

State College Area School District



2021-22 Budget Development

**State College
Area School District
April 14, 2021**

Budget 2021-22

- 2021-22 Proposed Final Budget
- Proposed Virtual Academy expenses
- FTEs
- Unemployment
- Inflation

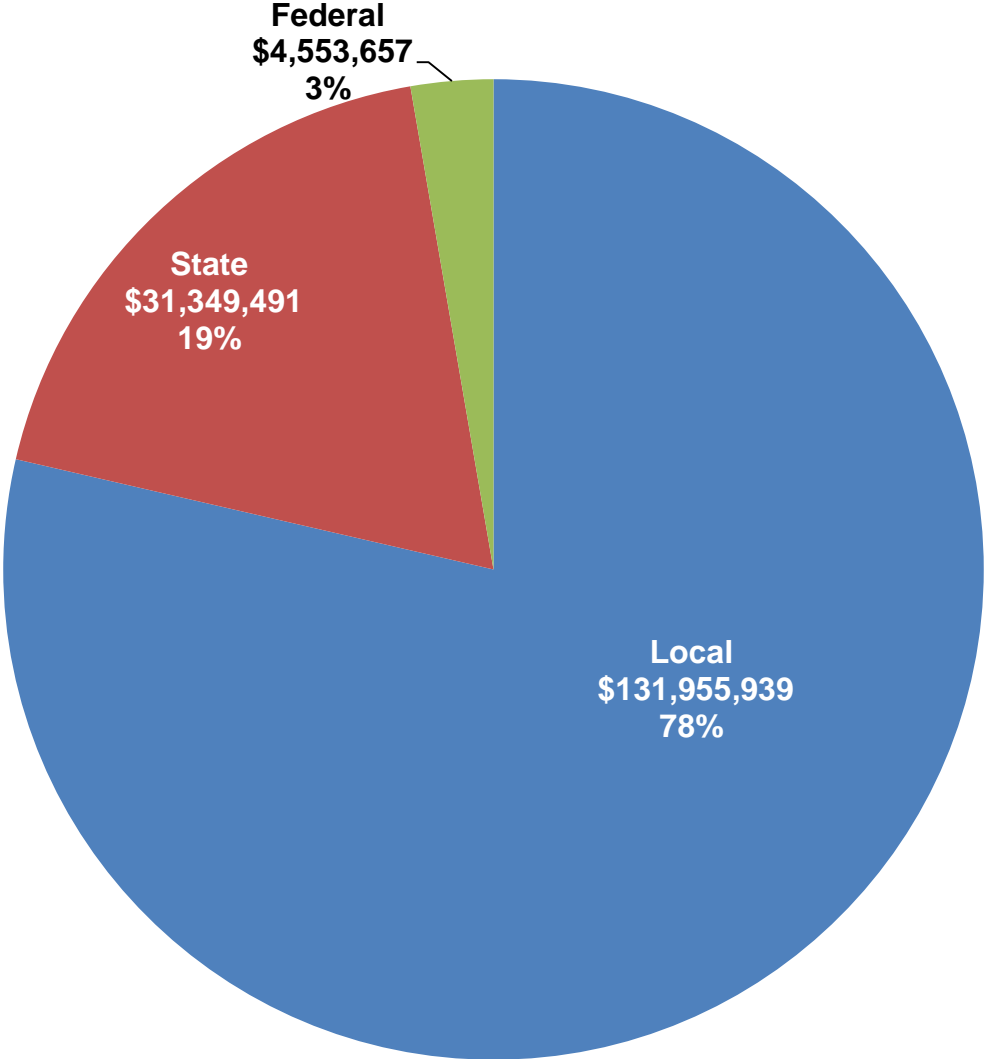
Budget 2021-22

Beginning Fund Balance	\$12,220,003
Revenue	167,859,087
Local	131,955,939
State	31,349,491
Federal	4,553,657
Expense and transfers (excluding use of fund balance)	167,362,817
Revenue less expense	<u>496,270</u>
Funding/(Use) of Assigned Fund Balance (COVID-19)	(142,426)
(Use) of Assigned Fund Balance (PSERS/Legal Liability)	(396,159)
Incr (Decr) in Assigned Fund Balance	<u>(538,585)</u>
Change in Unassigned General Fund Balance	<u>1,034,855</u>
Ending Unassigned Fund Balance	<u>\$13,254,859</u>

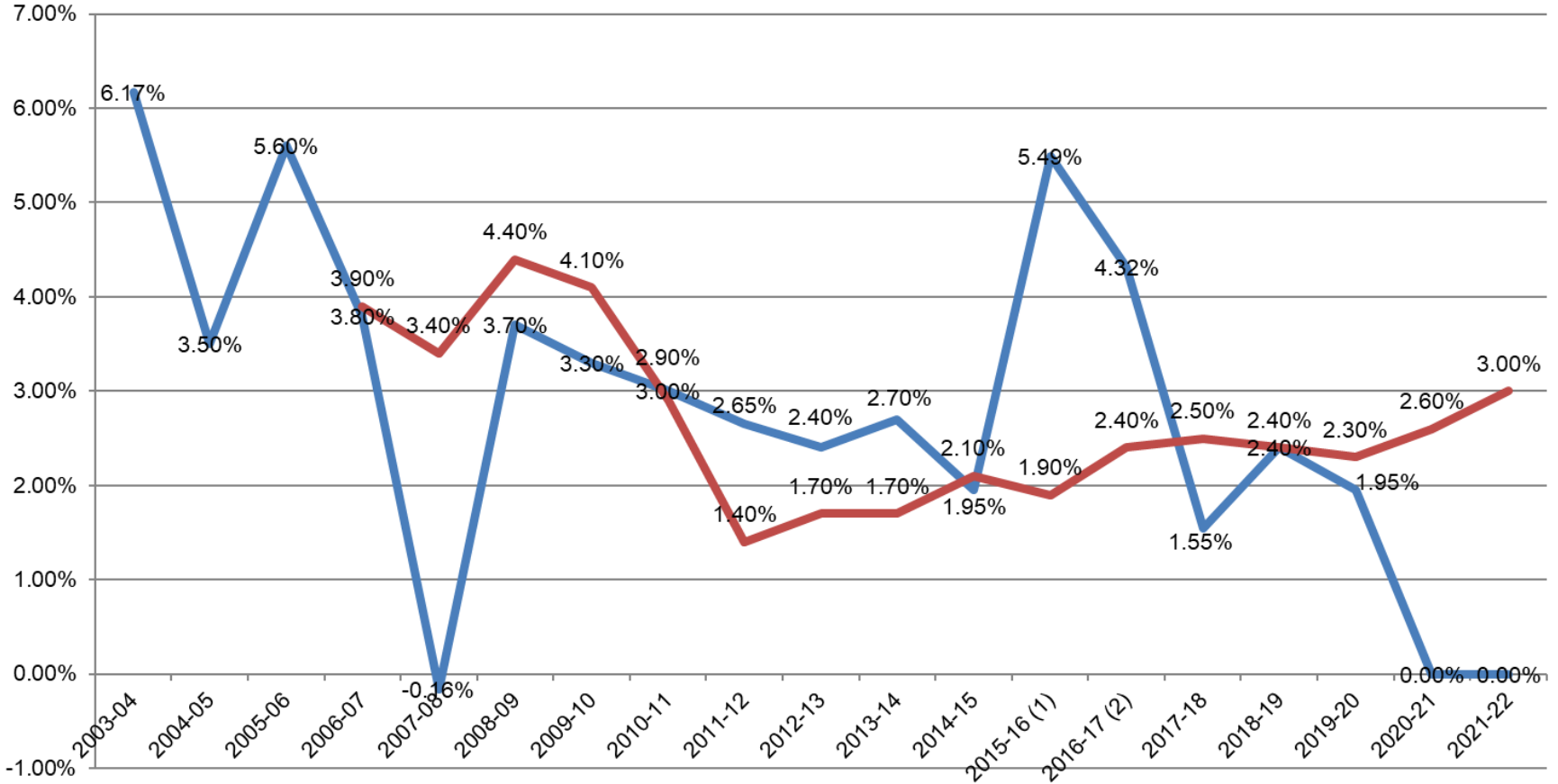
Assumes 0% real estate tax increase.

The recent increase to the earned income tax assumption provided an increase in fund balance through 2025-26 of \$7,498,850. The impact of a 1% real estate tax increase in 2021-22 would be \$5,681,519.

