



State College Area School District

Megan Schaper

Director of Food Services

653 WESTERLY PARKWAY • STATE COLLEGE, PENNSYLVANIA • 16801
TELEPHONE: 814-231-5093

To: Board of School Directors, Mr. Curtis Johnston
From: Megan Schaper
RE: Report on Food Service Operations
Date: March 23, 2026

I am pleased to provide this annual report of the Food Service Department's operations.

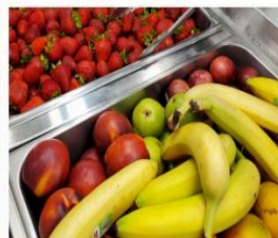
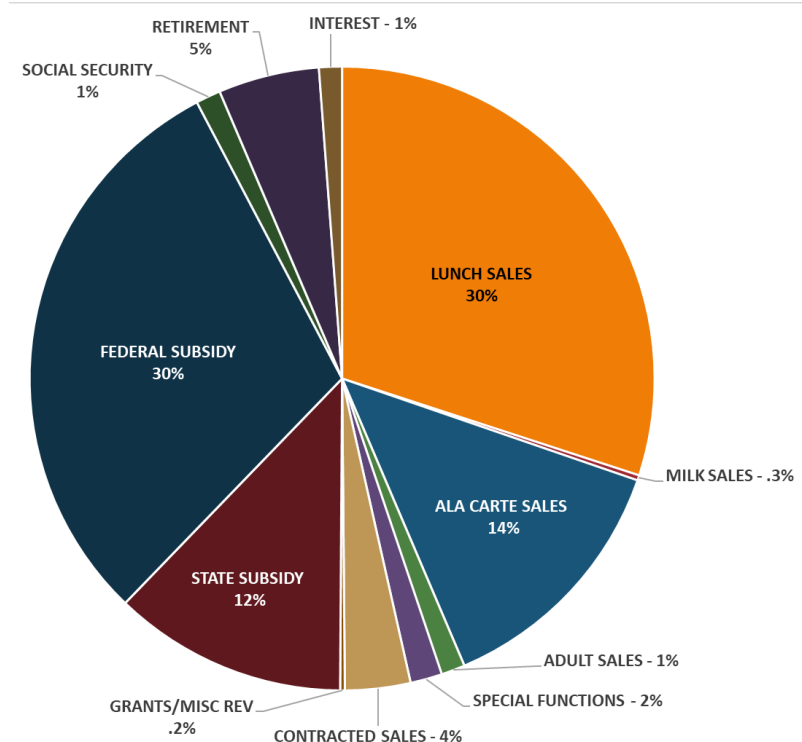
2025 Fiscal Recap

An overview of the 2025 financial results, with past years for comparison, is included on the following page. The food service program ended the past school year with a surplus of \$135,844 prior to GASB/OPEB adjustments. Once those adjustments were included, the resulting program profit was \$187,774.

As illustrated here, 45% of program revenue came from the sale of meals and a la carte food items to students and staff.

State and federal subsidies are critical to our operations and accounted for 42% of program revenues in 2025.

The exact composition of subsidies shifts and changes a bit from year to year, depending on government priorities and our own operations. We received both state and federal reimbursements to support breakfast and lunch for students. The State provided additional funds to support free breakfast for all. And, federal funds paid for meals distributed through the Summer Food Service Program. Federal Supply Chain Funds that had been provided for the past 3 years were not available in 2025.



