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## PRESIDENT'S VETOES COULD CAUSE HALF A MILLION LOW-INCOME PREGNANT WOMEN, INFANTS, AND CHILDREN TO BE DENIED NUTRITIONAL BENEFITS IN ONE OF NATION'S MOST EFFECTIVE PROGRAMS

By Zoë Neuberger and Robert Greenstein

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides nutritious foods, counseling on healthy eating, and health care referrals to low-income pregnant and postpartum women, infants, and children under age five who are at nutritional risk. Unlike other key low-income nutrition programs, such as food stamps or school meals, there is no entitlement to WIC benefits. WIC funding is “discretionary,” which means it is provided each year through the appropriations process. If funds are insufficient, eligible applicants are turned away or put on a waiting list for services, and some current participants may be dropped.

WIC currently serves about 8.5 million low-income mothers and young children with a budget of over \$5 billion. The program has been acclaimed for its effectiveness — as documented by an extensive body of research — in reducing the incidence of low-weight births, reducing child anemia, and improving nutrition and health outcomes. WIC is widely regarded as one of the most effective programs at any level of government, and there has long been a bipartisan commitment — adhered to by previous congresses and by both the Clinton and Bush administrations until now — to provide sufficient funding to serve all eligible, women, infants, and children who apply.

Now, however, the Bush Administration’s insistence on limiting overall funding for

### KEY FINDINGS

- The President has vowed to veto domestic appropriations bills — including the agriculture appropriations bill — that exceed the overall funding level he has proposed for those bills.
- The agriculture bill includes funding for the WIC program, which provides healthy foods and related nutrition services to low-income pregnant women and young children who are at nutritional risk.
- If WIC funding is reduced to the level the President’s budget proposes, the number of women, infants, and children the program serves will be cut by more than 500,000.
- Congress is now working on an omnibus appropriations bill that would split the difference between the levels the President seeks for the domestic funding bills and the levels Congress has approved. If Congress sets the WIC funding level half way between what the House has passed and the level the President proposed, the number of participants will be cut by more than 455,000. If Congress sets the level halfway between the Senate level and the President’s, the number of participants will be cut by 350,000.
- Research has found that the WIC program reduces low-weight births and child anemia and improves health and nutrition outcomes.

domestic discretionary programs to the level proposed in the President's budget — and the President's vow to veto the agriculture appropriations bill because it exceeds the level his budget proposed for that bill — is raising the specter of substantial cuts in the program. (For a discussion of the President's veto threat, see the box on page 3.) If funding for WIC, along with other domestic discretionary programs, is reduced to the level the President has proposed, the number of low-income women, infants, and children served by the program will have to be cut by *more than 500,000* below the current level.

## **Funding Level Proposed by the Administration is Insufficient to Avert Cutbacks**

The President proposed a fiscal year 2008 funding level for WIC of \$5.387 billion, which was intended to serve an average monthly caseload of 8.28 million participants. At the time the President's budget was put together late last year, this amount may have seemed sufficient. For two years in a row the per-participant cost of WIC foods had actually declined. Since the budget was developed, however, dairy prices have soared, and they are expected to remain elevated in fiscal year 2008. Milk and cheese account for about 40 percent of WIC food expenditures. Prices have also risen to high levels for juice and eggs, which account for another 25 percent of WIC food costs. As a result of higher food prices, it will cost significantly more than the Administration had anticipated to serve each WIC participant in fiscal year 2008.

Based on current food prices (and the latest estimates of food prices for the rest of fiscal year 2008), the funding level provided in the President's budget would serve an average monthly caseload of only 7.93 million participants, significantly fewer than the Administration intended.<sup>1</sup> Moreover, participation has risen somewhat in recent months as WIC food prices have spiked, making it more difficult for low-income families to afford these foods without assistance, and as unemployment has started to climb. The program served 8.49 million participants in the final quarter of fiscal year 2007, the most recent period for which data are available. Thus, the number of women, infants, and children that the program serves is 560,000 above the number who could be served under the funding level in the President's budget.

