

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

INFORMATION MEMORANDUM

RSA-IM-99-22

RSM-3015

DATE: April 29, 1999

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 1998.

Attached for your use is a Table showing the National Summary of
Operations of the Vending Facility Program for Fiscal Year (FY) 1998 as
compared with FY 1997.

The Randolph-Sheppard Act at 20 USC §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. §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 §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 1998 was \$29,815.

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. §107d-3 and 34 C.F.R. 395.32.

The Randolph-Sheppard regulations at 34 C.F.R. 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 1998. 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. 395.8(a).

The total gross income for the program was \$425.5 million in FY 1998 compared to \$421.0 million in FY 1997, a 1.1 percent increase. The total earnings of all vendors were \$86.4 million in FY 1998 and \$81.9 million in FY 1997, an increase of 5.4 percent. The national average annual earnings of vendors increased 6.9 percent to \$29,815 in FY 1998 from \$27,889 the previous year.¹

The number of vendors in FY 1998 was 2,953 compared to 3,090 in FY 1997, a decrease of 137 operators. There were 3,391 vending facilities in FY 1998 and 3,427 the previous year, a decrease of 36 facilities.

Please direct any questions concerning this report to George F. Arsnow, Chief, Vending Facility Branch, Rehabilitation Services Administration, Mary E. Switzer Building, 330 "C" Street, S.W., Washington, DC 20202-2738 or by telephone (202) 205-9317.

INQUIRIES TO: RSA Regional Commissioners

/s/

Fredric K. Schroeder, Ph.D.
Commissioner

Attachment

¹ The average annual earnings of vendors is determined by dividing the vendors' total earnings by the number of vendor person years. In FY 1998, the number of vendor person years was 2,707.6.