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The Randolph-Sheppard Act: Background and Program Data

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Summary

The Randolph-Sheppard Act (P.L. 74-732) as amended, was enacted to provide blind individuals with remunerative employment, and to enhance their economic opportunities. Under the Act, blind individuals who are in need of employment are given priority for the operation of vending facilities on federal property. Today the program has expanded beyond federal facilities. In FY2000, a total of 2,729 blind vendors operated 3,279 vending facilities, generating \$471.1 million in gross income. This report will be updated when new program data are available.

Background

The vending facility program for the blind was established following the enactment of the Randolph-Sheppard Act of 1936 (P.L. 74-732). The law was amended in 1954 (P.L. 83-565) and again in 1974 (P.L. 93-516).¹ The purpose of the Act is to provide remunerative employment opportunities to qualified blind persons through the operation of businesses of various kinds, including cafeterias, snack bars, and other vending facilities in public and private buildings or property owned or leased by the federal government.² The only exception to this requirement is when the establishment of such a facility will adversely affect the interests of the United States, such as high security areas. Under the Surface Transportation Assistance Act (P.L. 97-424) as amended, blind vendors are given priority in the operation of vending facilities in rest areas along interstate highways. Today the program has expanded from federal facilities, and includes state, county and private facilities. However, private vending facilities are not

¹ For a legal interpretation of the law see CRS Report 97-801A, *Randolph-Sheppard Act: Special Services for the Blind*, by Michael Schmerling.

² Federal property is any building, land or other real property owned, leased, or occupied by any agency or department of the United States including the Department of Defense and the United States Postal Service (20 USC 107e (3)).

governed by Randolph-Sheppard Act regulations. The program is administered by the Rehabilitation Services Administration, in the Department of Education.

Eligibility for Services

In order to obtain a license to operate a vending facility, the person is required to be a U.S. citizen who is legally blind. In states that have an approved plan for vocational rehabilitation pursuant to the Rehabilitation Act of 1973 (P.L. 105-220),³ as amended, the state vocational rehabilitation agency is tasked with recruiting, training, licensing, and placement of persons who are blind as operators of vending facilities. However, in states that do not have a vocational rehabilitation agency, the licensing of vendors who are blind is performed by the agency for the blind in the state. In any state in which there is no such agency, a designated state agency is responsible for issuance of licenses.

Program Data

Since 1936, more than 30,000 blind individuals have benefitted from the program.⁴ In FY2000 (latest year for which data is available), 2,729 vendors managed and operated 3,279 vending facilities.⁵ In addition to these licensed blind operators, the program employed 330 individuals with other visual impairments and 280 individuals with other disabilities.⁶ There were 1,117 (34.1%) vending facilities located on federal property, whereas 2,162 (65.9%) were located on non-federal property.

That same fiscal year the program generated \$471.1 million in gross income, with \$93.9 million in net earnings going to vendors (**Table 1**).⁷ For FY2000, the average national vendor earnings were \$34,337, a 5.4% increase in annual earnings compared to \$32,556 in FY1999.

The Randolph-Sheppard program is funded by several sources. These include: federal funds allocated through the vocational rehabilitation state grant program under the Rehabilitation Act of 1973, as amended, a portion of net proceeds from vending machines on federal property⁸, set-aside levied by states on vendors,⁹ and state appropriations.

³ For further information see CRS Report RL31298, *Rehabilitation Act: Summary of Reauthorization Legislation*, by Carol O'Shaughnessy and CRS Report RL31378, *Rehabilitation Act: Programs and Funding*, by Sidath V. Panangala.

⁴ US Department of Education, Office of Special Education and Rehabilitative Services Administration, *Randolph-Sheppard Vending Facility Program, Annual Report FY2000*, Apr. 2002, p. 1.

⁵ Ibid.

⁶ Ibid., p. 3.

⁷ Ibid., p. 1.

⁸ The law allows in certain cases a portion of net proceeds from vending machines on federal property to be set-aside for program support.

⁹ Not all states levy a set-aside on vendors. However, a reasonable amount of funds could be set-aside from the net proceeds generated by the operation of vending facilities for such purposes as:

(continued...)

Table 1. Vendors, Earnings, and Funding Sources of the Randolph-Sheppard Program, FY1998-FY2000
(\$s in millions)

	FY1998	FY1999	FY2000
Total gross income^a	\$425.5	\$448.1	\$471.1
Total earnings of vendors	\$86.4	\$90.6	\$93.9
Average earnings of vendors	\$29,815	\$32,556	\$34,337
Total number of vendors	2,953	2,813	2,729
Federal locations	974	925	913
Non-federal locations	1,979	1,888	1,816
Total number of vending facilities	3,391	3,351	3,279
Federal locations	1,135	1,119	1,117
Non-federal locations	2,256	2,232	2,162
Total funding	n/a	\$71.2	\$75.3
Federal funds ^b	n/a	\$34.0	\$38.5
Vending machine income	n/a	\$15.3	\$16.0
Vendor levied set-side	n/a	\$15.3	\$14.2
State appropriations	n/a	\$6.6	\$6.6

Source: *Randolph-Sheppard Vending Facility Program, Annual Report FY2000.*

n/a = not available

^aGross sales and vending machine income.

^bFunds allocated through the Vocational Rehabilitation State Grant program.

⁹ (...continued)

maintenance and replacement of equipment, purchase of new equipment, management services, and health insurance contributions among other things.