To date, the U.S. Department of Agriculture, which oversees the WIC program, has instructed the states (which actually operate the program) *not* to turn eligible WIC applicants away even though the funding level for fiscal year 2008 is uncertain. This has been helpful in averting WIC cutbacks until now. But if WIC funding ends up at the level in the President's budget, it will mean that states will have operated for the first several months of the fiscal year at a funding level that significantly exceeds the available funding rate for the fiscal year — and states will actually need to cut WIC caseloads by *more than 560,000* people in coming months to end up with an average participation decline of 560,000 for fiscal year 2008 as a whole.<sup>2</sup>

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<sup>1</sup> For the last few years, the WIC program has had a modest contingency fund with approximately \$125 million in it. Contingency funds were provided to states at the end of fiscal year 2007 to avert caseload cuts. At the start of the 2008 fiscal year, the balance in the contingency fund was \$108 million. The President's budget proposed to add \$59 million to the contingency fund. The estimates in this paper assume that all contingency funds are used in fiscal year 2008 to provide food benefits to WIC participants.

<sup>2</sup> The President's budget also includes a detrimental proposal to cut funding for WIC services (such as nutrition education, breastfeeding support, smoking cessation counseling, and health care referrals) and program administration. If enacted, that would enable somewhat more participants to be served for a given appropriation level, but it would make the program less effective. Congress has rejected this proposal and similar ones on a bipartisan basis each year for

### What Has the President Threatened to Veto?

The President is insisting that Congress limit overall discretionary funding for 2008 to \$933 billion, while providing the full increase he has requested for the Pentagon and other military activities *unrelated* to operations in Iraq, Afghanistan, and the “war on terror.” (The \$196 billion in 2008 funding the President has requested for Iraq, Afghanistan, and anti-terrorism activities is on top of this.) Given the level of funding being provided for the defense, homeland security, and international appropriations bills, the amount of funding left within the President’s \$933 limit for the eight domestic appropriations bills is *\$16.4 billion below the level provided those bills for 2007*, adjusted for inflation. In other words, the President is planning to veto the domestic appropriations bills unless they contain \$16.4 billion in cuts. In contrast, the domestic appropriations bills that Congress has developed contain *increases* of about \$5 billion.

The President is not insisting that every domestic appropriation bill be cut by the exact amount he proposed in his budget. But he has vowed to veto any bill that provides funding in excess of his budget request *unless* Congress eliminates the “excess” by cutting *other* domestic appropriations bills even *more deeply* than he has proposed. Since funding for the other domestic appropriation bills being approved by Congress also generally exceeds the shrunken levels the President has proposed, those bills do not contain additional cuts that could be used to offset the amount by which the agriculture appropriations bill exceeds the President’s proposed level.

The President thus intends to veto the agriculture bill unless it is cut down to his levels. Accordingly, this paper focuses on the effect of bringing the WIC funding level down to the level that the President’s budget contains. If the WIC program were spared and funded at a higher level than the President requested, other domestic programs would need to be cut more deeply for Congress to meet the President’s demand and avert vetoes.

Moreover, reductions in the WIC caseload below the current level do not reflect the likelihood that the number of eligible families seeking WIC services will increase if adequate funding is available. Based on WIC participation trends and the current economic outlook, the Center estimates that the average monthly WIC caseload in fiscal year 2008 would increase by 70,000 — from the current level of 8.49 million to a level of 8.56 million — if all eligible applicants were served. Thus, an estimated 630,000 mothers and young children would likely be turned away if the program is funded at the level proposed by the President.

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the past several years. Accordingly, the estimates in this paper assume that this proposal will not be adopted. If this proposal were adopted, the number of women, infants, and children who could be served with the President’s proposed funding level still would be about 340,000 below the number served in the last quarter of fiscal year 2007.

