

To: Board of School Directors
Mr. Curtis Johnston

From: Megan Schaper

RE: Report on Food Service Operations

Date: February 20, 2025

I appreciate this opportunity to update the Board on the District's Food Service Department. As the report submitted last year included a very detailed description of our operations, this report will be more concise. I will be available at the March 3 Board meeting and will be happy to answer any questions at that time.



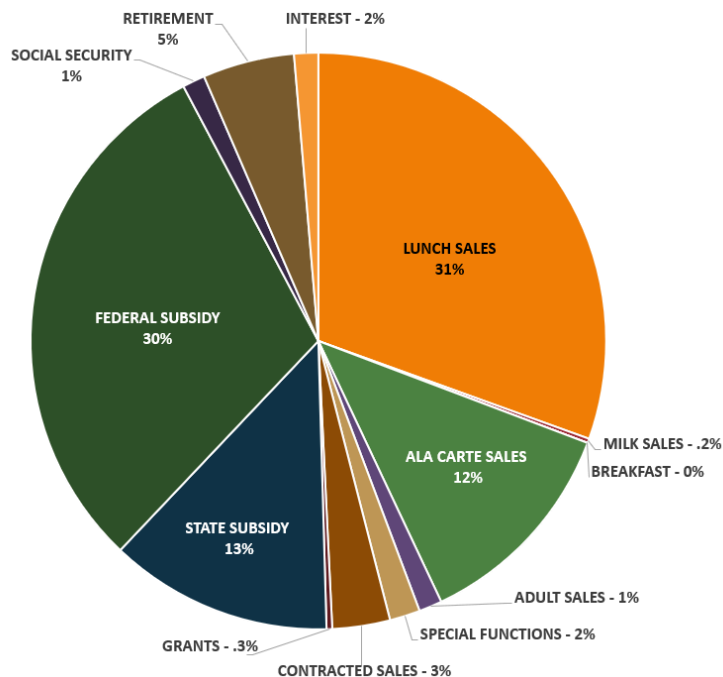
2024 Recap

The food service program ended the 2024 school year with a surplus of \$328,415. An overview of this financial result, with recent past years for comparison, is included on the following page.

As illustrated here, strong State and Federal funding continued to play an outsized role in this department's financial results. Prior to the pandemic, government subsidies typically provided less than 25% of our funding, and our department was operating regularly with a small loss at the end of the year.

Pennsylvania continued to provide funds for free breakfasts for all students and paid the \$.40 copay for lunch that is charged to reduced-price eligible students. The United States Department of Agriculture, USDA, reduced the reimbursement rates paid for school meals last year but continued to provide Supply Chain Assistance Funds. Our program received \$161,305 in direct cash assistance from the USDA. In all, government funding contributed 43% of revenues last year.

Direct sales to students for lunches and a la carte food items contributed equally, 43%, to our overall revenues.



Through the 2024 school year, thirty-five percent of students chose to get breakfast at school each day. Sixty-four percent purchased lunch from the school cafeterias. These are solid participation figures and reflect a slight increase in breakfast counts and identical lunch participation from the year prior.

A la carte sales increased by 12% from the previous year. There were price increases for a la carte food items but otherwise there were no significant changes to the items offered or to students' access.

Milk sales dropped by nearly 25% from the year prior. A supply chain issue left dairies across the country without access to enough cartons for packing milk. This led to our dairy rationing the number of milk cartons that we could purchase for most of November and December last school year. During this time, we had to suspend the sale of milk to students who packed their lunch so that we had enough milk to serve with meals.

Other revenues generated through the 2024 school year were as expected.

