
April 21, 2026 | By Zoë Neuberger, Luis Nuñez, and Linnea Sallack¹

How State and Local WIC Agencies Use Nutrition Services and Administration Funding

The Special Supplemental Nutrition Program for Women, Infants, and Children, popularly known as WIC, serves more than 6 million low-income pregnant, postpartum, and breastfeeding individuals; infants; and children under age 5 at nutritional risk. A robust body of research shows that WIC improves the diets, health, and development of participants.²

WIC is federally funded through the annual appropriations process, which means adequate funding is not guaranteed. But since 1997, Congress – on a bipartisan basis – has provided sufficient funding each year for WIC to serve all eligible applicants. Federal WIC funds are spent primarily on providing science-based food benefits to participants. In addition, WIC offers an array of services, which contribute to the program’s effectiveness. The balance of federal funding is spent on these services, which include counseling on healthy eating, breastfeeding support, and referrals to health care and social services.³ (See Figure 1.)

The U.S. Department of Agriculture (USDA) administers WIC and uses the federal funding provided through appropriations legislation to provide annual grants to 88 state, tribal, and U.S. Territory governments to operate the program, all of which are considered state agencies under WIC’s rules.⁴ These state WIC agencies provide services to their residents either directly or, more commonly, by funding local government agencies (like county health departments), community health centers, or community-based organizations.

This paper focuses on the federal funding provided to state agencies to cover all costs associated with delivering services and managing the program, referred to as the Nutrition Services and Administration (NSA) grant. It explains:

- how funds flow from the USDA to state WIC agencies;
- how state agencies divide NSA funding between state costs and local costs and allocate NSA funding among local WIC agencies; and
- the activities to which NSA funds are devoted.

How Funds Flow From USDA to State WIC Agencies

As explained above, WIC is funded through the annual appropriations process. States are not required to contribute funds. Federal funds generally remain available for two years and are reallocated across states throughout the year as needed. To illustrate how funds flow and are used, this piece focuses on fiscal year 2023, which is the most recent year for which detailed information on NSA spending is available.

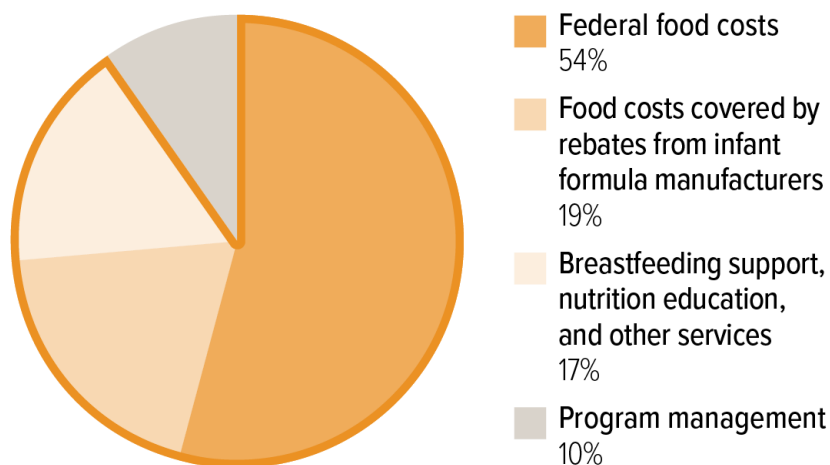
Federal costs are substantially reduced by WIC's competitive bidding process for providing infant formula, through which manufacturers offer discounts, in the form of rebates, to state WIC programs in order to be selected as the sole formula provider to WIC participants in the state.⁵ This process saved the federal government nearly \$1.6 billion in fiscal year 2023, which is typical.

As a result of these savings, WIC's cost to the government for food benefits is much lower than the full retail value of WIC benefits for program participants. In fiscal year 2023, WIC provided \$6.0 billion in food benefits through a combination of federal funds and rebates, and spent \$2.1 billion in federal NSA funds, of which \$1.36 billion was devoted to providing services to participants and \$0.78 billion were devoted to program management. Program management costs, which are sometimes referred to as the administrative cost component of NSA spending, represented 10 percent of total program costs in fiscal year 2023, consistent with their share in recent decades. (See Figure 1.)