2021-22 Revenue by Source



Real Estate Tax Increase vs. Act 1 Index



(1) Act 1 Index 1.9%, exceptions 3.59%
 (2) Act 1 Index 2.4%, exceptions 1.92%

5- Year avg = 2.04%

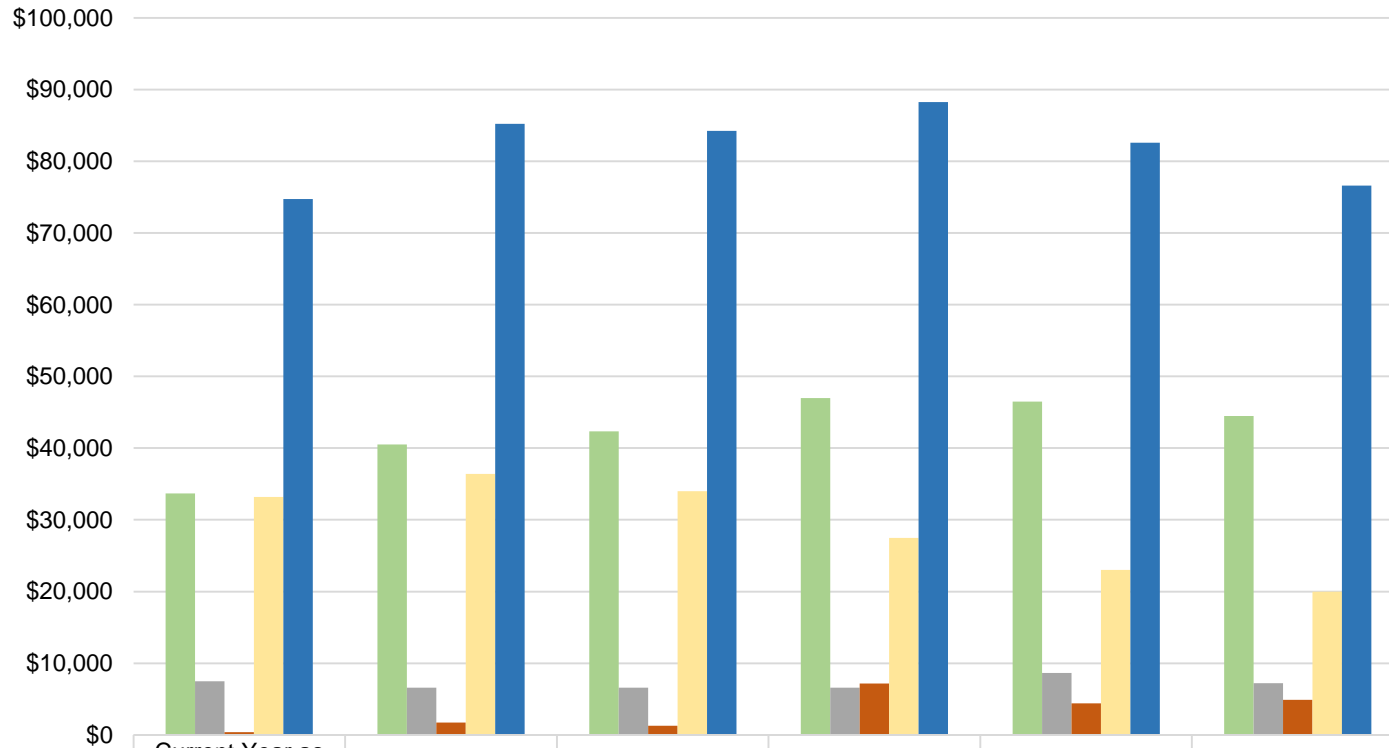
10- Year Avg = 2.54%

— Real Estate — Act 1 Index

Supplemental Tax Rebate

- \$100,000 has been set aside in the 2021-22 budget for this program
- Applications will be distributed with the tax bills on July 1
- Applications accepted beginning July 1, 2021
 - Applications accepted June 15, 2020 for the 2020-21 program
 - The state has not yet announced early release of checks for this year.
- Current year program due date for applications is June 30
 - Program was extended to July 31 in 2020 due to low number of applications in March and April
 - Year-to-date rebates in 2020-21 are slightly below historical levels most likely due to move from April to May 15th tax filing deadline.

Supplemental Tax Rebate



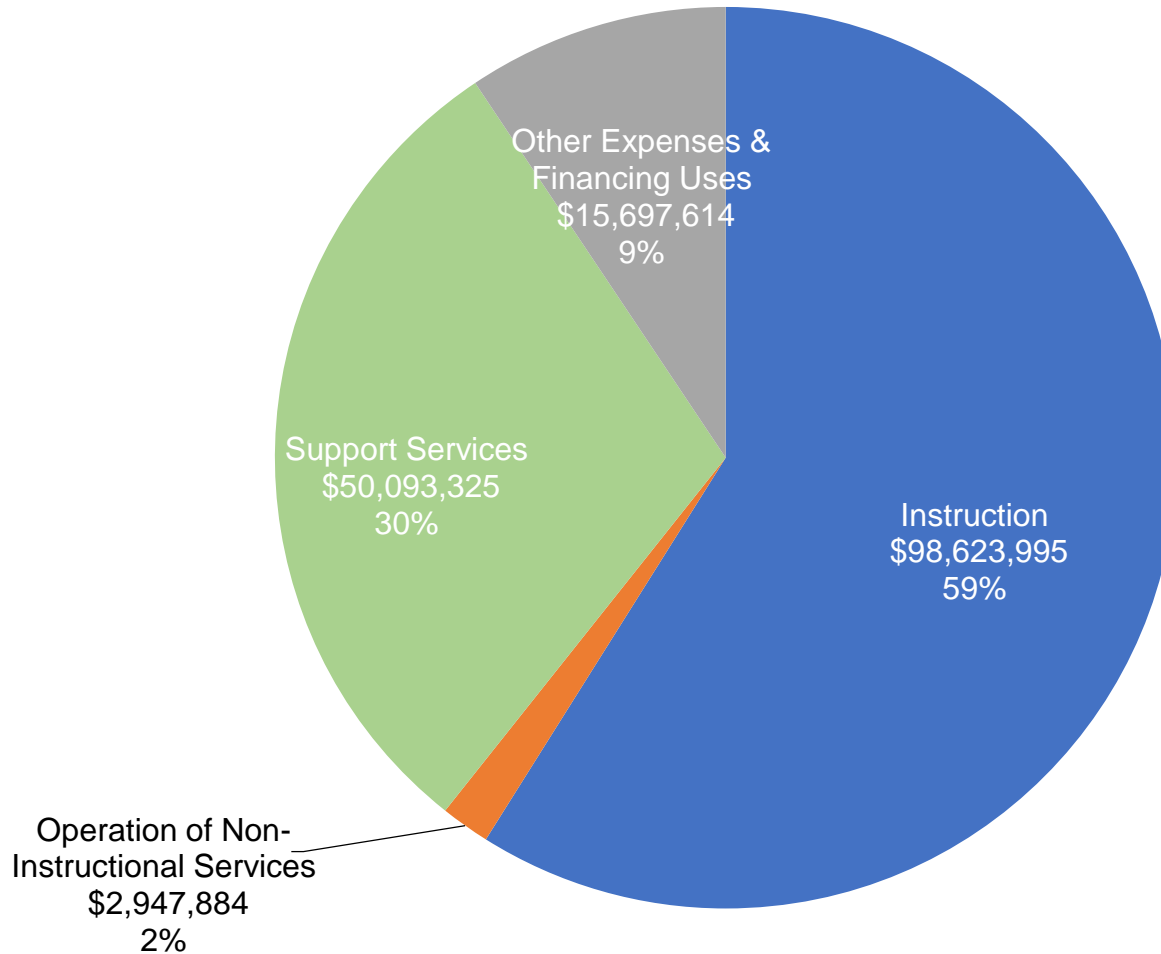
	Current Year as of 4/12/2021	2019-20	2018-2019	2017-2018	2016-2017	2015-2016
■ up to \$250	\$33,659	\$40,491	\$42,338	\$46,992	\$46,500	\$44,500
■ \$251 to \$300	\$7,500	\$6,600	\$6,600	\$6,600	\$8,660	\$7,200
■ \$301 - \$499	\$403	\$1,753	\$1,304	\$7,174	\$4,424	\$4,890
■ \$500 - \$649	\$33,189	\$36,381	\$33,978	\$27,500	\$23,000	\$20,000
■ Total Dollars	\$74,751	\$85,225	\$84,220	\$88,266	\$82,584	\$76,590