	2023-24		2022-23		2021-22	
	ACTUAL		ACTUAL		ACTUAL	
Lunch Price	\$2.75 - \$3.00 - \$3.55		\$2.70 - \$2.95 - \$3.50		Free	
Lunches Served	709,887		703,429		827,120	
Brkfst Price	Free		Free as of Oct		Free	
Brkfst Served	368,182		325,147		382,317	
LUNCH SALES	\$	1,628,769	\$	1,640,872	\$	-
MILK SALES	\$	13,110	\$	17,577	\$	1,683
BREAKFAST SALES	\$	-	\$	25,712	\$	-
ALA CARTE SALES	\$	652,706	\$	582,995	\$	461,623
ADULT SALES	\$	69,450	\$	67,190	\$	67,443
SPECIAL FUNCTIONS	\$	91,312	\$	95,302	\$	61,591
CONTRACTED SALES	\$	173,001	\$	171,143	\$	201,635
GRANTS/MISC REV	\$	16,992	\$	4,921	\$	6,833
STATE SUBSIDY	\$	669,302	\$	538,258	\$	152,810
FEDERAL SUBSIDY	\$	1,609,690	\$	1,691,656	\$	5,146,788
SOCIAL SECURITY	\$	67,485	\$	62,839	\$	60,642
RETIREMENT	\$	274,888	\$	264,955	\$	253,794
INTEREST	\$	72,296	\$	40,295	\$	570
TOTAL INCOME	\$	5,339,001	\$	5,203,715	\$	6,415,412
PAYROLL	\$	1,831,083	\$	1,690,691	\$	1,628,244
		% SALES 34.3%		% SALES 32.5%		% SALES 25.4%
MEDICAL INSURANCE	\$	457,488	\$	392,811	\$	388,293
SOCIAL SECURITY	\$	134,968	\$	125,677	\$	121,287
RETIREMENT	\$	419,536	\$	529,900	\$	507,162
OTHER BENEFITS	\$	54,153	\$	52,217	\$	45,481
TOTAL COST OF LABOR	\$	2,897,228	\$	2,791,296	\$	2,690,467
		54.3%		53.6%		41.9%
FOOD	\$	1,541,929	\$	1,452,162	\$	1,487,322
MILK	\$	218,667	\$	222,074	\$	282,648
		28.9% 4.1%		27.9% 4.3%		23.2% 4.4%
OTHER EXPENSES	\$	293,335	\$	274,518	\$	277,128
		5.5%		5.3%		4.3%
TOTAL EXPENSE	\$	4,951,159	\$	4,740,050	\$	4,737,565
		92.7%		91.1%		73.8%
OPERATING P/L	\$	387,842	\$	463,665	\$	1,677,847
		7.3%		8.9%		26.2%
EQUIP REPLACMENT	\$	59,427	\$	39,627	\$	28,101
DEPRECIATION	\$		\$		\$	5,641
LOSS ON FIXED ASSETS	\$		\$		\$	
PROFIT/LOSS	\$	328,415	\$	424,038	\$	1,644,105

Program expenses for the 2024 budget year were also as expected.

Payroll and associated benefits are the Food Service Department's largest expenses at 53% of revenue. Once it became clear that we were going to be able to continue to offer free breakfast for all students and maintain the high levels of participation, we added time to several employees' work shifts to provide adequate coverage at breakfast time. Increased hours to our schedule and contractually agreed upon pay rate and benefit cost increases attributed to the 8% increase in labor cost.

To control the cost of food, we continued to purchase through a cooperative agreement with the Pittsburgh Regional Food Service Directors, kept menus streamlined, and took full advantage of the USDA commodity foods program. USDA allocated \$413,253 to SCASD for commodity foods for the 2024 school year. By following up with manufacturers and requesting excess funds from the Pennsylvania Department of Agriculture, we were able to get more than \$100,000 additional dollars in value for foods such as chicken, beef, pork, fish, frozen and canned fruits and vegetables, and fresh produce.

Other expenses incurred by the Food Service Program include repairs, liability, postage, printing, cleaning and paper supplies, office supplies, commodity delivery, small equipment, uniforms, point-of-sale support, training, banking fees, and association membership fees.

The combination of robust government funding, strong sales, and controlled expenses all contributed to the Food Service Department ending the 2024 school with a program surplus. These excess funds are ultimately used to replace equipment, to improve the program, and to support affordable meals for families.

2025 Update

Financial projections for 2025 and a budget for 2026 are shared on the following page.

Operations for the current school year are going well. Student participation and sales are strong and projected sales look good. Expenses are in line with what we expect. We anticipate a program surplus again at the end of the 2025 school year.

Again, our fiscal results are better than we had anticipated because of federal funding. We are no longer receiving the higher per-meal reimbursement rates of the post-pandemic years. And, we did not receive any supply chain assistance funds this year. But, we learned late last spring that we would be able to operate a Summer Food Service site under new rules to support families in rural areas. We received \$257,000 in meal reimbursements through the summer program.

This funding bolstered our department budget but more importantly, it helped many families stretch their food budgets through the summer while their children did not have access to school meals. We served an average of 670 children each week for 9 weeks, providing bulk groceries that included proteins, grains, fruits, vegetables, and milk.



Because this program was intended specifically for rural areas, we were required to move all of the necessary food and supplies to Oak Hall Park each week for the scheduled distribution. This was a huge task, but we had great food service and grounds crew staff who took the challenge on cheerfully. We all worked very, very hard through the summer, but everyone enjoyed the experience. The feedback received from community members who utilized the program was extremely positive.