FIGURE 1

Ninety Percent of WIC Costs Cover Food Benefits and Services

Food benefits account for nearly three-quarters of WIC costs and services account for 17 percent, while administration accounts for only 10 percent



Source: U.S. Department of Agriculture administrative data and WIC Federal Nutrition Services and Administration Outlays report for fiscal year 2023

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USDA uses a funding formula to allocate NSA funds to state WIC agencies. The formula was last updated in 1999 through a comprehensive rulemaking process that included input from stakeholders, including state WIC agencies. The formula is used both for allocating current year appropriated funds and for reallocating unused funds from the previous year. Key funding formula factors include a guaranteed administrative grant per person, which rises with inflation; the number of participants served by the state agency; government salaries and costs; and the state agency's prior year NSA grant amount.⁶

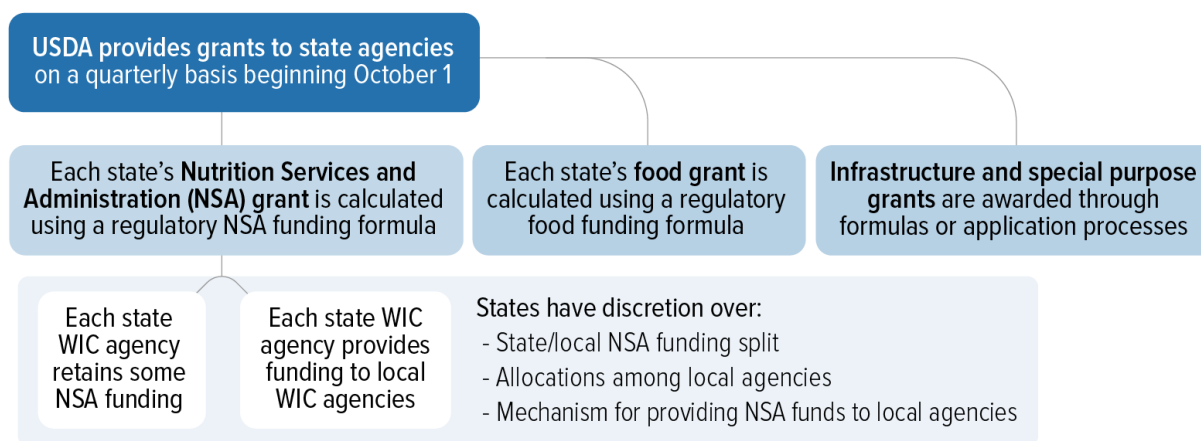
How NSA Funds Flow From State WIC Agencies to Local WIC Agencies

Most state WIC agencies operate the program through local government agencies, health care providers, or nonprofit community-based organizations.⁷ Federal regulations require state WIC agencies to enter into agreements with local agencies, or subdivisions of the state agency, laying out local agency responsibilities for WIC operations.⁸ (See Figure 2.) State agencies have broad discretion over important aspects of how NSA funding flows, including:

- how much of the WIC grant to use for state-level versus local-level operations;
- how to allocate funds to individual local agencies; and
- the process to make funds available to local agencies.

FIGURE 2

How Federal WIC Funding Flows



Source: 7 C.F.R. § 246.16

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There is wide variation in the extent to which state WIC agencies retain NSA funds versus passing them along to local agencies. In fiscal year 2023, geographic states retained anywhere from 5 percent to 60 percent of their NSA grant. To determine how to divide the NSA grant between the state agency and local agencies, state agencies look at recent state and local expenditures as well as historical

trends in expenditures. They may also consider other factors, such as changes in the WIC-eligible population, participation trends, turnover among local agencies, and broader state policies (like allowable indirect cost rates).