	2024-25 ACTUAL		2023-24 ACTUAL		2022-23 ACTUAL				
Lunch Price	\$2.85 - \$3.00 - \$3.65		\$2.75 - \$3.00 - \$3.55		\$2.70 - \$2.95 - \$3.50				
Lunches Served	707,089		709,887		703,429				
Brkfst Price	Free		Free		Free as of Oct				
Brkfst Served	360,937		368,182		325,147				
LUNCH SALES	\$	1,680,124	\$	1,628,769	\$	1,640,872			
MILK SALES	\$	14,898	\$	13,110	\$	17,577			
BREAKFAST SALES	\$	-	\$	-	\$	25,712			
ALA CARTE SALES	\$	744,906	\$	652,706	\$	582,995			
ADULT SALES	\$	68,976	\$	69,450	\$	67,190			
SPECIAL FUNCTIONS	\$	91,951	\$	91,312	\$	95,302			
CONTRACTED SALES	\$	189,170	\$	173,001	\$	171,143			
GRANTS/MISC REV	\$	13,575	\$	16,992	\$	4,921			
STATE SUBSIDY	\$	677,837	\$	669,302	\$	538,258			
FEDERAL SUBSIDY	\$	1,684,066	\$	1,609,690	\$	1,691,656			
SOCIAL SECURITY	\$	71,889	\$	67,485	\$	62,839			
RETIREMENT	\$	292,162	\$	274,888	\$	264,955			
INTEREST	\$	66,475	\$	72,296	\$	40,295			
TOTAL INCOME	\$	5,596,029	\$	5,339,001	\$	5,203,715			
	2024-25 ACTUAL		2023-24 ACTUAL		2022-23 ACTUAL				
PAYROLL	\$	2,005,411	% SALES		\$	1,690,691	% SALES		
MEDICAL INSURANCE	\$	412,671	7.4%	\$	457,488	8.6%	\$	392,811	7.5%
SOCIAL SECURITY	\$	143,779	2.6%	\$	134,968	2.5%	\$	125,677	2.4%
RETIREMENT	\$	582,483	10.4%	\$	419,536	7.9%	\$	529,900	10.2%
OTHER BENEFITS	\$	59,282	1.1%	\$	54,153	1.0%	\$	52,217	1.0%
TOTAL COST OF LABOR	\$	3,203,626	57.2%	\$	2,897,228	54.3%	\$	2,791,296	53.6%
FOOD	\$	1,651,609	29.5%	\$	1,541,929	28.9%	\$	1,452,162	27.9%
MILK	\$	251,388	4.5%	\$	218,667	4.1%	\$	222,074	4.3%
OTHER EXPENSES	\$	291,509	5.2%	\$	293,335	5.5%	\$	274,518	5.3%
TOTAL EXPENSE	\$	5,398,132	96.5%	\$	4,951,159	92.7%	\$	4,740,050	91.1%
OPERATING P/L	\$	197,897	3.5%	\$	387,842	7.3%	\$	463,665	8.9%
DEPRECIATION LOSS ON FIXED ASSETS	\$	62,053		\$	59,427		\$	39,627	
PROFIT/LOSS	\$	135,844		\$	328,415		\$	424,038	

*excludes GASB/OPEB adjustments and transfers from the general fund



The per-meal reimbursement rates for the 2025 school year are recapped here:

	State Funds	Federal Funds	Total
Breakfast Reimbursement Rates	\$.10 - \$2.08	\$.39 - \$2.37	\$2.47 (free for all)
Lunch Reimbursement Rates	\$.14 - \$.40	\$.51 - \$4.52	\$.65 - \$4.66 (paid meal – free meal)
Summer Meals Breakfast Rate		\$3.09	\$3.09 (free for all)
Summer Meals Lunch Rate		\$5.40	\$5.40 (free for all)

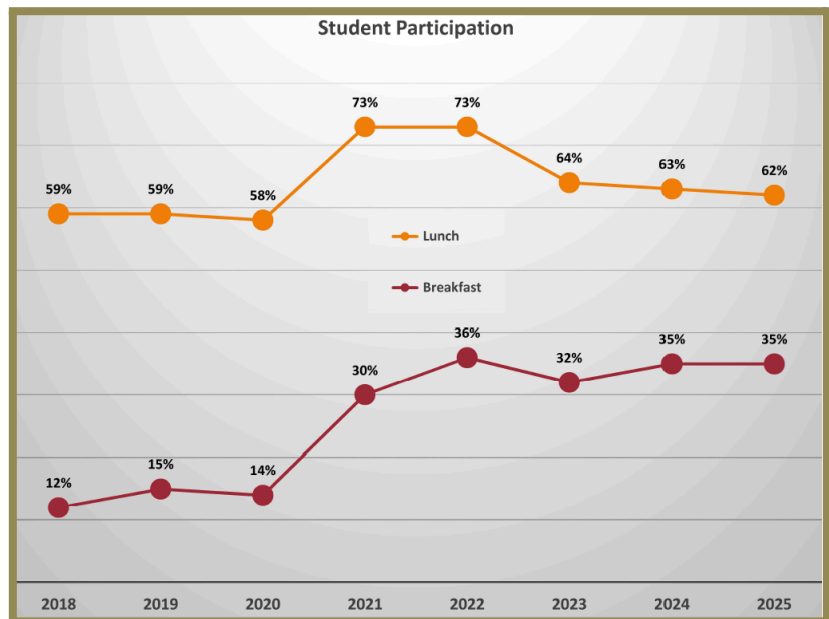
Government subsidies are received for every school meal served, with the largest reimbursements provided for free or reduced-price meals that are served to income-eligible students. Pennsylvania provided additional funds to match the federal free reimbursement rate for breakfast for all students and paid the \$.40 co-pay that reduced-eligible students would otherwise pay for lunch.