	2025-26 BUDGET		2024-25 PROJECTED		2023-24 ACTUAL	
Lunch Price	\$2.90 - \$3.10 - \$3.75		\$2.85 - \$3.00 - \$3.65		\$2.75 - \$3.00 - \$3.55	
Lunches Served	716,800		716,800		709,887	
Brkfst Price	Free		Free		Free	
Brkfst Served	379,500		379,500		368,182	
LUNCH SALES	\$	1,756,100	\$	1,691,000	\$	1,628,769
MILK SALES	\$	14,900	\$	14,900	\$	13,110
BREAKFAST SALES	\$	-	\$	-	\$	-
ALA CARTE SALES	\$	772,000	\$	745,000	\$	652,706
ADULT SALES	\$	68,000	\$	64,900	\$	69,450
SPECIAL FUNCTIONS	\$	95,400	\$	92,920	\$	91,312
CONTRACTED SALES	\$	195,000	\$	191,000	\$	173,001
GRANTS/MISC REV	\$	15,000	\$	15,000	\$	16,992
STATE SUBSIDY	\$	718,000	\$	706,000	\$	669,302
FEDERAL SUBSIDY	\$	1,626,000	\$	1,630,000	\$	1,609,690
SOCIAL SECURITY	\$	79,525	\$	74,575	\$	67,485
RETIREMENT	\$	353,000	\$	330,425	\$	274,888
INTEREST	\$	70,000	\$	70,000	\$	72,296
TOTAL INCOME	\$	5,762,925	\$	5,625,720	\$	5,339,001
PAYROLL	\$	2,075,900	\$	1,949,100	\$	1,831,083
		% SALES		% SALES		% SALES
		36.0%		34.6%		34.3%
MEDICAL INSURANCE	\$	447,550		406,000	\$	457,488
		7.8%		7.2%		8.6%
SOCIAL SECURITY	\$	159,050		149,150	\$	134,968
		2.8%		2.7%		2.5%
RETIREMENT	\$	706,000		660,850	\$	419,536
		12.3%		11.7%		7.9%
OTHER BENEFITS	\$	52,620	\$	50,570	\$	54,153
		0.9%		0.9%		1.0%
TOTAL COST OF LABOR	\$	3,441,120	\$	3,215,670	\$	2,897,228
		59.7%		57.2%		54.3%
FOOD	\$	1,649,100	\$	1,585,625	\$	1,541,929
		28.6%		28.2%		28.9%
MILK	\$	254,850	\$	245,300	\$	218,667
		4.4%		4.4%		4.1%
OTHER EXPENSES	\$	334,850	\$	289,900	\$	293,335
		5.8%		5.2%		5.5%
TOTAL EXPENSE	\$	5,679,920	\$	5,336,495	\$	4,951,159
		98.6%		94.9%		92.7%
OPERATING P/L	\$	83,005	\$	289,225	\$	387,842
		1.4%		5.1%		7.3%
DEPRECIATION	\$	52,800	\$	52,800	\$	59,427
PROFIT/LOSS	\$	30,205	\$	236,425	\$	328,415



National School Lunch Week Celebration - Find Your Treasure!

2026 Budget

Assumptions that were used to develop the 2026 budget are listed below.

We will operate a rural Summer Food Service site as we did last summer. We have confirmed with the Pennsylvania Department of Education that we can participate in this program again this summer, but this is a program that could be targeted for funding cuts by Washington. Should circumstances change, I have an alternate budget ready that excludes the summer program and results in an annual fiscal loss of \$36,000. We have a sufficient fund balance to cover a loss.

State-funded free breakfast for all students will continue. The Pennsylvania School Code now codifies free breakfast for students “so long as funds are available.” Governor Shapiro has included free breakfast for all students in the State’s budget, so it seems certain that this program will continue next year.

Small lunch price increases are planned to help offset rising costs. Lunch price increases of \$.05 at the elementary schools and \$.10 at the secondary schools (Elementary Schools - \$2.90; Middle Schools - \$3.10; High School - \$3.75) are projected. A memo requesting Board approval of these prices is included at the end of this report. Despite the price increases, we expect **similar participation levels for both breakfast and lunch.**

Very conservative increases were used to calculate reimbursements that we will receive for meals served. Listed below are the current reimbursement rates and the rates used for the budget development. There is no difference between paid and free students for breakfast as Pennsylvania provides funds so that full reimbursement is received for all students.