2021-22 Proposed Budget												
	A	B	C	D	E	F	G	H	I	J	K	
	Function	Salaries	Benefits	Professional Services	Purchased Property Services	Charter School	Other Purchased Services	Supplies/ Equip	Other Exp & Financing Uses	Total Expense	2021-22 % of Total Budget	2019-20 % of Total Budget
1	Instructional											
2	Regular Instructional											
3	Regular Programs	\$ 38,573,396	\$ 24,101,230	\$ 46,859	\$ 34,695	\$ 4,163,772	\$ 453,692	\$ 1,135,541	\$ 47,552	\$ 68,556,737		
4	Federally Funded Reg Prog	418,204	206,377	-	-	-	-	30,487	-	655,067		
5	Total Regular Instructional	\$ 38,991,600	\$ 24,307,607	\$ 46,859	\$ 34,695	\$ 4,163,772	\$ 453,692	\$ 1,166,028	\$ 47,552	\$ 69,211,804	41%	40%
6	Other Instructional											
7	Vocational Educ	\$ 2,293,464	\$ 1,491,359	\$ 13,242	\$ 3,560	\$ -	\$ 21,445	\$ 151,480	\$ 11,869	\$ 3,986,418		
8	Other Programs	1,267,456	804,087	74,284	2,500	-	136,570	105,884	34,197	2,424,978		
9	Total Other Instructional	\$ 3,560,919	\$ 2,295,446	\$ 87,526	\$ 6,060	\$ -	\$ 158,015	\$ 257,363	\$ 46,066	\$ 6,411,396	4%	4%
10	Special Programs- Elem/Sec											
11	Life Skills Support- Public	\$ 210,394	\$ 123,809	\$ -	\$ -	\$ -	\$ 600	\$ 7,675	\$ -	\$ 342,478		
12	Deaf or Hearing Impaired Support	95,753	67,156	-	-	-	1,350	300	-	164,559		
13	Blind or Visually Impaired Support	134,210	110,368	60,000	-	-	1,720	1,900	-	308,198		
14	Speech and Language Support	703,392	453,600	-	-	-	1,500	11,130	-	1,169,622		
15	Emotional Support-Public	433,533	252,560	-	-	-	495,817	700	-	1,182,609		
16	Autistic Support	2,072,391	1,863,397	-	-	-	639,079	5,750	-	4,580,617		
17	Learning Support- Public	5,431,694	4,275,517	4,200	30,828	-	72,941	116,055	2,300	9,933,535		
18	Gifted Support	1,179,422	695,129	1,250	-	-	20,325	7,102	2,250	1,905,478		
19	Multi-Handicapped Support	293,020	244,963	-	-	-	-	300	-	538,283		
20	Special Programs- Other Support	338,406	185,202	252,100	-	1,661,988	366,500	70,800	420	2,875,415		
	Total Special Programs	\$ 10,892,214	\$ 8,271,700	\$ 317,550	\$ 30,828	\$ 1,661,988	\$ 1,599,832	\$ 221,712	\$ 4,970	\$ 23,000,795	14%	13%
21	Support Services											
22	Support Services-Students	\$ 3,439,885	\$ 2,396,919	\$ 41,919	\$ -	\$ -	\$ 23,925	\$ 55,187	\$ 3,025	\$ 5,960,861		
23	Support Services- Instr Staff	2,904,621	2,269,621	132,684	-	-	71,654	583,973	32,355	5,994,908		
24	Support Services- Admin	4,711,308	3,001,716	795,124	18,377	-	64,077	97,831	70,765	8,759,198		
25	Support Services- Pupil Health	1,029,365	716,387	558,608	-	-	-	19,520	-	2,323,880		
26	Support Services- Business	832,185	527,237	105,000	25,000	-	63,322	36,929	21,912	1,611,584		
27	Oper & Main of Plant Serv	3,965,193	3,087,850	701,737	1,134,500	-	436,501	2,493,307	7,000	11,826,087		
28	Student Transportation Serv	1,406,939	1,388,559	8,429	54,577	-	3,693,574	487,100	930	7,040,107		
29	Support Services- Central	1,945,440	1,329,533	358,135	95,550	-	453,834	2,343,409	50,800	6,576,700		
30	Total Support Services	\$ 20,234,937	\$ 14,717,822	\$ 2,701,635	\$ 1,328,004	\$ -	\$ 4,806,887	\$ 6,117,254	\$ 186,786	\$ 50,093,325	30%	29%
31	Non-instructional (i.e Student Activities/Athletics/Comm ed)	\$ 1,343,800	\$ 661,877	\$ 655,804	\$ 22,860	\$ -	\$ 63,841	\$ 140,950	\$ 58,751	\$ 2,947,884	2%	2%
32	Other Expenditures & Financing Uses											
33	Other								\$ 75,000	\$ 75,000		
34	Debt Service Transfer								7,415,475	7,415,475		
35	Debt Service- Referendum								5,257,625	5,257,625		
36	Capital Projects Transfer								1,412,535	1,412,535		
37	Food Service Transfer								400,000	400,000		
38	Capital Reserve Transfer								198,376	198,376		
39	Budgetary Reserve								938,603	938,603		
40	Total Other Exp & Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,697,614	\$ 15,697,614	9%	12%
41	Total 2021-22 Budget	\$ 75,023,470	\$ 50,254,453	\$ 3,809,374	\$ 1,422,447	\$ 5,825,760	\$ 7,082,266	\$ 7,903,308	\$ 16,041,739	167,362,818	100%	100%
	2021-22 % of Total Budget	45%	30%	2%	1%	3%	4%	5%	10%	100%		
	2019-20 % of Total Budget	44%	28%	2%	1%	4%	4%	5%	12%	100%		

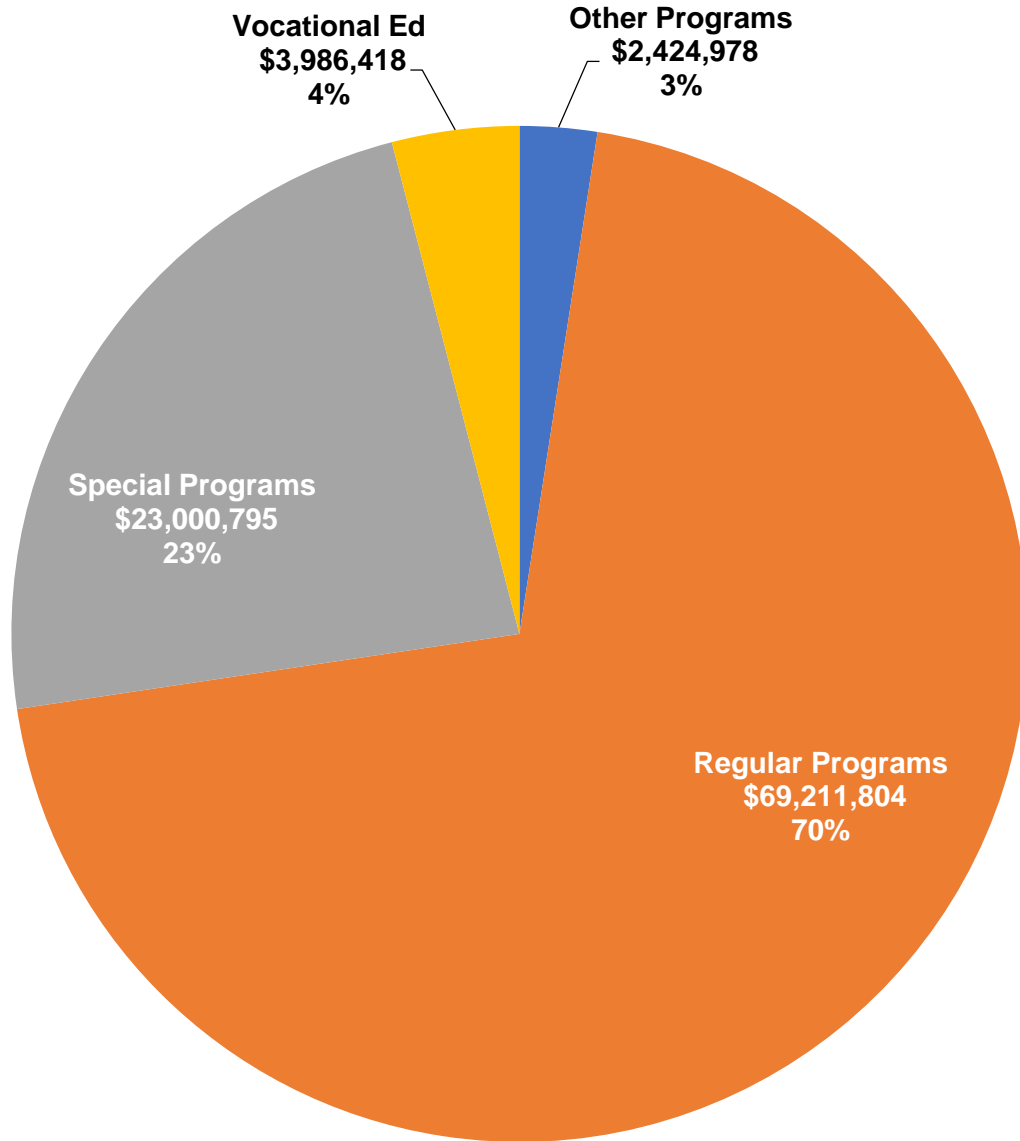
Budgeted Additions

- Recurring
 - .5 Social Worker – grant funded in 2020-21
 - .5 Psychologist
 - 1.0 Custodian for Memorial Field/Fairmount
 - Virtual Academy program
- Non-recurring
 - Lost Learning – estimated portion of ESSER III grant to be utilized in 2021-22