In the 2025 school year, 20% of our students were approved for free or reduced-price school meals. A family of 4 with an income of less than \$57,721 was eligible for help.

Keeping school meals affordable for all families is central to our mission. Families who were not eligible for free meals paid \$2.85, \$3.00, or \$3.65 for a meal in our elementary, middle, and high schools respectively.

Meal payments and meal reimbursements are only earned if students opt to get meals from the school cafeteria. Meeting our customers' expectations is critical to our success. Although student participation has decreased from when meals were free for all students through the pandemic, participation levels in the 2025 school year were strong. More than a third of students opted to get breakfast at school and 62% of students chose school lunch each day.

A la carte sales is the next largest revenue category for the food service operations. A la carte encompasses any food item sold that is not a carton of milk or a full meal. It can be an entrée, a piece of fruit, a snack, or a beverage. A la carte sales contributed 14% of department revenues, a slight increase from the previous year. Twenty percent of a la carte revenue is earned in the elementary school cafeterias, 20% from the combined middle schools, and 60% from the high school food court.



A la carte items must meet USDA Smart Snack rules, meaning that they contain less than 200 calories, less than 200 mg sodium, less than 35% calories from fat, less than 10% calories from saturated fat, and are primarily composed of a fruit, vegetable, whole grain, dairy product, or meat. Entrees that are served as part of a school meal are exempted from the rule and can be sold a la carte.

While there was a small increase in milk sales revenues for 2025, this category has been consistently declining over the years. Milk sales twenty years ago, in 2005, were \$32,000. 2025 sales were just under \$15,000.

Special functions income for the 2025 school year, at \$95,951, is comparable with recent years. This category includes Memorial Field concessions sales. A little more than half of this revenue category can be attributed to football concessions. A percentage of concessions revenue is shared with the football booster club who provides volunteer help. Other special functions revenues come from catering services for district related events.

Sales to organizations outside of SCASD are referred to as contracted sales. Specifically, we sell meals and food supplies to CenClear Head Start and to Young Scholars Charter School (YSCP). Lunch sales to YSCP decreased by about 25 meals per day in 2025, from an average of 190 per day to 165 per day. This reduction in lunch sales was offset by the addition of breakfast service that year. The net result was an increase in this revenue category by \$16,000. We charged YSCP \$4.50 per lunch. CenClear Head Start paid \$3.85 for a meal with smaller portion sizes. Selling meals to these other organizations has a positive impact on our program's finances.

Overall, sales revenue in the 2025 school year was as expected, with nearly every revenue category showing modest growth over the previous year.

Program expenses for the 2025 budget year were also, generally, as expected.

Payroll and associated benefits were the Food Service Department's largest expenses at 57% of revenue. Our kitchen staff include 21 full-time and 58 part-time employees. Five supervisors, 2 office staff, and 2 delivery drivers make up the rest of our team. The wage rate for kitchen staff in 2025 was \$18.30 per hour.

We were fully staffed through the past school year and did not encounter significant staffing issues. We also have a really wonderful staff who are committed to taking great care of the students!



Our second largest expense is food. We continued to participate in cooperative purchasing with the Pittsburgh Regional Food Service Directors (PRFSD). By combining the purchasing power of 130+ school districts and private and parochial schools, we get significantly better bid pricing than school districts outside of this group.

We also take full advantage of commodity foods that USDA offers to us. For the 2025 school year, SCASD was allocated \$316,710 by USDA to spend on agricultural commodity foods. These include chicken, beef, turkey, cheese, canned and frozen fruit, frozen vegetables, and fresh produce. By requesting extra funds over the course of the year, as other districts didn't use the commodities available to them or as USDA bonus funds became available, we ultimately received \$499,573 in commodity foods. This included more than \$140,000 that was used to purchase fresh fruits and vegetables.

Food and Labor expenses account for 95% of program expenses. Other expenses include the cost of paper and cleaning supplies, office supplies, small equipment replacement, postage, printing, uniforms, commodity delivery, technical support for our point-of-sale system, equipment and vehicle repair, fuel, and travel. These items are accounted for each with its own account code but have been combined for this report.

Steady revenues and controlled expenses contributed to the Food Service Department ending the 2025 school year with a surplus. These excess funds will ultimately be used to replace equipment, to improve the program, and to support affordable meals for families. These funds also contribute to a fund balance that may be needed in the years ahead should things be a bit more financially challenging.