Differences in the extent to which state agencies provide operational support to local agencies also play a role in determining this split. For example, some state agencies pay all operating and hardware costs for their WIC management information system, while others provide funding to local agencies to buy laptops or workstations for their staff. Another example is that some state agencies hold contracts for services, such as interpretation and translation, that all local agencies may use, while in other states, local agencies procure these services.

State agencies must also plan for costs associated with federal policy changes. For example, WIC food package changes require modifications to information systems and training for local staff and grocery stores, costs which are typically borne by the state, and training for participants, which is largely carried out by local agencies.

Once the amount of funding for local agencies has been decided, state agencies determine how to allocate funding to each of the local agencies providing WIC services in their state. The two methods used most often are individually negotiated budgets and a funding formula or allotment process. Some state agencies use a combination of these methods or have other methods of calculating local grants. Regardless of the approach, some of the factors considered by state WIC agencies in setting local agency funding include the size of the WIC eligible population; the historical or anticipated number of participants served by the local agency; the extent to which the local agency serves high-risk participants or English language learners; and local costs such as salaries, facilities, travel, and equipment associated with providing WIC services.

States use different processes to make NSA funds available to local agencies. Some state agencies solicit applications from local organizations and enter formal contracts with those they select, while others have cooperative agreements. When local WIC agencies are local government entities, the state WIC agency may make allotments to counties or districts under an agreement between the state and local governments that covers multiple programs. State agencies determine both the method for making the funds available and the duration of the funding vehicle. When multi-year contracts or agreements are used, they are typically updated annually when state agencies receive their NSA grant awards.

How NSA Funds Are Spent

State agencies must follow federal rules regarding allowable uses of NSA funds and comply with requirements for minimum expenditures for nutrition education and breastfeeding support.⁹ State WIC agencies submit annual financial reports to USDA to account for NSA grant expenditures. The reports break out state-level and local-level expenditures and show amounts in each of four categories: Nutrition Education, Client Services, Breastfeeding Promotion and Support, and Program Management. Figure 3

shows the four categories of NSA expenditures used for federal reporting purposes, with a description of some of the activities within each category.

Because state WIC programs vary in size and each has unique service delivery practices, accounting systems, and reporting methods, there is a wide range in the reported breakdown between state and local spending and across categories. For example, combined state and local spending on nutrition education ranges from 8 percent to 33 percent of total NSA spending. As explained in the next section, some of the variation reflects differences in categorization.

FIGURE 3

Nutrition Services and Administration (NSA) Grants Pay for State & Local Services

Federal reporting categories for NSA expenditures

Nutrition education	Client services	Breastfeeding promotion & support	Program management
- Counseling - Group classes - Online education - Materials/supplies ① <i>State agencies must use a minimum of 1/6 of NSA expenditures on nutrition education</i>	- Outreach - Certification - Referrals to health & social services - Benefit issuance - Customer service & communications	- Counseling - Support groups - Pump support - Community activities ① <i>State agencies must meet a target NSA expenditure for breastfeeding promotion & support</i>	- Benefit payment - Oversight & reporting - Vendor management - IT systems - Training & technical assistance

Source: 7 C.F.R. § 246.14 (c), 7 C.F.R. § 246.25 (b)(2), and WIC Federal Nutrition Services and Administration Outlays report for fiscal year 2023

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Reporting Flexibilities Limit Comparisons Across States and Over Time

USDA provides reporting instructions, but state agencies have flexibility, including discretion in deciding whether an expenditure is attributed to the state or local level. For example, some state WIC agencies report a portion of the costs of operating their management information system as a local cost even when the state is paying the bills because most of the system costs are associated with local agency use; other state agencies report all system costs as state-level expenditures.

State WIC agencies also decide how to attribute expenditures across the four categories, with some expenditures potentially fitting into more than one. For example, a nutrition assessment is conducted with every participant when they are enrolled or recertified, and the results are used to determine nutritional risk eligibility and to tailor nutrition education. The cost of conducting the assessment could be

reported in either the client services or nutrition education category. In addition, state agencies have flexibility to prepare the reports using data collected through multi-program financial accounting systems, which are not usually designed to accommodate WIC's categories.