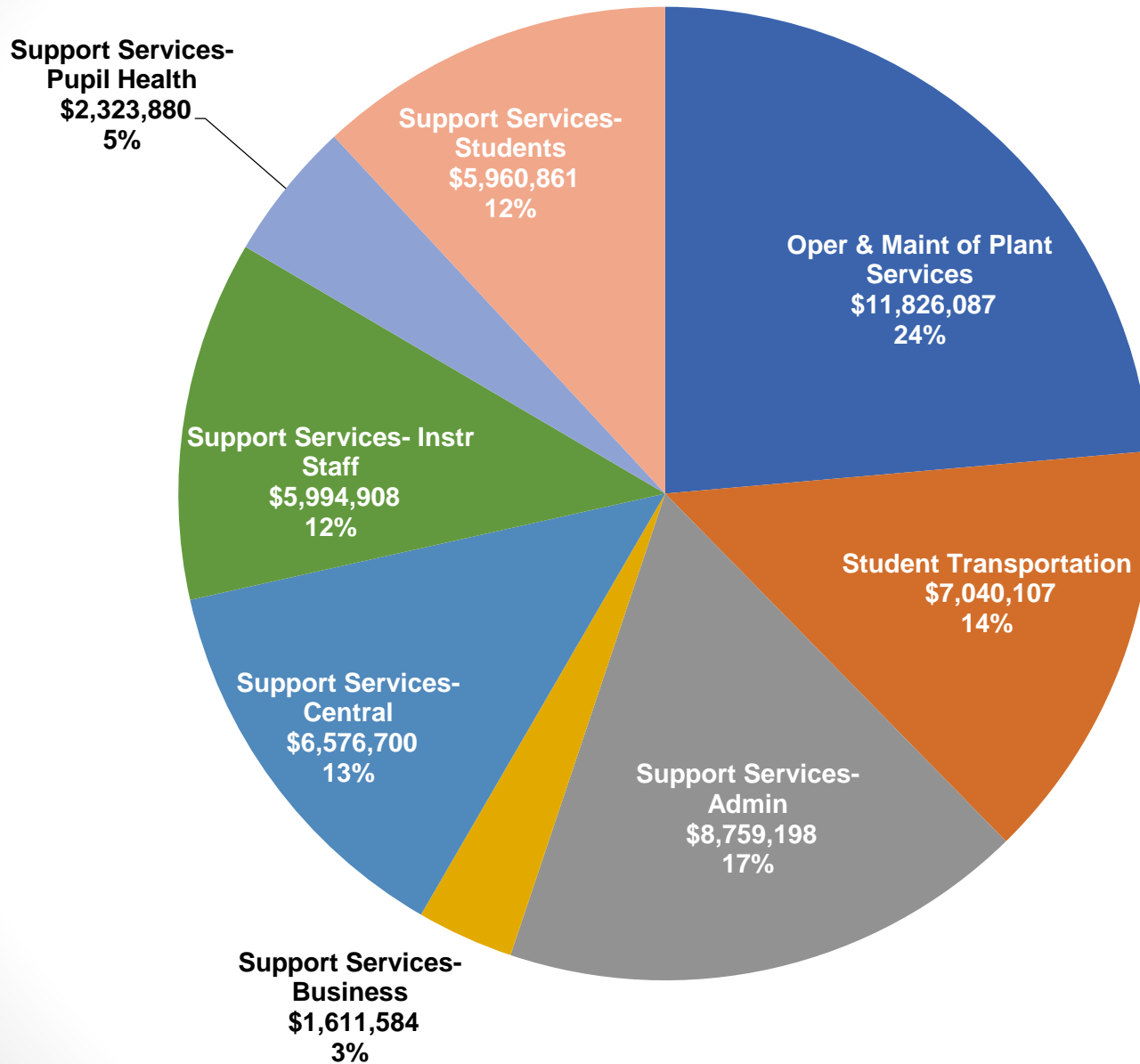
2021-22 Budgeted Expense by Function



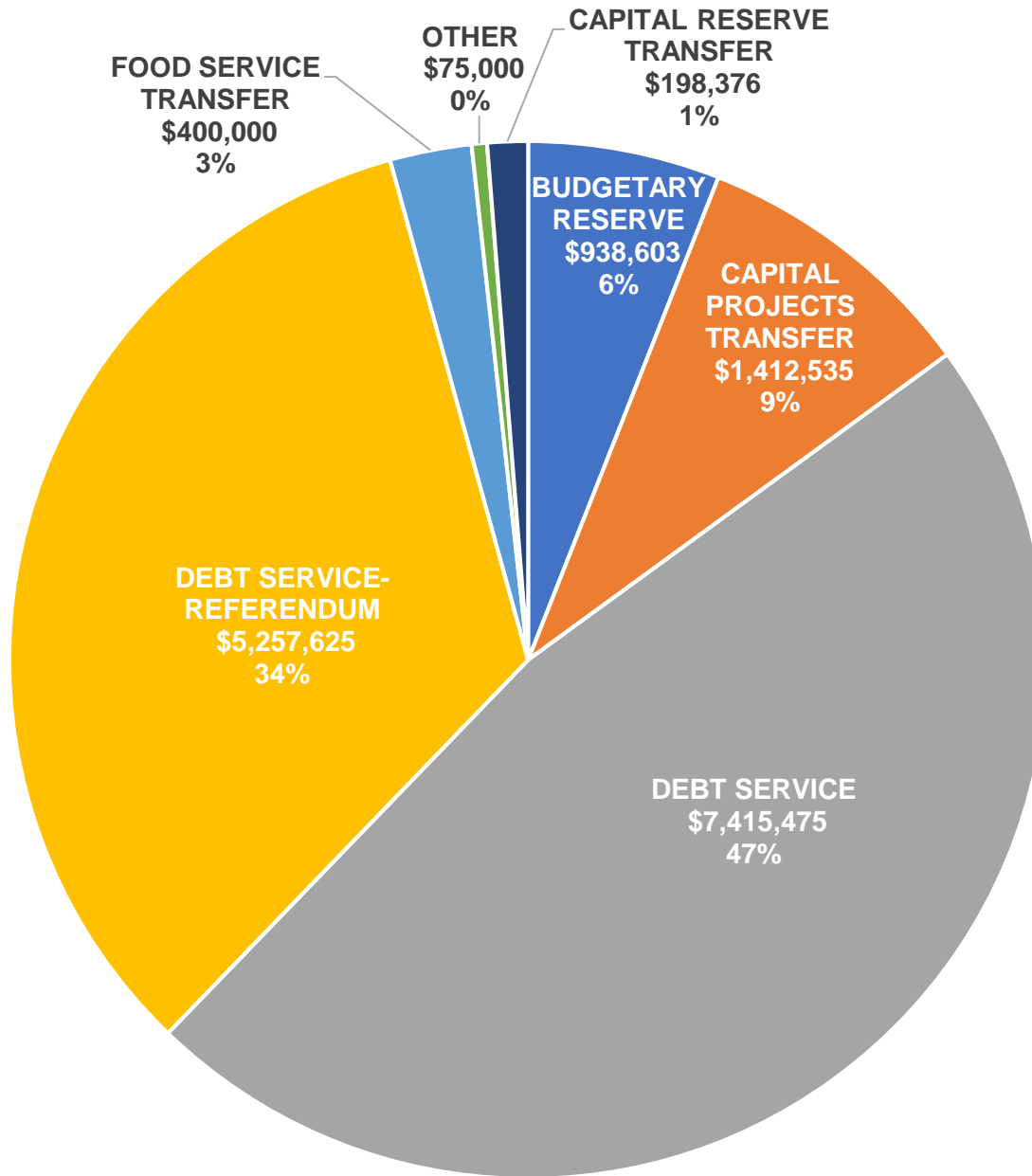
2021-22 Budget Instructional Expense



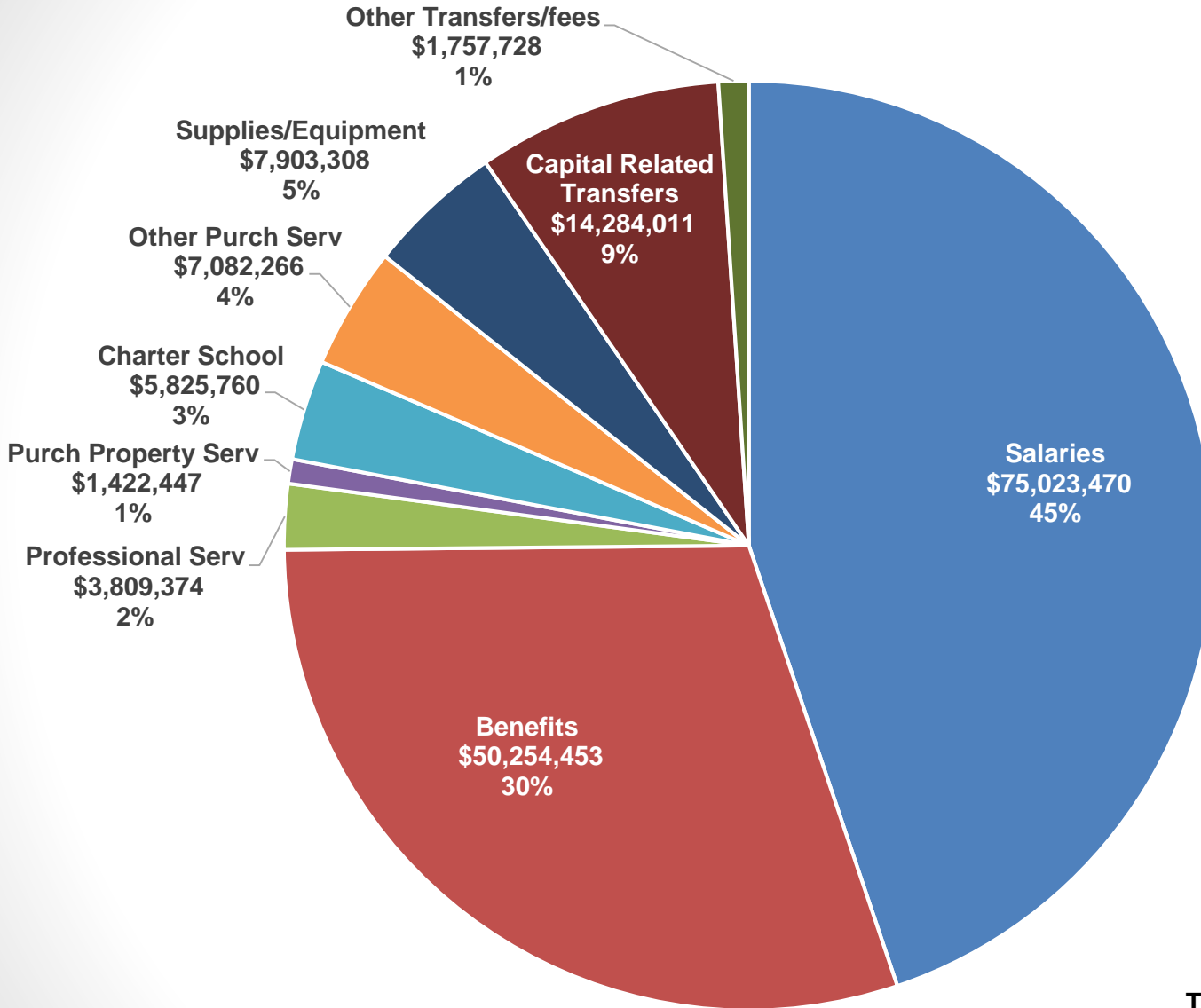
2021-22 Support Services Expense



2021-22 Budget- Other Expense and Financing Uses



2021-22 Budgeted Expenses by Object



Total Salary and Benefits = 75%

Virtual Academy

- Elementary
 - Budget Assumptions
 - 100 Virtual Students
 - Approximately 200 students in 2020-21
 - Survey of these parents resulted in 50% intending to continue virtual in 2021-22
 - 3 full time teachers (needs further evaluation)
 - Fuel rates consistent with current contract
- Secondary
 - Assumptions
 - 175 students
 - Approximately 280 students in 2020-21
 - Survey of parents was inconclusive due to low response rate.
 - Assumes existing teachers paid additional per student amount
 - 2020-21 included full time teachers, one section for some teachers and additional pay per student for some teachers.
 - Edgenuity rates consistent with current contract

Virtual Academy

- Projected 2020-21 Expense:

	Elementary	Secondary
Teacher Salaries	\$360,199	\$658,871
Teacher Benefits	222,208	367,323
Other Salary and Benefits	-	90,449
Online Learning Provider	346,814	261,900
Total Projected Cost	<u>\$929,221</u>	<u>\$1,378,542</u>

- Budgeted 2021-22 Expense:

	Elementary	Secondary
Teacher Salaries	\$195,864	\$315,000
Teacher Benefits	134,537	132,853
Other Salary and Benefits	-	71,713
Online Learning Provider	173,250	142,500
Total Projected Cost	<u>\$503,651</u>	<u>\$662,066</u>

- Given the number of actual students may vary greatly from these budgeted amounts, the actual staffing structure will be adjusted to best fit the count and mix of elementary and secondary virtual students.

Budgeted FTEs

June 2020

	Authorized	Budget 2021-22	Variance	Explanation
ELEMENTARY TEACHER	236.8	238.8	2.0	Add 3 Virtual; reduction of 1 PDA
SECONDARY TEACHER	261.3	260.8	(0.5)	Reduction of .5 PDA
NURSES, DENTAL HYGIENISTS	9.0	9.0	-	
GUIDANCE COUNSELOR	22.6	22.6	-	
PSYCHOLOGIST	10.5	11.0	0.5	Proposed addition
HOME AND SCHOOL VISITOR	1.5	2.0	0.5	Proposed retention of grant funded social worker
SPEECH AND HEARING	10.0	10.0	-	
LIBRARIAN	11.5	11.5	-	
COORDINATOR	5.8	5.8	-	
SPECIAL EDUCATION	65.1	65.1	-	
INSTR. TECHNOLOGY	6.8	6.8	-	
CENTRAL OFFICE ADMINISTR	5.0	5.0	-	
PRINCIPALS	11.0	11.0	-	
ASSISTANT PRINCIPALS	6.0	6.0	-	
OTHER ADMINISTRATORS	15.0	15.0	-	
ACT93MGRS	13.0	12.0	(1.0)	Physical Plant Asst Director position to remain vacant
SECRETARY	54.7	53.7	(1.0)	Secretary position to remain vacant
CLERICAL	4.0	4.0	-	
EXECUTIVE SECRETARY	7.0	7.0	-	
LUNCH PARA	13.8	13.8	-	
RECESS PARA	13.1	13.1	-	
LIBRARY PARA	10.0	10.0	-	

