

National Association of Blind Merchants Critical Issues Conference May 23, 2018

Over 100 blind entrepreneurs gathered for the National Association of Blind Merchants 2018 Critical Issues Conference in Washington, D.C. As part of a group activity, the participants were asked to identify and discuss the critical issues affecting Randolph-Sheppard. Below is a brief summary of the issues that were identified. The issues are not listed in any particular order of priority.

Lack of Opportunities/ Growth - The number of vending facilities is declining with few new opportunities being created. This is due to a combination of vending facilities closing and new ones not being opened. The national program has half the number of blind entrepreneurs than it did just a 3 or 4 decades ago. In 2016, this number slipped below 2,000 and according to a recent survey in 2018 there are only 1,725. The question must be asked. "Will there be a Randolph-Sheppard Program for the next generation of would be blind entrepreneurs?"

Apathy of Vendors and SLA Staff - Too many blind entrepreneurs do not get involved on either the state or national level unless it is something that directly impacts them. This apathy also impacts their businesses as they lack motivation to do better or to excel. In other words, they are content and don't want to go that extra mile to maximize their businesses or advance to a better opportunity. At the same time, some SLA staff just want to get by and do not have a heart for the program. Such apathy impacts the ability to effectively advocate on behalf of Randolph-Sheppard and impacts growth, as SLA's take too passive of an approach to the matter.

Shortage of New Vendors - Many states have a difficult time recruiting new potential blind entrepreneurs. This further complicates the issue of lack of growth. An SLA can ask with conviction, "Why fight to get a new locations when we don't have qualified blind people to run them?" The reasons for these shortages are many and even have some people asking is the Randolph-Sheppard even needed today? With an unemployment rate for the adult blind approaching 80%, that answer should be yes.

Need to Strengthen on the State Level – The stronger Randolph-Sheppard programs in the country generally have strong "Little Randolph-Sheppard" laws giving the blind a priority on state and sometimes local properties. Too many states are totally reliant on federal locations which limits opportunities.

Healthy Vending – Blind entrepreneurs are facing healthy vending challenges on multiple fronts. There has been legislation dictating products that can be sold; executive orders issued by governors and mayors mandating a certain percentage of healthier items; efforts by the General Services Administration to

impose unreasonable requirements in the permits; and calorie disclosure requirements by the FDA that are burdensome and confusing.

Noncompliance with the Law – On both the federal and state levels, there are many entities that refuse to recognize the priority. This forces the SLA to choose between litigation or giving up and not enforcing the law. Litigation can be time consuming and expensive and there are also political considerations. Nonetheless, either course of action results in either the denial of an opportunity or a lengthy delay.

Legislative Threats - There are always legislative threats on both the state and national levels. The most recent is the effort to commercialize interstate rest areas that would cost almost 400 blind entrepreneurs their livelihoods. In recent years, AbilityOne has been successful in getting language added in the National Defense Authorization Act that weakens the Randolph-Sheppard priority in military dining. On the state level, we have seen legislatures weaken the priority for blind vendors. These legislative threats have the potential to limit opportunities for blind entrepreneurs even further.

Lack of Creativity – Randolph-Sheppard appears to be stuck in the same old mold of the past and suffers from a lack of creativity. In many regards, it functions the same as I did in 1936 when President Roosevelt signed the Randolph-Sheppard Act into law. Why is Randolph-Sheppard not expanding into the private sector? Why does the Program focus only on food? Why aren't blind entrepreneurs maximizing office coffee services? Why do some states refuse to install micromarkets?

Training / Upward Mobility – Too many trainees are receiving ineffective training, and in some cases practically no training, prior to being assigned to a vending facility. This affects the success rate of these individuals and the quality of service being provided to customers. Likewise, SLA's do not understand the upward mobility training requirements mandated by the Randolph-Sheppard Act and are failing to provide their vendors with true upward mobility training.

