

## THE LAKE AND PENINSULA SCHOOL DISTRICT

101 Jensen Drive  
P O Box 498  
King Salmon, Alaska 99613  
(907) 313-3841

1617 S. Industrial Way #1  
Palmer, AK 99645  
(907) 745-7090



### MEMORANDUM

DATE: May 9, 2025

TO: Kasie Luke, Superintendent

FROM: Laura Hylton, Director of Finance

SUBJECT: Special Milk Program

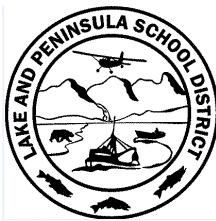
A handwritten signature in cursive script, appearing to read "Laura Hylton".

In response to public comment at the May 8, 2025 LPSD board meeting facts related to the Special Milk and standalone breakfast program are as follows.

Mr. Gavin Northey, Child Nutrition Program Manager provided clarifying information related to both programs. The Community Eligibility Provision which provides free meals to all kids is not an option for FY26, schools choosing to participate in the USDA program may still qualify for CEP on a site by site basis.

#### Special Milk Program

- Only available if the entity does not operate School Breakfast Program (SBP) or National School Lunch Program
- SMP reimburses \$0.27 per ½ pint (8 oz. serving)
- Requires family applications to be collected for students who are not categorically eligible
- Two options:
  1. **Paid Milk** – charge all students for the actual cost of the milk (also have the option not to charge). If you don't charge students the District picks up the difference between the federal reimbursement rate of \$0.27 per ½ pint and the average cost per ½ pint.
  2. **Paid & Free Milk – PAID** - Paid students pay the average cost of milk. District receives a federal reimbursement rate for Paid students. District has the option not to charge Paid students. **FREE** – the district receives the average cost per ½ pint for all Free student (determined via application and direct certification) and what are the reimbursement rates? Federal Reimbursement Rate for 2024-2025 is \$0.27 per ½ pint (8 oz. serving). We don't have the 2025-2026 reimbursement rates yet but SMP rates don't typically change much from year to year.



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- **Milk Costs as of 5/9/2025:**

Excess Cost over \$0.27 to parents or communities.

**COSTCO:**

low-fat milk 8 oz 18 pack - 21.99 = 1.22 per milk

reduce fat chocolate milk - 24 count (8.25oz, no 8 oz) - 21.99 = .92 per milk

powder milk - 8lbs makes 10 gallons (1280 ounces total, 160 8 oz servings) - 39.99 =  
.25 per 8 ounces

Powdered milk cost:

$\$0.25 + \$0.45 = \$0.70$  Less  $\$0.27 = \$0.43$  excess cost North,

$\$0.25 + \$1.25 = \$1.50$  Less  $\$0.27 = \$1.23$  excess cost South

**AMAZON FREE SHIPPING:**

Sugar free chocolate syrup - 1 pound on Amazon - 19.31

low fat milk 8 oz 18 pack - 21.71 = 1.21

low fat chocolate milk - 8 oz 18 pack = 21.77 = 1.21

powder milk - 1lb 19 cups (8 oz per cup) = 11.89 = .63 per 8 ounces

Freight to the south:

2.50 per pound

Freight to the north:

.90 per pound

### **School Breakfast Program**

- Operating SBP independent of NSLP School does not qualify for USDA commodities and the Severe Need Breakfast (SNB) reimbursement rates. Current year SBP rate is \$3.80, the SNB is \$4.56, and without NSLP the SNB higher reimbursement rate will not apply, max of 1 year at the higher reimbursement rate.
- On July 1, 2025 new sugar requirements take effect which may disqualify the Nutrigrain bars, cereal options and milk estimates would replace the Nutrigrain bars and require milk prep.
- Cost estimates below.

**AMAZON FREE SHIPPING:**

.62 per nutri grain bar - have to have another grain to meet requirements

1.19 per teddy graham package - to meet grain requirement

.61 per multigrain cheerios single serve - have to have another grain to meet requirements

1.11 per honey nut cereal 2oz grain - no other grain needed

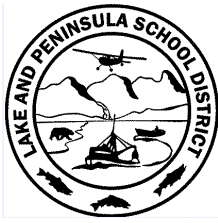
.90 rice chex single serve - have to have another grain to meet requirements

.52 cheerios cereal single serve - have to have another grain to meet requirements

.56 per 4 oz fruit cup - mandarin oranges - would have to OFFER 2 of them for the 1 cup,

OR PUT OUT FRESH FRUIT AS WELL

*Chignik Bay • Chignik Lagoon • Chignik Lake • Egegik • Igiugig • Ivanof Bay • Kokhanok • Levelock  
Newhalen • Nondalton • Pedro Bay • Perryville • Pilot Point • Port Alsworth • Port Heiden*



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.67 per 4 oz no sugar added variety fruit cups - would have to offer 2 of them for the 1 cup, OR PUT OUT FRESH FRUIT AS WELL

.43/1.23 per 8 oz milk serving, freight included north/south

Meal north options:

Nutri grain:  $.62 + 1.19 + .43 + .67 = \$3.58$

Cereal:  $1.11 + .67 + .67 + .43 = \$2.88$

Meal south options:

Nutri grain:  $.62 + 1.19 + 1.23 + .67 = \$4.38$

Cereal:  $1.11 + 1.23 + .67 + .67 = \$3.68$

### Conclusions

A school would need to choose to participate in the School Breakfast Program or Special Milk Program.

SMP will have added cost to parents as illustrated above. Breakfast in the south would exceed the \$3.80 School Breakfast Program reimbursement for one option.

No overhead for ordering or reporting is included in these estimates. Point of Sale software would have to be renewed to facilitate the parent billing and meal counts for sites who choose to participate or bill. FY26 renewal rates are not yet available.

### Timing

Applications to DEED to operate programs were due August 30, 2024, I anticipate a due date of August 29, 2025 this year.