2026 Update

Financial projections for 2026 and a budget for 2027 are shared on the following page and, in fact, reflect expected program losses that can be absorbed by our current fund balance.

Operations for the current school year are going well, but the bout of bad weather days this year will take a toll financially. The three cancelled school days that will not be made up by students and eight delayed starts to the school day all impact revenues and expenses. Each day not made up equates to a loss of \$35,000 in revenue. Further, we are providing staff with the opportunity to make up the work day even though there are no sales to support that expense. The labor cost is \$10,000 per day. Delayed start days cost the food service program \$2,800 because breakfast is not widely offered in the elementary schools on those days. (Lunch service in the elementary schools begins very shortly after students arrive, so breakfast service is limited.) This all equates to \$127,400 in lost revenues and \$30,000 in unsupported expenses.

You may notice a decrease in the cost of milk purchases projected for this year. To ease into sugar rules that are to be implemented in 2027, we discontinued offering chocolate milk with breakfast in the elementary schools this year. Unfortunately, students are now more likely to decline taking milk with their meal. When chocolate milk was available, 75% of students chose milk with their meal. That has decreased to 47% of students choosing to take milk.

This year marked our second year operating the rural, non-congregate Summer Food Service Program at Oak Hall Park in Boalsburg. This program helps many families stretch their food budgets through the summer when school meals are not available. We served an average of 890 children each week for 8 weeks last summer, providing bulk groceries for 35,600 meals. And, we are approved to continue the program this coming summer. In addition to being a great help to local families, this provides funding that bolsters our program through the school year. These funds are accounted for as federal subsidies in our budget and totaled \$295,000 last summer.

We expect to end this school year with a small loss but, as noted, we do have a fund balance available and will not require support from the general fund.



	2026-27 BUDGET		2025-26 PROJECTED		2024-25 ACTUAL	
Lunch Price	\$2.95 - \$3.15 - \$3.80		\$2.90 - \$3.10 - \$3.75		\$2.85 - \$3.00 - \$3.65	
Lunches Served	702,000		702,000		707,089	
Brkfst Price	Free		Free		Free	
Brkfst Served	375,000		375,000		360,937	
LUNCH SALES	\$	1,743,500	\$	1,687,400	\$	1,680,124
MILK SALES	\$	15,635	\$	14,700	\$	14,898
BREAKFAST SALES	\$	-	\$	-	\$	-
ALA CARTE SALES	\$	764,000	\$	758,600	\$	744,906
ADULT SALES	\$	69,500	\$	68,200	\$	68,976
SPECIAL FUNCTIONS	\$	100,300	\$	102,300	\$	91,951
CONTRACTED SALES	\$	180,000	\$	180,400	\$	189,170
GRANTS/MISC REV	\$	15,000	\$	12,500	\$	13,575
STATE SUBSIDY	\$	731,600	\$	712,300	\$	677,837
FEDERAL SUBSIDY	\$	1,683,500	\$	1,655,600	\$	1,684,066
SOCIAL SECURITY	\$	79,975	\$	75,350	\$	71,889
RETIREMENT	\$	352,400	\$	318,200	\$	292,162
INTEREST	\$	40,000	\$	40,000	\$	66,475
TOTAL INCOME	\$	5,775,410	\$	5,625,550	\$	5,596,029
	2025-26 BUDGET		2024-25 PROJECTED		2024-25 ACTUAL	
		% SALES		% SALES		% SALES
PAYROLL	\$	2,099,095 36.3%	\$	2,012,420 35.8%	\$	2,005,411 35.8%
MEDICAL INSURANCE	\$	523,750 9.1%	\$	505,300 9.0%	\$	412,671 7.4%
SOCIAL SECURITY	\$	159,950 2.8%	\$	153,800 2.7%	\$	143,779 2.6%
RETIREMENT	\$	704,800 12.2%	\$	675,500 12.0%	\$	582,483 10.4%
OTHER BENEFITS	\$	61,950 1.1%	\$	59,825 1.1%	\$	59,282 1.1%
TOTAL COST OF LABOR	\$	3,549,545 61.5%	\$	3,406,645 60.6%	\$	3,203,626 57.2%
FOOD	\$	1,769,300 30.6%	\$	1,700,800 30.2%	\$	1,651,609 29.5%
MILK	\$	239,600 4.1%	\$	230,500 4.1%	\$	251,388 4.5%
OTHER EXPENSES	\$	315,850 5.5%	\$	303,750 5.4%	\$	291,509 5.2%
TOTAL EXPENSE	\$	5,874,295 101.7%	\$	5,641,695 100.3%	\$	5,398,132 96.5%
OPERATING P/L	\$	(98,885) -1.7%	\$	(16,145) -0.3%	\$	197,897 3.5%
DEPRECIATION LOSS ON FIXED ASSETS	\$	54,600	\$	54,600	\$	62,053
PROFIT/LOSS	\$	(153,485)	\$	(70,745)	\$	135,844