As a result of these flexibilities, the same type of expenditure might be reported differently by different state WIC agencies. Consequently, differences in how state agencies report their expenditures limit comparisons across states. In addition, because state agencies can modify how they report expenditures from year to year, variation between federal fiscal years may be due to how the expenditures were reported rather than how the NSA funds were used. Nonetheless, these data allow for examinations across and within states in which differences related to the reporting methodology can be considered.

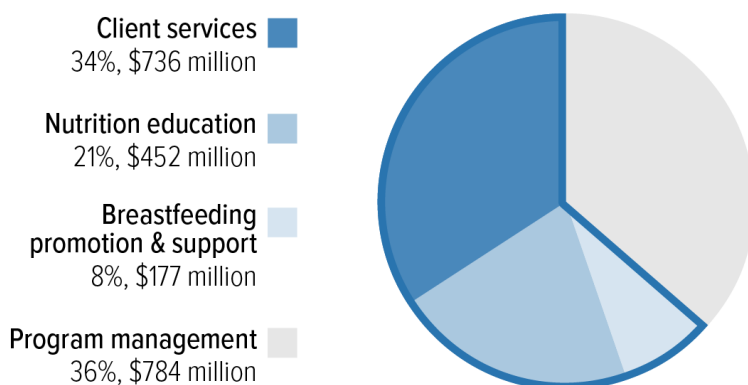
NSA Spending Across Levels and Categories in Fiscal Year 2023

Nonetheless, examining the breakdown of reported NSA expenditures combined across all state agencies for a specific year offers insight into how NSA funds are used. For fiscal year 2023, state agencies reported spending a total of \$2.1 billion in NSA funds, with 24 percent of that total used for state-level costs and 76 percent used for local-level costs. These percentages are similar to the prior year. States also reported that in fiscal year 2023 two-thirds of the \$2.1 billion were devoted to nutrition education, client services, and breastfeeding, with one-third spent on program management. Figure 4 shows how NSA expenditures break down across the four reporting categories nationally. Figure 5 shows the breakdown between state NSA spending and local NSA spending, along with the respective share devoted to each of the four reporting categories.

FIGURE 4

About Two-Thirds of WIC NSA Spending Is Devoted to Client Services, Education, and Breastfeeding Support

Nutrition services and administration (NSA) spending, by reporting category



Note: Shares do not sum to 100 percent due to rounding.

Source: WIC Federal Nutrition Services and Administration (NSA) Outlays report for fiscal year 2023

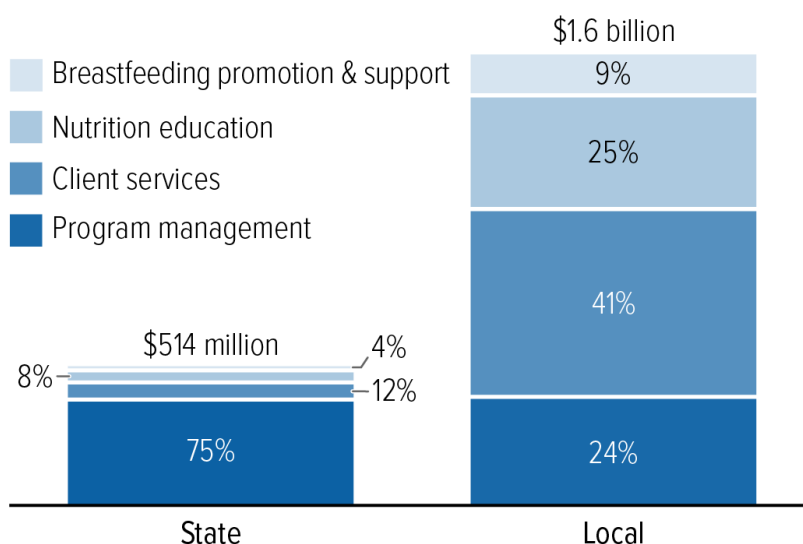
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Because state agencies play a different role in program operations than local agencies, the breakdown between state and local expenditures varies by reporting category. For example, both state and local agencies spend less than 10 percent of their respective funding on breastfeeding promotion and support. But state agencies reported spending 75 percent of their funding on program management, while local agencies reported spending only 24 percent on program management.