Ineffective Communication - Lack of effective communication poses a major threat to the viability of the Randolph-Sheppard Program. This includes communication between SLA's and Committees of Blind Vendors, SLA's and their blind entrepreneurs, Committee members and blind entrepreneurs, national entities and SLA's and blind entrepreneurs, other stakeholders and program participants, and the Rehabilitation Services Administration and SLA's. Failure to effectively communicate issues has the potential to adversely affect all facets of the Program.

Aging of Our Population – The average age of blind entrepreneurs participating is getting older and many are retiring. The impact of this is threefold. First, it puts pressure on SLA's to recruit new candidates which many have failed to do.

Secondly, it gives SLA's a built in excuse not to create new opportunities. And finally, it creates a void of leadership as many of these entrepreneurs are leaders on the Committees of Blind Vendors and in consumer organizations.

Internal Conflict – The adversarial relationship between blind entrepreneurs and SLA's that has evolved in some states has the potential to undermine any chance of success. Blind entrepreneurs and SLA's alike must share the blame for this conflict. At the heart of it is a lack of full understanding and commitment to the concept of active participation and a failure to embrace a true partnership mentality.

A Faulty Due Process System – The Randolph-Sheppard Act mandates that any blind vendors dissatisfied with any agency action must be afforded the right to due process. The current system is faulty in that (1) States illegally place hurdles that must be cleared before a dissatisfied vendor can have an evidentiary hearing; (2) States unlawfully limit the scope of such hearings; (3) The system is stacked against the blind entrepreneur in that a state hearing officer hears the grievance that has been filed against a state agency which results in few blind entrepreneurs prevailing at that level; (4) Arbitrations are lengthy and expensive putting the blind entrepreneurs at a disadvantage since the State has unlimited resources and time is on their side; (5) Blind entrepreneurs are denied access to set aside funds and federal dollars to employ attorneys while SLA's routinely use these funds; (6) State agencies sometimes refuse to abide by arbitration panel rulings further delaying justice.

SLA Staff Training - Many SLA staff are poorly trained. There are no national standards for knowledge and experience requirements to be eligible to effectively perform the job of Business Consultant. Some have MBA's while others have only a high school degree. Few receive any formal training once hired. Consequently, many are ill equipped to be successful which contributes to high turnover in the positions. This impacts every aspect of the program.

Failure to Be Solution Based – The Randolph-Sheppard community is good at identifying the problems; however, it generally fails to take a solution-based approach to these problems. At every level of the Program, Randolph-Sheppard participants must aggressively come up with solutions to problems and not just complaint.

Absentee Vendors – Blind entrepreneurs must be the face of their businesses and this unfortunately is not the case in too many instances. Blind persons who are not actively engaged in the day-to-day operations of their businesses pose a threat in that it creates a public relations dilemma and gives ammunition to critics who want to eliminate or change the priority.

Marginal Facilities – Too many Randolph-Sheppard vending facilities are marginal in terms of providing a livelihood for a blind entrepreneur. The national

median income for Randolph-Sheppard entrepreneurs is slightly over \$30,000 per year. Some of these facilities are underperforming and some simply do not have the potential to provide enough income to support a blind person.

Jealousy and Resentment of Higher Income Blind Entrepreneurs – The flip side to marginal facilities is the high-income blind entrepreneur. There is a resentment in some areas of blind entrepreneurs who make what some perceive to be too much money. SLA staff are jealous and have been heard to say things like “Why should he complain? He makes twice as much as I do.” This resentment causes conflict. It also motivates SLA’s to want to limit incomes by splitting larger producing facilities.

Failure to Fully Embrace the Concept of Entrepreneurship – In too many cases, Randolph-Sheppard is not viewed as an entrepreneurial program. Instead, in some cases it is almost viewed as a custodial, sheltered employment program.