*excludes GASB/OPEB adjustments and transfers from the general fund

2027 Budget

Assumptions that were used to develop the 2027 budget are shared below.

- We will operate a rural Summer Food Service site at Oak Hall Park for 9 weeks
- Pennsylvania will continue to fund free breakfast for all students.
- Lunch price increases of \$.05 were included at all grade levels. – Elementary Schools - \$2.95; Middle Schools - \$3.15; High School - \$3.80. Despite the price increases, we expect similar participation levels for both breakfast and lunch.
- The price of milk was increased by \$.05 to \$.75.
- 172 days of lunch service (no lunch last day; 3 snow days); 168 days of breakfast service in elementary schools.
- Labor and associated benefits were based on the current staffing schedule and contractually agreed upon rate increases. There will be a new program director and a lower starting salary was assumed.
- Food and supply costs were increased by 4%
- There are no large pieces of food service equipment that are expected to be replaced next year.

Given these assumptions, the Food Service Department budget for 2027 results in a loss of \$153,485 which can be covered by the program's fund balance.

Other Program Updates

I'd like to share some additional information to give a fuller view of this program's operations.

Federal regulations play a very large role in Food Service Department operations. Congress recently passed a law to allow whole milk to be served with school lunches and exempts the fat content of the milk from the nutritional analysis of the meal. We have not yet moved to make whole milk available in our schools. The law only addressed milk served with lunch, so whole milk cannot currently be served with school breakfast. Hollidaysburg Area School District added whole milk to their lunch offerings and did not see an increase in milk acceptance – at least not after students realized that the red milk carton did not contain cherry flavored milk.

This law also allows schools to offer nutritionally equivalent soy milk in place of cow's milk without requiring caregivers to specifically request that substitution. Given the extra expense of soy milk (\$.90 for soy milk and \$.32 for cow's milk), we have opted to not implement this change. Families are able to submit a simple form, and cashiers then offer soy milk to students whose lunch accounts are marked accordingly.

New Dietary Guidelines for Americans (DGAs) were released earlier this year. Federal regulations require that school nutrition standards reflect these guidelines. It usually takes several years for USDA to finalize new rules following an update to the DGAs, but this administration is moving forward much more quickly than is usual. A presentation shared with the School Nutrition Association at this year's Legislative Action Conference identified potential changes to lunch standards such as:

- Full fat dairy allowed in all meal programs and removing the saturated fat limits (or exempting fat from specific dairy items)
- No added sugar in foods served to children in elementary schools (no flavored milk, sweetened yogurt, sweetened cereal, etc.)
- Updated Smart Snack rules to apply FDA "Healthy" limits for added sugar
- Increased protein or reclassification of how protein is counted
- New limits on processed foods

USDA has shared guidance with schools that while these changes are not yet reflected in regulations, school nutrition programs should begin preparing.

SCASD Food Services is well positioned to institute these new rules if they are adopted. In many ways, we are not far off the mark. Who can argue that more freshly prepared food items and less processed food is a bad thing? But, school nutrition programs are funded based on student participation. We serve chicken nuggets more often than freshly baked chicken because meal counts are high on chicken nugget day and low on baked chicken day. We have not heard that USDA is considering additional funding to help support these changes.

The cafeteria menus are planned to meet the USDA standards, to drive participation, and to control costs. Menus are sent to families each month via ParentSquare and are [posted on our webpage](#).

School nutrition programs are audited every five years to ensure compliance with program rules. In Pennsylvania, the PA Department of Education (PDE) completes these audits, also referred to as an Administrative Review. SCASD is scheduled for a review next school year. PDE will reach out to the food service office three months prior to the on-site portion of the review and will open an online portal for documents to be submitted for the off-site portion. All aspects of the program, including certification and issuance of free meal benefits, counting and claiming meals for reimbursement, resource management, civil rights compliance, wellness policies, Smart Snacks, menu compliance, and professional standards, will be checked. I plan to work closely with the new director to help them prepare for this process.