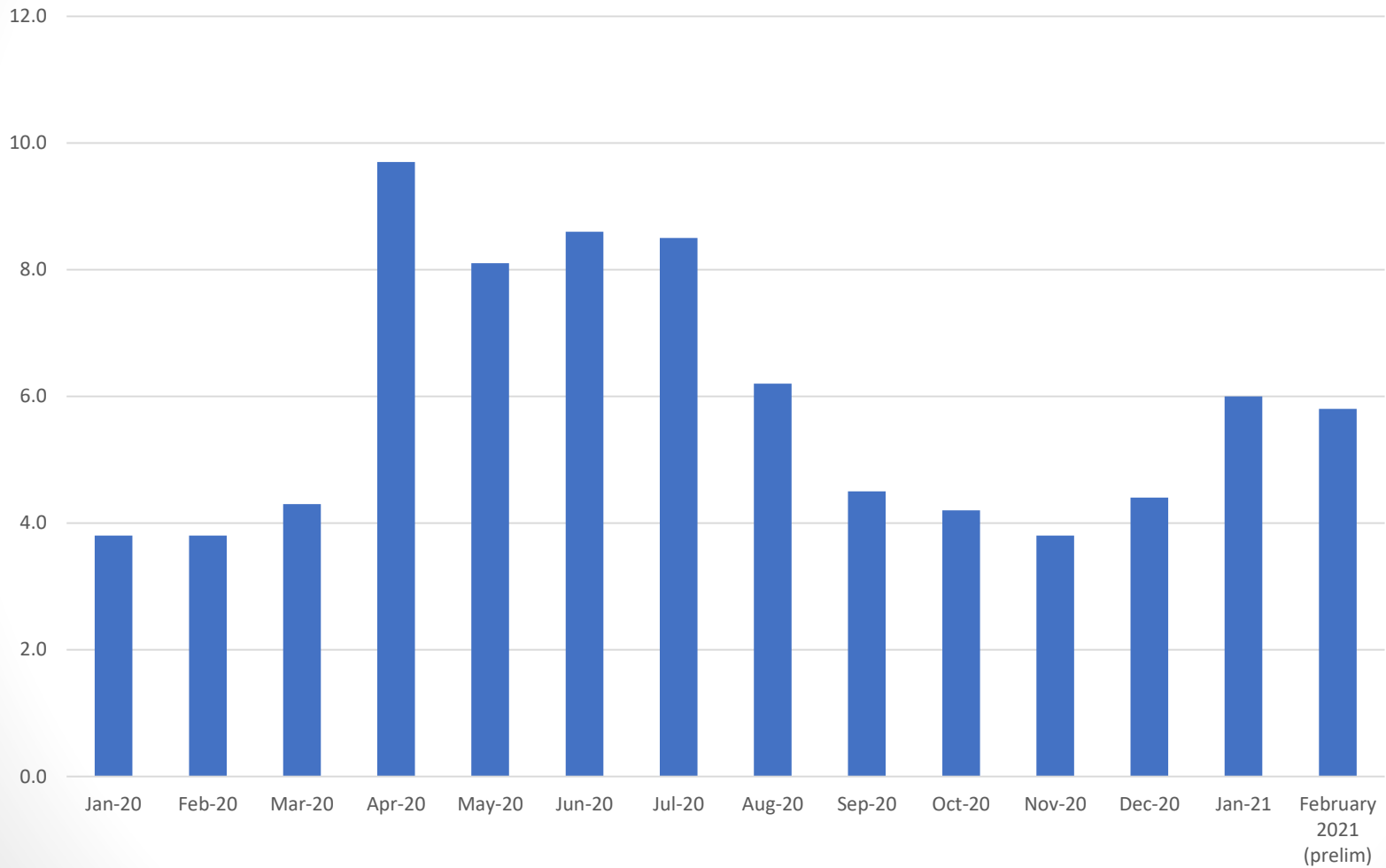
Budgeted FTEs

June 2020

Authorized Budget 2021-22 Variance Explanation

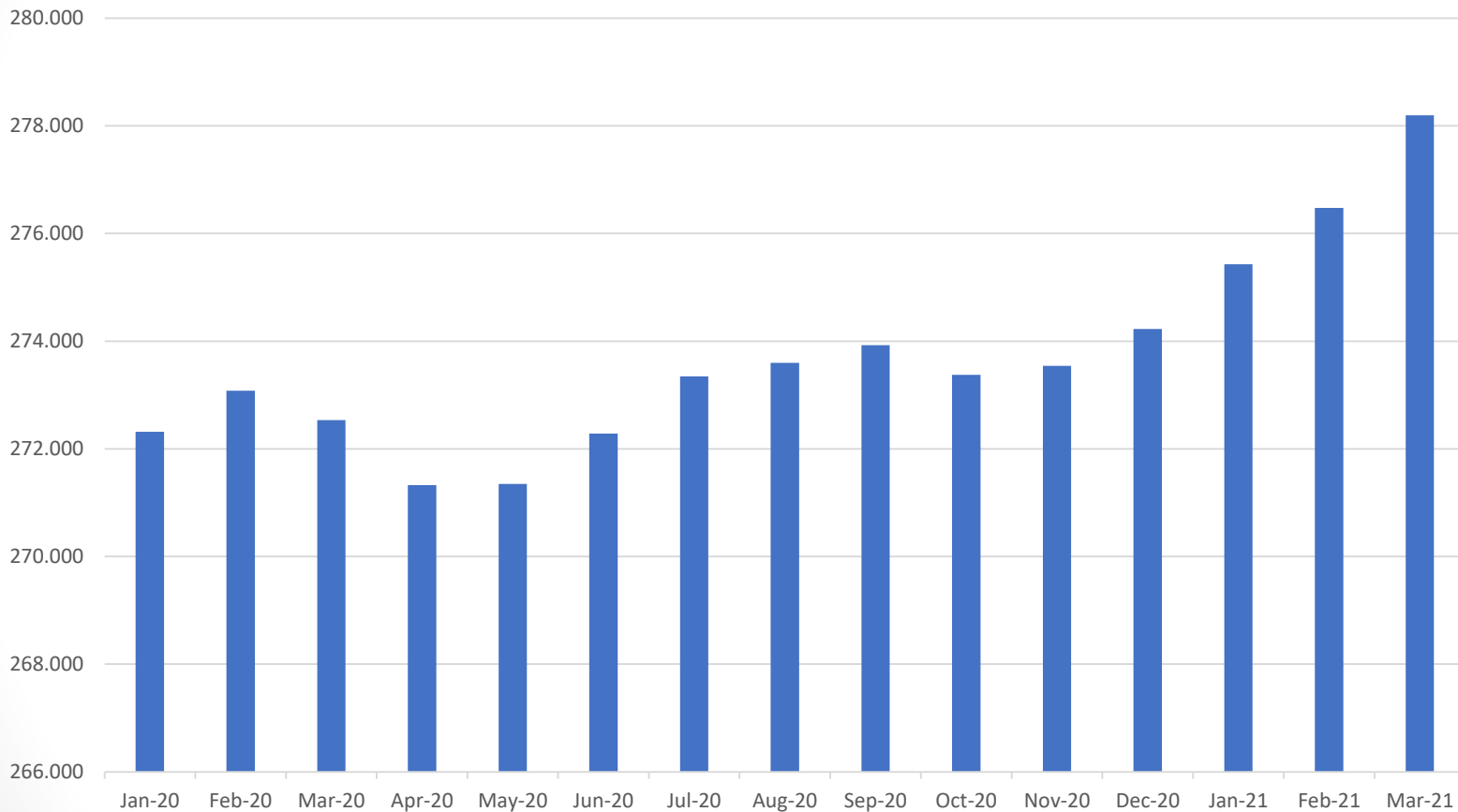
	Authorized	Budget 2021-22	Variance	Explanation
SPECIAL ED PARA	164.9	164.9	-	
INSTRUCTIONAL PARA	71.6	71.5	(0.1)	
CUMPUTER LAB PARA	4.0	4.0	-	
CLERICAL PARA	1.0	1.0	-	
GUIDANCE PARA	-	-	-	
MONITOR PARA	1.0	1.0	-	
HEALTH CARE PARA	9.6	9.6	-	
LIFT BUS PARAPROFESSIONAL	0.6	0.6	-	
PHYSICAL PLANT	84.0	85.0	1.0	Proposed addition of custodian for Memorial Field/Fairmount
TRANSPORTATION	38.6	38.6	-	
EDUCATIONAL RECORD	1.0	1.0	-	
FINANCE OFFICE	1.0	1.0	-	
HR GENERALIST	1.0	1.0	-	
PRINT SHOP WORKERS	2.5	2.0	(0.5)	.5 position included in contracted services
SECURITY GUARDS	2.1	2.1	-	
POOL OPERATOR	0.5	0.5	-	
FITNESS CENTER SUPERVISOR	1.0	1.0	-	
TECHNOLOGY SPECIALIST	15.0	15.0	-	
INTERPRETER	1.5	1.5	-	
CEEL SUPERVISOR - COMM ED	8.0	7.0	(1.0)	Position no longer utilized
CEEL ASST SITE SUPERVISOR	2.5	2.5	-	
Total	1,204.7	1,204.6	(0.1)	

Unemployment Rate in State College



Source: U.S. Bureau of Labor Statistics

Consumer Price Index – Northeast Urban



Source: U.S. Bureau of Labor Statistics
Northeast urban, all urban consumers, not seasonally adjusted

Next Steps

- April 19, 2021- Board Meeting
 - Presentation of Proposed Final Budget
- May 3, 2021- Board Meeting
 - Board Approval of Proposed Final Budget
- May 12, 2021- Finance and Audit Committee & CAC for Finance
- May 24, 2021- Board Meeting and Budget Hearing
- June 7, 2021 – Adopt Final Budget

Questions

State College Area School District



To: Board of School Directors
Dr. Robert O'Donnell, Superintendent

From: Megan Schaper, Food Service Director

RE: Report on Food Service Operations

Date: April 7, 2021

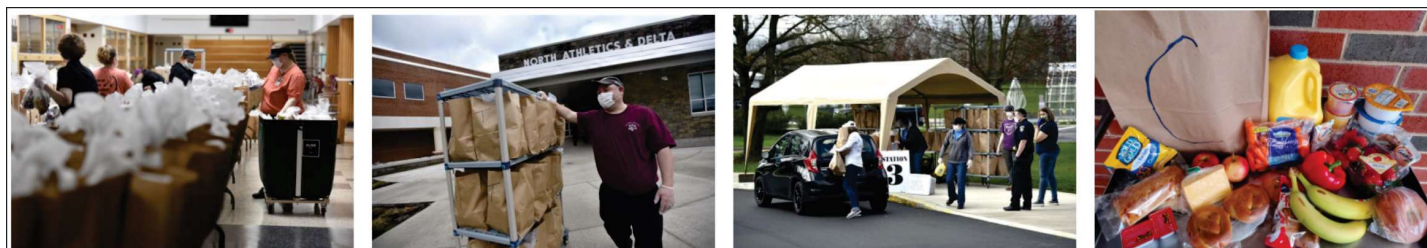
I appreciate this opportunity to tell you a bit about the Food Service Department operations over the past year. As you would expect, the year was filled with unusual challenges and opportunities.

Our normal operations ceased when schools closed in March 2020 due to the Covid-19 pandemic, and we immediately transitioned to emergency feeding through the United States Department of Agriculture's (USDA) Summer Food Service Program (SFSP). The program name is a misnomer as it is utilized to feed children at any time of the year when schools are closed. USDA initially funded meals to be served in geographic areas that were designated as needy and allowed schools to serve one breakfast and one lunch each day to children in those areas. Under these rules, we began delivering meals to three sites across the district on March 16, serving an average of 534 children each day.



By early April 2020, USDA provided waivers to allow schools to serve free meals to children at any location and for meals to be distributed in bundles of up to five breakfasts and lunches at a time. We pivoted and began serving families each Wednesday at the North Athletics/Delta Building. From April until August, families received weekly meal kits containing lunch and breakfast entrees, fruits, vegetables, and milk at no charge to the family. We served 1,100-1,300 children from approximately 650 families each week.

The Food Service Department is funded through sales including meal and snack sales to students, contracted sales to charter schools and day cares, and catering functions for school groups. All of those sources of income ceased when the pandemic began. The funding provided by USDA for emergency meals served not only to support families, but it helped to replace lost revenues. None the less, the food service program sustained a large financial loss, nearly \$550,000, for the 2019-2020 school year. But, the federal funding received between March and June did provide some relief as is demonstrated on the following page.



The “2019-2020 Actual” data shown here includes pre-pandemic operations and the emergency services that we undertook beginning in March. The net result was a loss of \$546,736. The “19-20 What If?” column reflects all sales frozen to the last day that students attended school. Food and supply expenses are also frozen to that last normal day. But, staff wages and benefits continued to be paid for the rest of the school year as was required by Act 13. By continuing to serve the community, the program lessened the financial loss by \$195,000.

