

# LEGISLATIVE RESEARCH REPORT

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## BUSINESS ENTERPRISE PROGRAM FOR THE BLIND

PREPARED FOR SENATOR BETTYE DAVIS

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You asked how many states are in compliance with the federal Randolph-Sheppard Act, which provides employment opportunities for blind individuals through the establishment and operation of vending facilities on federal property.<sup>1</sup> Additionally, you wanted to know the results of a 2008 federal audit of the Alaska Division of Vocational Rehabilitation, Business Enterprise Program, regarding the state's compliance with the act. Briefly, only Wyoming is not in compliance with the act and Alaska has yet to receive results from the 2008 audit.

Through the Randolph-Sheppard Act programs, individuals who are blind are given priority in the contracting for vending facilities on federal property. Typically, blind individuals who receive Randolph-Sheppard contracts act as managers of vending facilities, subcontracting with food service organizations to provide meals and/or vending services on a day-to day basis. Administered by state licensing agencies through the U.S. Department of Education's Rehabilitation Services Administration, Randolph-Sheppard Act programs are often labeled "business enterprise programs," as is the case in Alaska.

Alaska's Business Enterprise Program includes both the Randolph-Sheppard component and a similar state-created program, which was initiated with the Chance Act of 1976.<sup>2</sup> The Chance Act created a program similar to the Randolph-Sheppard Act but for blind *and* severely disabled individuals on *state and other property*. As of October 2009, Alaska's Business Enterprise Program had six sites operating in federal facilities, under Randolph-Sheppard, and six sites operating in state facilities, under the Chance Act. We include, as Attachment A, details on these 12 operations.<sup>3</sup>

Daniel Fry, management and program specialist, Randolph-Sheppard Programs, U.S. Department of Education, Rehabilitation Services Administration (RSA), informs us that while Randolph-Sheppard programs are not mandatory, every state except Wyoming chooses to participate.<sup>4</sup> Mr. Fry relates that

<sup>1</sup> Public Law (P.L.) 74-732, as amended by P.L.83-565, and P.L. 93-516; 20 USC 107 et seq.

<sup>2</sup> Section 1 ch 75 SLA 1976. AS 23.15.100 through 23.15.210 pertain to blind and severely disabled vendors.

<sup>3</sup> A 13<sup>th</sup> vending site—at the Palmer Hospital—has been added to the programs within the last year.

<sup>4</sup> Daniel Fry, management and program specialist, Randolph-Sheppard Programs, U.S. Department of Education, Office of Special Education and Rehabilitation Services, Rehabilitation Services Administration, can be reached at (202) 245-7308.

state programs are periodically audited by the RSA and a number are working on some form of improvement plan, based on RSA recommendations.<sup>5</sup>

The Rehabilitation Services Administration, in June of 2008, audited by conducting an on-site review, the State of Alaska's Business Enterprise Program. To date, however, Alaska has not received the results of the audit. Mr. Fry acknowledges that his agency has been unable to complete reviews in a timely fashion due to a large backlog of audits coupled with staffing shortages. He informs us that the RSA (now nearly fully staffed) is uncertain at this juncture when or if Alaska will receive a report regarding the 2008 audit. The agency may wait until Alaska is next audited (Mr. Fry was unable to estimate when this would occur) to produce a written report.

Mr. Fry suggests that if a dispute arises on a particular Randolph-Sheppard issue, an individual could contact his or her state's program coordinator to see if a resolution can be achieved. In Alaska, Pamela Geary is the business enterprise program coordinator.<sup>6</sup> If such an intervention does not prove successful, and there is evidence of an egregious breach of the Randolph-Sheppard Act, the RSA can be contacted and may become involved.

For another perspective, we contacted Mark Maurer, president of the National Federation of the Blind (NFB).<sup>7</sup> Mr. Mauer concurs with Mr. Fry that Wyoming is the only state without a Randolph-Sheppard Act program, and that states are often in the process of tweaking their programs to increase effectiveness. He is unaware of any major issues regarding Alaska's program during his 23 years as president of the NFB.

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We hope you find this information to be useful. Please let us know if you have questions or need additional information.

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<sup>5</sup> According to Mr. Fry, there is no federal provision that speaks to a blind individual being a vendor in multiple locations, which was of interest to you.

<sup>6</sup> Pamela Geary, Alaska's BEP coordinator, can be reached at (907) 269-3568. We spoke with Mark Dale, administrative manager for vocational rehabilitation, and Ms. Geary's supervisor. He asserts that the state is operating its program in a prudent, fair, and efficient way. Mr. Dale will send us a copy of any federal audit report that the program receives, which we will then pass along to your office.

<sup>7</sup> Mark Maurer, president, National Federation of the Blind, can be reached at (410) 659-9314.