All schools participating in the National School Lunch Program are required to have a wellness policy and a wellness committee, and this will be looked at as part of the Administrative Review. Our policy, Policy 141, Coordinated Health and Wellness Policy, is well established and meets this requirement. The District's School Health & Safety CAC fulfills the role of our wellness policy committee. Building principals are asked to rate their building's compliance with the policy as part of a required triennial assessment. Information about the District's wellness policy is [maintained on our webpage](#).

Professional standards for Food Service Department staff will also be evaluated during the review. USDA requires specified hours of training for kitchen staff, managers, and directors. We plan professional development for our employees to help the department operate smoothly and to meet this requirement. Training days and staff meetings for all employees are scheduled before the start of each school year. New employees receive specific food safety training. All kitchen leaders are ServSafe certified. And, managers and supervisors are provided with opportunities to attend conferences and meetings for additional training. For instance, our supervisors will attend a Pennsylvania School Breakfast Summit later this month to learn strategies to provide meals with less added sugar.

Finally, I'd like to note a few program initiatives that we have been engaged in over the past year that help to make this program special:

- We continue to support Farm to School by purchasing high quality food from local vendors and by teaching students about the food they eat. Travis Folmar, supervisor for the elementary cafeterias, has rehabilitated school gardens, installed tower gardens, hosted garden clubs, and coordinated a Harvest of the Month calendar. We purchase local beef through Happy Valley Meats and local produce from the Juniata Produce Auction, Harner Farm, and Way Fruit Farm.
- We continuously work to reduce our use of disposable service products as much as possible. A big hurdle is that service ware is often accidentally thrown into the garbage can. Elementary school students compete for treats when their cafeteria is able to Save the Silverware! Schools have instituted creative solutions to the problem, and we have seen a great improvement.



- SCASD Food Services partners with the State College Food Bank each year to distribute turkeys and groceries at Thanksgiving time. The Thanksgiving distribution was not able to happen this year due to state and federal budget impasses. When government funding to the food bank was restored, we quickly organized a distribution in mid-December to help families.
- We received \$17,314 from Giant Food Stores in 2025 to help end hunger. These funds were used to provide breakfast for students attending Champs Camp, to rent a refrigerated cooler for the summer food service program, and to help families who are not eligible for free school meals but are struggling. We've transferred more than \$12,000 to student accounts this year.

As I have referenced a few times through this report, I will be retiring as of June 30 this year. I do plan to work until the end of June to help get the Summer Food Service Program launched and to, hopefully, help the newly appointed director get acclimated. I am so grateful to SCASD for the opportunities provided to me over the past 33 years. I have been able to do work that I love and work with some of the very best people I know. It has often been challenging but also very rewarding. I am ready for new challenges, but I will always be thankful for my time here.

I appreciate this opportunity to provide an overview of the food service program. I am proud of SCASD Food Services and appreciate all of the people who have worked with me to build a solid program. I appreciate your support. And, I invite you to have lunch in any of our school cafeterias, visit with the food service staff, and feel free to call on me with any questions you may have.



State College Area School District

Megan Schaper

Director of Food Services

653 WESTERLY PARKWAY • STATE COLLEGE, PENNSYLVANIA • 16801

TELEPHONE: 814-231-5093

TO: Board of School Directors
Curtis Johnson

FROM: Megan Schaper

RE: Meal Price Proposal for 2026-27

DATE: April 20, 2026

The administration requests approval of the school meal price structure as listed below for the 2026-27 school year. These prices were used in the development of the Food Service Department budget.

	2026 Bald Eagle	2026 Penns Valley	2026 Bellefonte	2026 SCASD	2027 SCASD Proposed
% Fr/Red	42%	38%	29%	20%	
Elementary Lunch	\$2.55	\$2.55	\$2.70	\$2.90	\$2.95
MS Lunch	\$2.85	\$2.85	\$3.00	\$3.10	\$3.15
HS Lunch	\$2.85	\$2.85	\$3.00	\$3.75	\$3.80
Adult Lunch	\$3.80	\$4.20	\$4.20	Elem \$3.95 MS \$4.25 HS \$4.75	Elem \$4.00 MS \$4.50 HS \$5.00
Breakfast – All Grades	Free	Free	Free	Free	Free
Adult Breakfast	\$1.95	\$2.85	\$2.85	Elem \$3.00 MS \$3.00 HS \$3.25	Elem \$3.00 MS \$3.00 HS \$3.25
Milk	\$.50	\$.50	\$.60	\$.70	\$.75