	2019-2020 ACTUAL		19-20 - What If? NO SFSP	
Lunch Price (Elem-MS-HS)	\$2.70 - \$2.95 - \$3.50		\$2.70 - \$2.95 - \$3.50	
Lunches Sold + Distributed	461,705 + 81,117		461,705	
Brkfst Price (Elem-Sec)	\$1.45 - \$1.95		\$1.45 - \$1.95	
Brkfst Sold + Distributed	106,012 + 81,117		106,012	
LUNCH SALES	\$	1,094,522	\$	1,094,522
MILK SALES	\$	14,462	\$	14,462
BREAKFAST SALES	\$	105,850	\$	105,850
ALA CARTE SALES	\$	492,263	\$	492,263
ADULT SALES	\$	65,700	\$	65,700
SPECIAL FUNCTIONS	\$	59,849	\$	59,849
CONTRACTED SALES	\$	125,125	\$	125,125
STATE SUBSIDY	\$	78,944	\$	78,944
FEDERAL SUBSIDY	\$	1,050,422	\$	585,033
SOCIAL SECURITY	\$	53,021	\$	53,021
RETIREMENT	\$	252,266	\$	252,266
INTEREST	\$	875	\$	875
TOTAL INCOME	\$	3,393,299	\$	2,927,910
PAYROLL	\$	1,551,220	% SALES	45.7%
MEDICAL INSURANCE	\$	341,994	10.1%	11.7%
SOCIAL SECURITY	\$	113,127	3.3%	3.9%
RETIREMENT	\$	502,765	14.8%	17.2%
OTHER BENEFITS	\$	50,308	1.5%	1.7%
TOTAL COST OF LABOR	\$	2,559,414	75.4%	87.4%
FOOD	\$	994,666	29.3%	27.2%
MILK	\$	162,235	4.8%	4.4%
OTHER DIRECT EXPENSES	\$	191,513	5.6%	5.2%
TOTAL EXPENSE	\$	3,907,828	115.2%	124.2%
OPERATING P/L	\$	(514,529)	-15.2%	(24.2%)
DEPRECIATION	\$	32,207		
PROFIT/LOSS	\$	(546,736)		(741,821)

*excludes GASB 68/OPEB adjustments

The emergency meals program expired when schools reopened for the 2020-21 school year, but on August 31 USDA extended the program to allow free meals for all students, in and out of school, through December 31, 2020. Later in the fall, USDA announced that the program would continue for the entire school year. Last month USDA extended the program again. Free meals will be available for all students through the coming summer.

The extension of SFSP allowed us to continue our efforts to provide food to families whose children were learning at home. 1,000 to 3,000 meal kits, each containing food for 5 breakfasts and 5 lunches, have been distributed each week through the school year, with higher participation when the district was in full-remote mode.

In addition to providing free meals for families at home, the Food Service Department has responded with different methods of service to ensure that students who come to school have access to safe and tasty meals.

Menus for meals served in the school cafeterias this year were simplified to provide for efficient and safe service. Meals are fully packaged in disposable, to-go containers for elementary and middle school students. The high school food court provides opportunities for students to choose food items, but everything is served directly to the student or is fully packaged and displayed to “take the one you touch.” Because secondary students attend school on alternating days, middle and high school students are able to pick up meals as they leave the school building at the end of the day to have for the next day when they are learning at home.

This chart summarizes how students have accessed meals from the start of the school year through the end of March:

Distribution Location	Lunch	Breakfast
In School	214,998	83,253
Weekly Pick Up	217,425	217,425
Total Served	432,423	300,678



While attending school in person, nearly 70% of students are opting to get a free lunch each day and 30% take free breakfast.

USDA is reimbursing us for each meal served. The reimbursement rates have changed several times over the past year. A comparison of the reimbursement rates and our pre-pandemic meal prices are detailed below:

	Breakfast	Lunch
Average Revenue per Meal Pre-Pandemic (student price + reimbursement)	\$2.11	\$3.56
Reimbursement March – May 2020	\$1.94	\$3.62
Reimbursement June – December 2020	\$2.375	\$4.1525
Reimbursement January to date 2021	\$2.4625	\$4.3175

Projected income and expenses for 2020-2021 are detailed on the following page.

The pandemic focused the food service program on its most essential function: providing meals to children. All revenue categories other than the federal funds provided for meals served to students have been significantly curtailed this year.

The small lunch and breakfast sales recorded for this year are the result of the gap in time between SCASD’s first day of the school and USDA’s announcement of extending SFSP. Students were charged for meal purchases for the first seven days of this school year before SFSP funding became available.

	2020-2021	
	PROJECTED	BUDGET
Lunch Reimb	\$4.15/\$4.32	
Lunches Distributed	646,300	690,000
Brkfst Reimb	\$2.37/\$2.46	
Brkfst Distributed	417,500	165,000
LUNCH SALES	\$ 23,128	\$ 1,653,700
MILK SALES	\$ 2,340	\$ 23,950
BREAKFAST SALES	\$ 974	\$ 176,545
ALA CARTE SALES	\$ 72,000	\$ 743,000
ADULT SALES	\$ 36,000	\$ 99,500
SPECIAL FUNCTIONS	\$ 8,000	\$ 91,300
CONTRACTED SALES	\$ 55,000	\$ 175,000
STATE SUBSIDY	\$ 1,428	\$ 101,500
FEDERAL SUBSIDY	\$ 3,475,000	\$ 870,000
SOCIAL SECURITY	\$ 50,900	\$ 61,650
RETIREMENT	\$ 227,500	\$ 276,300
INTEREST	\$ 50	\$ 1,500
TOTAL INCOME	\$ 3,952,320	\$ 4,273,945
PAYROLL	\$ 1,409,400	\$ 1,611,350
	% SALES 35.7%	
MEDICAL INSURANCE	\$ 360,000	\$ 382,900
SOCIAL SECURITY	\$ 101,900	\$ 123,300
RETIREMENT	\$ 455,000	\$ 552,600
OTHER BENEFITS	\$ 69,220	\$ 70,195
TOTAL COST OF LABOR	\$ 2,395,520	\$ 2,740,345
	60.6%	
FOOD	\$ 1,024,000	\$ 1,258,700
MILK	\$ 215,000	\$ 193,300
	25.9%	
OTHER DIRECT EXPENSES	\$ 168,100	\$ 237,500
	4.3%	
TOTAL EXPENSE	\$ 3,802,620	\$ 4,429,845
	96.2%	
OPERATING P/L	\$ 149,700	\$ (155,900)
	3.8%	
DEPRECIATION	\$ 32,400	\$ 37,000
PROFIT/LOSS	\$ 117,300	\$ (192,900)

*all years excludes GASB 68/OPEB adjustments

Milk sales are significantly decreased with fewer students in school and fewer of those packing meals from home.

When students want to purchase milk to go with a meal packed from home, we encourage them to take a fruit and vegetable with the milk. Three food components meet the minimum requirements of a meal and can be provided to the student for free.

A la carte sales have been impacted in several ways. For efficiency and safety, we did not allow students in the middle and elementary schools to make a la carte purchases for the first few months of the school year.

Extra food sales in the high school have been reduced due to the simple fact that there are fewer students in the school building on any given day, and students are wisely opting for the free meal instead of paying for snack items.

Catering opportunities ended with the pandemic, but we are beginning to receive requests for game day meals for district sports teams. We resumed our contracts with Young Scholars Charter School in the fall and with ABC Day Cares just at the beginning of March,

though the number of meals ordered for both contracts are significantly less than pre-pandemic.

Most revenue categories are severely depressed, but the increase in federal funding will nearly make up the difference this year.

The program's largest expense is for labor and associated benefits. Because we are serving fewer meals and snacks in the school cafeterias and because of operational changes that require less labor (fewer dishes to wash due to the use of disposable service ware, for instance), we have not filled jobs that opened due to attrition. We have 14 part-time and 1 full-time positions currently unfilled. This provides significant savings in the current year, but we hope to fill these positions as operations return to normal.

Our next largest expenditures are for food supplies. Managing food purchases over the past year has been a significant challenge and there have been many forces impacting this expense category.

Food cost is highly influenced by the menu, and we made significant changes to our menus this year. To allow us to serve students safely and to minimize waste, we reduced the number of entrée choices offered at all grade levels. Fruit and vegetable side dishes are now automatically packed in the lunches served in the elementary and middle schools. Students do not have as wide an array of foods to choose from that has been a signature of our program in years past. What has not changed is the quality of the food and the care used to prepare it. Our meals continue to be well prepared and tasty. Menus can be found on our [web page](#).

Limiting choices this year has worked well to reduce waste and increase staff efficiency but could negatively impact participation when meals are no longer free. This is something that we will be monitoring and working with when we begin to return to “normal” and as we gear up staffing.

Our program receives an allowance from USDA to spend on food commodities such as ground beef, chicken, peas, corn, garbanzo beans, blueberries, peaches, applesauce, and strawberries. The only cost to us is \$3.09 per case for storage and delivery. We divert some of those commodity funds to purchase fresh produce through the Department of Defense (DOD). As you can imagine, this program is an important part of keeping purchased food costs low.

The commodity program has been greatly impacted by the pandemic. Schools across the country that have not reopened or are not feeding as many students have declined their commodity allocations. This has led to USDA cancelling some planned purchases. The downside of this is that we have not received some of the food items that we were expecting this year. On the other hand, USDA has excess food that they did purchase that is now available for schools who can use it.

The outcome for us has been that we have received \$269,000 worth of commodity foods through the end of March even though our allotment for the year is only \$248,000. Further, last week we received an additional \$20,000 to spend on DOD produce.

The increased expense for milk purchases reflects the many, many gallons of milk that we hand out each week with the Meals for Home bags.