	Breakfast		Lunch	
	2025	2026	2025	2026
Paid Student	\$2.47	\$2.50	\$.65	\$.65
Free/Reduced Eligible Student	\$2.47	\$2.50	\$4.66	\$4.69

Labor and associated benefits were based on the current staffing schedule and contractually agreed upon rate increases for all but one employee. The proposed budget includes funding to move one supervisor to a salaried, 260-day contract. This will provide additional support for school gardens, staff training, and summer programs.

Food costs were increased by 4%; supply costs increased by 6% which are slightly higher than the Consumer Price Index projections.

Given these assumptions, the Food Service Department budget for 2026 results in a modest surplus.



Other Program Updates

The focus of this report, thus far, has been the Department's budget. But, I would like to share some additional information to provide a fuller picture of our operations.

The Mt Nittany Middle School cafeteria received a facelift over the summer. Pieces of the serving line, original to the building and beginning to fail, were replaced. While we maintained the traditional, straight serving line structure, we are able to add service equipment that better supports the menus that we are serving today. For instance, a hot sandwich slide replaced hot wells, making the sandwich station more efficient and visually appealing. Cold wells were added allowing students to self-select the kinds and amounts of fresh vegetables that they want with their meal. The seating area was updated with new lighting, tables and chairs, flooring, and electronic menu boards. The overall effect is a more modern and appealing space.

This program had a robust Farm to School program in the past. We needed to scale back to focus on building construction, and then the pandemic came along. We had been slowly reviving farm to school efforts to help connect students with how food is grown and produced. Travis Folmar, our supervisor for the elementary schools, has taken the lead to do even more. Some of the specific projects that we have undertaken this year include-

- Harvest of the Month Calendar produced with student artwork
- Harvest of the Month food features on the menus
- Local purchases from Juniata Produce Auction, Way Fruit Farm, Harner Farm, and Happy Valley Meat Company
- Traveling, hydroponics gardens with harvest samples for students
- Park Forest Elementary School garden refurbished
- Collaboration with the Penn State Student Farm Club to create the Park Forest Elementary School Garden Club
- Meeting with Delta Program stakeholders to reopen and use the greenhouse located behind the North Building.

Travis has been passionate about these projects and has sought out multiple grants to support the work.





The primary goal of the Food Service Department is ensuring that all students have food and nutrition to support their success in the classroom. Currently, 20% of our students are approved to receive school meals free of charge. We know that there are families who do not meet the eligibility guidelines for free meals but who, nonetheless, struggle financially. A family of four earning \$58,000 is not eligible for any help.

Our program's current account IOUs are \$9,516. I am aware of campaigns to raise funds to pay off all student IOUs, but I do not encourage or support this. Our experience has been that this undermines the motivation to apply for free school meals and encourages some to simply not pay what they can. It exacerbates the problem of unpaid meal debt. We email IOU notices to parents weekly and call those with larger balances. Our [account management procedures](#) can be viewed on our webpage.

While I do not support a blanket repayment of all lunch debt, we actively work with families to support them when a need is brought to our attention. Using Giant Company and community donated funds, we have been able to transfer \$13,000 to student accounts so far this year to repay IOUs and to provide funds for meal purchases.

The cafeteria menus, more than anything else, define this program for students and their families. Menus are sent to families each month via ParentSquare and are [posted on our webpage](#). Variables that are considered when planning menus include:

- Student preferences – We try to menu food items that will entice the most students to choose the school cafeteria for their meals. We meet with students and have shared electronic surveys to help gauge student desires. Ultimately, menu items that result in high student participation are featured more often.
- Food cost – With about \$1.50 to spend per meal, we rely heavily on the free USDA commodity foods that are available. Student preferences have to be balanced with costs. There are high participation items that we cannot afford to serve too frequently. And, there are food items that are not as popular that we continue to offer as a choice because the food cost is marginal.
- Operational limitations – These include the equipment available, food safety considerations, and staff time and skill.
- USDA regulations – School meals must meet stringent nutrient and food-based guidelines. In addition to offering specific food items including meats, grains, fruits, vegetables, and milk, meals must provide age-appropriate calories and limit saturated fat and sodium.

Beginning in the 2026-27 school year, added sugar will also be tracked and limited to no more than 10% of calories. We have started to input this data into our nutrient software and have no concerns about meeting the regulation for the lunch menus. Breakfast will be a little more challenging, but we are already sampling new entrees with students. It will be trickier to balance student preferences, food cost, staff time, and simultaneously meet both the added sugar and calorie rules. But, we know that this is best for kids and are working to make the needed adjustments.

