*Date:* May 26, 2015

*To:* Authorized Representatives of School Food Authorities (SFAs) Participating Only in the U.S. Department of Agriculture (USDA) Special Milk Program

*From:* Jessica Sharkus, RDN, CD

 Director-School Nutrition Team

*Subject:* Annual Special Milk Program Online Contract Renewal - **Action Required by**

**June 26, 2015**

Thank you for your continued participation in the Special Milk Program. Each year you are required to fill out and submit an online contract for participation in the federal Special Milk Program (SMP). The contract can be accessed on our website at <http://fns.dpi.wi.gov/fns_online>. To enter a contract, under the “Online Services Log-in”, click on “Contracts and Claims”. Instructions for completing the online contract are available on our website at <http://fns.dpi.wi.gov/fns_specmlk1>. Please complete the contract and submit it by **June 26, 2015**.

Prior to completing your online contract, we strongly encourage you to read through the Permanent Agreement/Policy Statement for the Special Milk Program-School Agencies which can be found at <http://fns.dpi.wi.gov/files/fns/doc/smp_ag_15.doc>. Under the section titled “The School Food Authority Agrees to”, it is important to note number 14, which states that each school needs to “Establish a local school wellness policy.” If you don’t already have a wellness policy, please refer to our website at <http://fns.dpi.wi.gov/fns_wellnessplcy> for more information. Number 15 under the same section refers to FNS Instruction 113-1 *Civil Rights Compliance and Enforcement-Nutrition Programs and Activities,* whichrequires annual civil rights trainings.

Our SMP webpage (<http://fns.dpi.wi.gov/fns_specmlk1>) also has important information regarding the administration of the SMP:

* The **three pricing options** for the SMP are briefly summarized below and further described in the SMP contract manual. The three pricing options include:

Nonpricing: Milk is not sold to children, but milk is provided without charge or included in tuition or boarding fees or paid by private donation or endowment.

Pricing plan with no free milk option: Milk will not be provided free to children eligible for free milk, all children will be charged the same price and in accordance with the appropriate Policy Statement.

Pricing plan with free milk option: Milk will be provided free to children eligible for free milk in accordance with the appropriate Policy Statement, and children not eligible for free milk will pay the established price. Please note: There is no federal requirement that free milk is provided. SFAs opting to use the Pricing Plan with free milk option will find the following resources:

* Application for Free Milk Option: If the SFA chooses to offer the free milk option they must make the *Application for Free Milk* available to all households and provide milk free to children whose families meet the household size income criteria for free milk.
* Income Eligibility Guidelines: for approving free milk applications
* Public Release: SFA must notify the community annually that they offer the free milk option.
* Reimbursement Rates: Milk served to children eligible for free milk under the free milk option is reimbursed at the average net dairy cost. The reimbursement rate for free milk and milk served under all other pricing options may be downloaded from the DPI website at <http://fns.dpi.wi.gov/fns_specmlk1> when it becomes available from the USDA (after July 1, 2015). Please note: the federal reimbursement must be used to reduce, whenever possible, the charge to the paying students. All funds received under the SMP must remain in the SMP with excess fund balances utilized toward the intent of low cost milk for children.
* Online Contract Renewal Memo

In addition, we have resources to assist you with the administration of your program:

* Special Milk Program Internet Claim Manual
* Special Milk Program Participation Record Prototype Form: The SMP requires an accurate daily count of milk served at the point of service with milk **only being counted at the time the student receives it.**
* Prototype Temperature and Cleaning Log for Milk Coolers
* Log for Informal Procurement Procedures-Special Milk Programs

The instructions for completing the SMP annual online contract are available on our website to assist you with reviewing these very important regulatory areas. The Rehabilitation Act of 1973, the Americans with Disabilities Act and the USDAs nondiscrimination regulations (7 CFR part 15b) apply to all Child Nutrition Programs, including the SMP.

The USDA regulations require substitutions or modifications in the SMP for children who have a documented disability under 7 CFR part 15b and whose disability restricts their diets. A child with a disability must be provided substitutions as prescribed when that need is supported by a statement signed by a licensed physician. Schools will receive reimbursement for beverages listed on the physician’s statement as appropriate substitutions for milk. A prototype physician form for documenting disabilities is available on the DPI website at <http://fns.dpi.wi.gov/files/fns/doc/spec_diet_eng.doc>. For children who do not have a disability, but whose family requests a substitution based on a milk intolerance or milk allergy, schools may, but are not required, to provide a nutritionally equivalent milk substitute. More information on accommodating children with special dietary needs is available on the DPI website at <http://fns.dpi.wi.gov/fns_market1>.

If you have questions concerning the SMP contract or regulations, please contact either of the Nutrition Program Consultants listed below. Thank you for your continued interest in supporting Wisconsin’s students.

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