Other direct expenses include the costs of paper and cleaning supplies, repairs, transportation, uniforms, office supplies, auto insurance, postage, printing, travel, and point-of-sale support. We are projecting to spend significantly less in many of these categories this year. We froze all small equipment replacement this year, are not printing monthly menus, are not purchasing dishwasher chemicals in our typical amounts, and are not attending conferences. We are purchasing more disposable service wares like take-out boxes and disposable forks to be used in the cafeterias and packaging materials for the meals that are packed for home. Yet overall, we are experiencing a net decrease in our supply expenses.



The net result for the 2020-2021 school year is that we are projecting to end the year in the black.

Budgeting for next year was very difficult as there are many more questions than answers at this time. How many students will be in the buildings next year? Will USDA continue to fund free meals for all children? If parents have to pay for meals, how will that affect participation? A summarized version of the 2021-2022 budget is included below:

	2021-2022 BUDGET		2020-2021 PROJECTED		18-19 (Pre-Pandemic) ACTUAL	
Lunch Price/Reimb Lunches Distributed	\$2.70 - \$2.95 - \$3.50 580,000		\$4.15/\$4.32 646,300		\$2.65 - \$2.90 - \$3.50 671,224	
Brkfst Price/Reimb Brkfst Distributed	\$1.45 - \$1.95 140,000		\$1.45 - \$1.95 417,500		\$1.45 - \$1.95 141,089	
LUNCH SALES	\$ 1,330,000		\$ 23,128		\$ 1,540,311	
MILK SALES	\$ 17,650		\$ 2,340		\$ 20,679	
BREAKFAST SALES	\$ 130,000		\$ 974		\$ 129,641	
ALA CARTE SALES	\$ 643,000		\$ 72,000		\$ 654,159	
ADULT SALES	\$ 75,000		\$ 36,000		\$ 88,231	
SPECIAL FUNCTIONS	\$ 39,500		\$ 8,000		\$ 94,233	
CONTRACTED SALES	\$ 130,000		\$ 55,000		\$ 178,155	
STATE SUBSIDY	\$ 81,900		\$ 1,428		\$ 95,432	
FEDERAL SUBSIDY	\$ 1,053,000		\$ 3,475,000		\$ 838,328	
SOCIAL SECURITY	\$ 60,250		\$ 50,900		\$ 54,486	
RETIREMENT	\$ 271,900		\$ 227,500		\$ 238,098	
INTEREST	\$ 50		\$ 50		\$ 1,693	
TOTAL INCOME	\$ 3,832,250		\$ 3,952,320		\$ 3,933,446	
PAYROLL	\$ 1,559,700	% SALES 40.7%	\$ 1,409,400	% SALES 35.7%	\$ 1,405,117	% SALES 35.7%
MEDICAL INSURANCE	\$ 411,000	10.7%	\$ 360,000	9.1%	\$ 296,149	7.5%
SOCIAL SECURITY	\$ 120,500	3.1%	\$ 101,900	2.6%	\$ 106,312	2.7%
RETIREMENT	\$ 543,800	14.2%	\$ 455,000	11.5%	\$ 462,421	11.8%
OTHER BENEFITS	\$ 71,205	1.9%	\$ 69,220	1.8%	\$ 66,495	1.7%
TOTAL COST OF LABOR	\$ 2,706,205	70.6%	\$ 2,395,520	60.6%	\$ 2,336,494	59.4%
FOOD	\$ 1,151,250	30.0%	\$ 1,024,000	25.9%	\$ 1,134,856	28.9%
MILK	\$ 182,000	4.7%	\$ 215,000	5.4%	\$ 182,090	4.6%
OTHER DIRECT EXPENSES	\$ 184,080	4.8%	\$ 168,100	4.3%	\$ 194,744	5.0%
TOTAL EXPENSE	\$ 4,223,535	110.2%	\$ 3,802,620	96.2%	\$ 3,848,184	97.8%
OPERATING P/L	\$ (391,285)	-10.2%	\$ 149,700	3.8%	\$ 85,262	2.2%
DEPRECIATION	\$ 32,000		\$ 32,400		\$ 24,162	
PROFIT/LOSS	\$ (423,285)		\$ 117,300		\$ 61,100	

*all years excludes GASB 68/OPEB adjustments

To be as conservative as possible, I assumed that the free meal program would not be sustained for the new school year and that lunch participation would decrease by about 15% from 2018-2019 levels. Breakfast participation has been growing over the years, so I choose to keep that at 18-19 levels.

To support families as we move past the pandemic, this budget assumes no lunch price increases from the 2018-2019 levels. Included with this report is a memo requesting board approval of meal prices for 2021-2022.

State and federal reimbursements are tied to the number of meals we anticipate serving, including for meals we plan to distribute this summer.

The budget assumes that catering will remain low, but contracted sales and a la carte will mostly rebound.

For expenses, we assumed a return to full staffing levels and also budgeted labor for the summer meal distributions. When we return to full staffing will depend on both operational need and on our ability to recruit and hire. Even after things "return to normal," we may have to continue to limit menu choices and to use disposable service ware until we are able to rebuild our kitchen teams.

The budget for general supplies could equally meet the costs of continuing to use disposable service wares or to purchase additional dishwasher chemicals and supplies as needed to return to permanent trays, plates, and silverware.

The budget for food assumes that USDA will not have excess commodities to share with us as they have this year.

The net cost of operating the food service program for 2021-2022 is estimated at \$423,285. I do believe this is the worst-case scenario, but felt it was best to budget this way given the uncertainty of what to expect.

In addition to the operations and financial update provided, I would like to share just a few additional program highlights from the past year.

First, the Food Service Department has received more than \$25,000 in donations since March 2020. \$21,963 was donated by parents from their students' lunch accounts when schools suddenly closed. The additional amount was received from community members, sometimes in the form of cash being handed to staff while they were distributing meals. We have used \$7,323 of the donations to repay student IOUs and are holding the remaining amount to continue to support families as needed over the next few years.

My staff and I have loved having the opportunity and ability to provide food to families and to help lessen a worry for many of them. Receiving these donations as a sign of support for our efforts has been wonderful.

Another positive note for the current school year is that we received two equipment grants from the PA Department of Education. These grants have traditionally been restricted to schools with 50% or more of their students eligible for free school meals. That qualifier was removed this year, and we are excited to be replacing the ice maker at the high school kitchen and adding a milk merchandiser at Mt. Nittany MS.

Lastly, I am pleased to share with you that I was nominated by one of my supervisors for consideration as the Pennsylvania Food Service Director of the Year and was selected for that honor by the School Nutrition Association. I truly know that I am just doing my job, and that there are many directors in Pennsylvania who are doing an equal or better job than I! But, I am so thankful that the people I work with think that I deserve this recognition. I know that it is they who really have gone above and beyond expectations.

The past year has been a challenge, but it has also been a very rewarding time. School food services has always been an important part of schools and the community. It has always been our job to be a safety net for families and to support children's education. It is difficult for a hungry child to be successful in the classroom. This year brought that all sharply into focus.

The men and women who work in our school cafeterias have been true heroes. When everything shut down last year, they continued to come in to work to prepare and hand out meals. They worked carefully to ensure their own and others' safety. They have been positive about every change that had to be made so that they could continue to take care of "their kids." A lot has been asked of them, and they never hesitated to meet the challenge. I appreciate the well-deserved recognition that my staff has received over the past year.

Thank you, again, for this chance to update you on the Food Service Department's operations. I will be happy to answer any questions you may have at the April 19 board meeting.



MEMORANDUM

TO: Board of School Directors
Robert J. O’Donnell, Superintendent

FROM: Megan Schaper, SNS
Food Service Director

RE: Food Service Pricing for 2021-22

DATE: April 7, 2021

The administration requests approval of the school meal price structure as listed below for the 2021-2022 school year. The suggested prices reflect no increase from 2019-2020 and were used in the development of the Food Service Department budget.

The reimbursement provided by state and federal subsidies for free school meals under the National School Lunch Program is currently \$3.70 for lunch and \$1.99 for breakfast.

All of our neighboring districts served meals free of charge to families through the 2020-2021 school year. None have yet established pricing for 2021-2022.

	2020 Bald Eagle	2020 Penns Valley	2020 Bellefonte	2018 SCASD	2019 SCASD	2020 SCASD	2022 SCASD Proposed
% Fr/Red	42%	32%	30%	17%	17%	16%	
Elementary Lunch	\$2.30	\$2.35	\$2.40	\$2.60	\$2.65	\$2.70	\$2.70
MS Lunch	\$2.50- \$2.75		\$2.70	\$2.85	\$2.90	\$2.95	\$2.95
HS Lunch	\$2.50- \$2.75	\$2.60	\$2.70	\$3.05/ \$3.50*	\$3.50	\$3.50	\$3.50
Adult Lunch	\$3.60	\$3.35	\$3.50	+\$.75 per USDA regulation	+\$.75 per USDA regulation	+\$.75 per USDA regulation	Increase as required by USDA regulation
Elementary Breakfast	\$1.10	\$1.15	\$1.00	\$1.35	\$1.45	\$1.45	\$1.45
Secondary Breakfast	\$1.10	\$1.25	\$1.00	\$1.85	\$1.95	\$1.95	\$1.95
Milk	\$.50	\$.50	\$.60	\$.65	\$.65	\$.65	\$.65