USDA and federal regulations certainly shape the operations of this Department. Given the change in administration, we can expect that there will be new priorities and new directives in the coming months. A recent House Ways and Means Reconciliation Bill proposal included \$12 billion cut from school meal funding over the next 10 years. It also included specific plans to make it harder for us to provide meals to the children who most rely on them. I will try to share specific proposals with the Board as they move forward in the legislative process.

I appreciate this opportunity to provide an overview of the Food Service Department. I will be happy to answer any questions that you may have at the March 3 board meeting. And, I invite you to visit any of our school cafeterias, enjoy a tasty meal, and meet the amazing food service staff who make it all possible.





State College Area School District

Megan Schaper
Director of Food Services

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TO: Board of School Directors
Curtis Johnson

FROM: Megan Schaper

RE: Meal Price Proposal for 2025-26

DATE: February 20, 2025

The administration requests approval of the school meal price structure as listed below for the 2025-26 school year. These prices were used in the development of the Food Service Department budget.

	2025 Bald Eagle	2025 Penns Valley	2025 Bellefonte	2025 SCASD	2026 SCASD Proposed
% Fr/Red	42%	38%	29%	20%	
Elementary Lunch	\$2.50	\$2.50	\$2.60	\$2.85	\$2.90
MS Lunch	\$2.80	\$2.80	\$2.90	\$3.00	\$3.10
HS Lunch	\$2.80	\$2.80	\$2.90	\$3.65	\$3.75
Adult Lunch	\$3.75	\$4.00	\$4.05	Elem \$3.95 MS \$4.25 HS \$4.75	Elem \$3.95 MS \$4.25 HS \$4.75
Breakfast – All Grades	Free	Free	Free	Free	Free
Adult Breakfast	\$1.95	\$2.85	\$1.65	Elem \$3.00 MS \$3.00 HS \$3.25	Elem \$3.00 MS \$3.00 HS \$3.25
Milk	\$.50	\$.50	\$.60	\$.70	\$.70



- **4,100 lunches per day – 64% participation**
 - 1/3 students' caloric needs; limited sodium and fat; 5 food components; 5 vegetable sub-groups; 80% whole grains
- **2,200 breakfasts per day – 35% participation**
 - 1/4 students' caloric needs; limited sodium and fat; 3 food components; 80% whole grains; added sugar limits phased in over next 2 school years





More than just school meals!

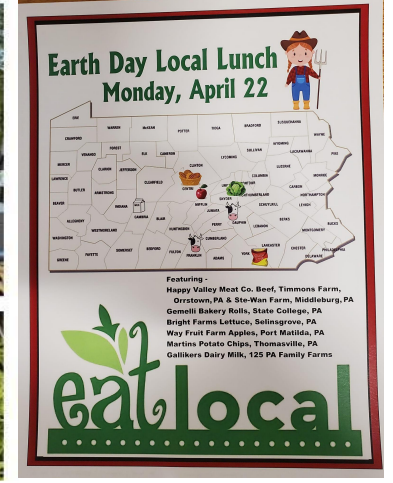


Congratulations ★ Silverware Savers!

Everyone saved enough silverware to win sweet treats!

FINAL	Start	Added	22-May	Loss	Loss Per Student
Corl St.	348		295	53	0.23
Easterly	346		317	29	0.1
Ferguson	382		325	57	0.19
Grays Woods	286	96	280	102	0.28
Mount Nittany	624	36	548	112	0.27
Park Forest	414	192	485	121	0.29
Radio Park	661	72	653	80	0.18
Spring Creek	419	72	389	102	0.27





Farm to School Initiatives

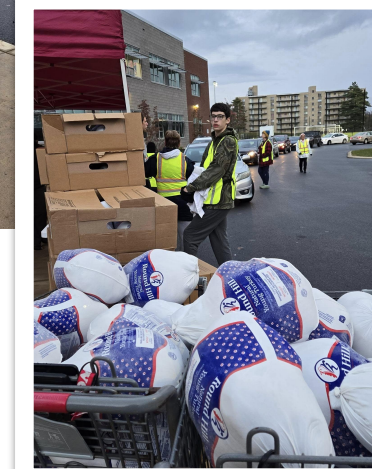




Meals Through Ramadan

Place an order to pick up cafeteria meals to take home with you. This service is available from February 28 - March 28.

* Indicates required question



Supporting Families





Thanks to the 90 food services team members who make it all possible!