FIGURE 5

WIC NSA Funds Mainly Cover Local Costs, State and Local Agencies Spend Differently

State and local nutrition services and administration (NSA) spending, by reporting category



Note: Shares do not sum to 100 percent due to rounding.

Source: WIC Federal Nutrition Services and Administration Outlays report for fiscal year 2023

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Personnel Costs Account for Nearly Three-Quarters of NSA Spending

USDA conducted a study of WIC expenditures in fiscal year 2013 that offers a more detailed examination of how NSA funds are used at the state and local levels.¹⁰ The study analyzed data from state expenditure reports and drew on additional information collected from state and local agencies about program costs within each of the federal reporting categories. The study identified a set of cost “centers,” or groupings, that cut across the four reporting categories and accounted for nearly all expenditures at both the state and local levels, including:

- staff/personnel, which accounted for nearly three-quarters (74 percent) of total NSA spending;¹¹

- contracted services (staff training, equipment and computer maintenance, professional consultants, clerical support or temporary help, and software development or computer programming);
- materials, services, and travel (equipment, supplies, communication services, training services, facilities, and printing postage); and
- indirect costs.

The main cost for both state and local agencies was staff/personnel, with 49 percent of state and 81 percent of local expenditures attributed to labor costs. The large share devoted to labor costs at the local level reflects WIC's service delivery model of conducting comprehensive individual and family assessments coupled with customized nutrition and breastfeeding support. Considerable local labor costs for these services are reflected in fiscal year 2023 spending across the four reporting categories (see Figure 5), with the share of local expenditures devoted to nutrition education, client services, and breastfeeding promotion and support two to three times greater than the share of state expenditures.

While staff/personnel was also the predominant expense at the state level ten years earlier, during fiscal year 2013, state agencies had larger expenditures for contracted services (20 percent), such as computer maintenance, and purchases of materials and services (16 percent), such as equipment, printing, and facilities. State agencies report many of these costs, along with state personnel that oversee WIC operations, in the program management category.

¹ This report was prepared with support from Linnea Sallack, an independent consultant formerly with the Altarum Institute and the California WIC program.

² Steven Carlson, Joseph Llobrera, and Zoë Neuberger, "WIC Works: A Cost-Effective Investment in Improving Low-Income Families' Nutrition and Health," CBPP, updated January 20, 2026, <https://www.cbpp.org/research/food-assistance/wic-works-a-cost-effective-investment-in-improving-low-income-families-0>.

³ Relatively small amounts of federal funds are devoted to special purposes, including IT systems and breastfeeding initiatives. See 42 U.S.C. § 1786 (h)(10).

⁴ 7 C.F.R. § 246.2.

⁵ Families who need specialized formula for medical reasons have more flexibility. For more information on WIC's competitive bidding system for procuring infant formula, see Zoë Neuberger, Katie Bergh, and Lauren Hall, "Infant Formula Shortage Highlights WIC's Critical Role in Feeding Babies," CBPP, June 22, 2022, <https://www.cbpp.org/research/food-assistance/infant-formula-shortage-highlights-wics-critical-role-in-feeding-babies>.

⁶ See 7 C.F.R. § 246.16.

⁷ Some agencies, mostly tribal organizations and territories, provide WIC services directly to participants.

⁸ See 7 C.F.R. § 246.6.

⁹ See 7 C.F.R. § 246.14.

¹⁰ Stacy Gleason *et al.*, "WIC Nutrition Services and Administration Cost Study," U.S. Department of Agriculture, November 2017, <https://www.fns.usda.gov/research/wic/wic-nutrition-services-and-administration-nsa-cost-study>.

¹¹ CBPP estimate based on data in Stacy Gleason *et al.*