIES : Please direct any questions concerning this report to Mr. Raymond E. Hopkins, Program Specialist, US Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration, Room 5023, 400 Maryland Avenue, S.W., Washington, DC, 20202-2800 or by telephone (202) 245-7308.

/s/

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

Attachment

² The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 2004 the number of vendor person years was 2,599.28.

**RANDOLPH-SHEPPARD VENDING FACILITY PROGRAM
DATA SUMMARY FOR FISCAL YEARS 2003 AND 2004**

| ITEM | FY2003 | FY2004 | PERCENT CHANGE |
|-------------------------------------|-------------|-------------|-------------------|
| INCOME & EARNINGS | | | |
| Gross Income ³ | 475,886,540 | 488,509,896 | 2.7% |
| Vendor Earnings | 98,694,278 | 103,658,333 | 5% |
| Average Earnings ⁴ | 38,147 | 39,880 | 4.5% |
| NUMBER OF VENDORS | | | |
| Federal Locations | 905 | 907 | .2% |
| Non-Federal Locations | 1,726 | 1,677 | -3% |
| Total | 2,631 | 2,584 | -1.8% |
| NUMBER OF VENDING FACILITIES | | | |
| Federal Locations | 1,096 | 1,106 | .9% |
| Non-Federal Locations | 2,023 | 1,994 | -.15% |
| Total | 3,119 | 3,100 | -.6% |

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

⁴ Vendor earnings divided by vendor person years