Teaming Partners / Third Party Vendors Issues – There is certainly a place in Randolph-Sheppard for teaming partners and third party vendors. The challenges are: (1) Ensuring that programs are not reliant on third party commissions to support the program at the expense of creating opportunities for blind people; (2) Ensuring that when a teaming partner or third party is used in conjunction with a blind entrepreneur that the blind individual is actively engaged in the day-to-day operations of the facility and is the face of the business; (3) Ensuring that the decision to team or use a third party rests with the blind entrepreneur and is not imposed on them by the SLA; (4) Ensuring that using a teaming partner or third party is to the financial advantage of the blind entrepreneur; and (5) Ensuring that the decision with whom to team rests with the blind entrepreneur with approval from the SLA.

Lack of RSA Support – The U.S. Department of Education, Rehabilitation Services Administration, has jurisdiction for administering the national Randolph-Sheppard Program. There are 5 major concerns with RSA at this time. (1) Its failure to issue convening letters for arbitration panels in a timely manner; (2) Its failure to approve state rules and regulations in a timely manner; (3) Its failure to issue policy guidance on important Randolph-Sheppard issues; (4) Its failure to conduct any monitoring activities of state programs in recent years; and, (5) Its reluctance to intervene to resolve problems with other federal entities rather than simply letting the case go to arbitration.

GSA Creating Obstacles – The U.S. General Services Administration is the largest single landlord for Randolph-Sheppard vending facilities in the country. However, it is creating many obstacles to Randolph-Sheppard. These include: (1) Limiting the scope of vending facilities by refusing to provide adequate space and in some cases such essentials as running water and adequate electricity; (2) Allowing private cafeteria operators to sell prepackaged foods and operate

micromarkets in direct competition with blind entrepreneurs; (3) Attempting to impose unreasonable and sometimes unlawful requirements in vending facility permits; (4) Refusing to provide build out (walls, ceilings, floors, lighting, painting, etc.) for new vending facilities; and, (5) Not adequately addressing the security clearance issues faced by blind entrepreneurs and SLA's .

The Conflict with AbilityOne – The conflict with the AbilityOne Program rages on with no end in sight. At the heart of the debate is the applicability of the Randolph-Sheppard priority to certain troop dining contracts. AbilityOne continues to go after contracts currently being managed by Randolph-Sheppard and Randolph-Sheppard continues to defend its position that the priority applies to all military feeding contracts.

Funding issues – Unfortunately, there is no dedicated funding stream for Randolph-Sheppard. Some state programs are funded so inadequately, that the SLA does not meet its fundamental obligations under the Randolph-Sheppard Act in terms of training, supervision, purchasing equipment, and creating new opportunities.

The Disincentive for DoD to Contract with Randolph-Sheppard – Each federal agency is required to achieve a certain quote as it relates to awarding contracts to small business entities. Since the SLA is not a small business, awarding a contract to an SLA makes it harder for the contracting officer to achieve the quota. Contrast that to the way AbilityOne is treated. Contracts awarded to AbilityOne are removed from the formula altogether; therefore, neither help or hurt in the achievement of any quotas.

A Shortage of Women – Women are under-represented in the Randolph-Sheppard Program both as licensees and as members of Committees of Blind Vendors. According to a recent NABM survey, approximately 25% of today's blind entrepreneurs are women. Women face special challenges and there must be a way to stimulate the participation of more women.

Lack of Belief in the Abilities of Blind People – It is undeniable that the lack of belief in the abilities of blind people is a major obstacle for blind entrepreneurs. This is demonstrated in states that take custodial approaches to their vendors. You see it in states that don't trust the vendors to pay their employees or taxes so they pay these for them. You see it in states that don't allow the blind entrepreneur to select his/her own teaming partner or in some cases even participate in the selection process. You see it in states that require their blind entrepreneurs to use third party vendors rather than allowing the blind person to service vending machines. You see it in states where the SLA does not pursue complex operations because they don't believe they have blind people who can manage them. You see it in states where active participation has not been fully embraced because the SLA doesn't truly respect blind people and they know what is best for blind people.