## **Funding Levels in House and Senate Agriculture Appropriations Bills Are Above the President's Level But Are Insufficient to Avert Cuts**

The pending House and Senate agriculture appropriations bills provide more WIC funding than the President proposed. The House-passed bill provides \$5.604 billion for WIC, \$217 million above the President's level. The bill adopted by the Senate Appropriations Committee provides \$5.720 billion, or \$333 million more than the President proposed.

Neither of these amounts would be sufficient, however, to maintain the current caseload of 8.49 million women and children, although fewer eligible families would have to be turned away than under the President's proposed funding level. For example, the funding provided in the House bill would serve approximately 270,000 more WIC participants than the President's proposed funding level — but would necessitate a reduction of about 290,000 participants below the current caseload level.

In addition, there is a good possibility that in the absence of the President's veto threats, a conference report on the agriculture appropriations bill would contain a higher funding level for WIC than either the House or the Senate bills. When the House and Senate agricultural appropriations subcommittees wrote their bills, WIC food prices were considerably lower than they are now, and estimates of how much funding WIC would need in 2008 were significantly lower as well. Both bills include report language making a commitment to monitor WIC costs closely and “take additional action as necessary to ensure that funding provided in fiscal year 2008 is sufficient to serve all eligible applicants.”

## **What Would Happen If Congress "Splits the Difference"?**

Press reports indicate that Congressional leaders are considering legislation that “splits the difference” between the overall level of funding provided in the appropriations bills that Congress has prepared and the overall level the President has proposed. If this approach is adopted, Congress will have to cut the funding in these bills by close to \$11 billion.

If this reduction were achieved by splitting the difference between the funding level the President has proposed for each program and the funding level for that program in the pending Congressional bills, then WIC would be funded at a level between \$5.496 billion (if the difference were split with the House bill) and \$5.554 billion (if the difference were split with the Senate bill). These funding levels would require the WIC caseload to be cut by 350,000 women, infants, and children from its current level (if the difference were split with the Senate bill) and by 455,000 participants below the current level (if the difference were split with the House bill).

If Congress splits the overall difference with the President, it will not need to split the difference half way for *every* domestic program; it could provide more to some highly effective programs such as WIC. But to do so, it would need to reduce funding closer to the President's levels for some other programs.

## How Would States be Affected?

WIC is a fully federally funded program, and state administrators need to ensure they do not exceed their annual WIC grant. If funding is inadequate to maintain the current caseload, as it would be if WIC were funded at the President's level, state WIC programs would have to reduce participation and establish waiting lists. The figures in the following table show the approximate reduction in the number of women, infants, and children who could be served in each state under the President's proposed funding level (as compared to the number who were served in the last quarter of fiscal year 2007).

These state-by-state estimates were computed in the following manner. First, we calculated the number of participants who could receive WIC benefits nationally under the President's proposed funding level, by dividing the funds that would be available for WIC benefits by our estimate of the average monthly cost of serving each participant (based on the latest data). This produces the estimate that the number of women, infants, and children served nationally would have to be reduced by 562,600. (The estimate assumes that all contingency funds would be used to provide food benefits, as explained in note 1.)

We then calculated the state-by-state estimates by multiplying the national participation decline of 562,600 by each state's share of WIC participants in 2006, the last year for which final data are available. For example, if a state had 3 percent of WIC participants in 2006, we assumed that the number of WIC participants in the state would be reduced by 3 percent of the overall drop of 562,600.

<b>Estimated Number of WIC Participants Who Would be Cut If WIC Were Funded at the Level Proposed by the President</b>	
<b>State</b>	<b>Difference Between the Current WIC Caseload and the Level that Could be Supported Under the President's Proposed Funding Level (rounded to the nearest hundred participants)</b>
Alabama	-8,500
Alaska	-1,800
Arizona	-12,300
Arkansas	-6,100
California	-93,800
Colorado	-6,000
Connecticut	-3,600
Delaware	-1,400
District of Columbia	-1,100
Florida	-26,600
Georgia	-19,200
Hawaii	-2,200
Idaho	-2,600
Illinois	-19,200
Indiana	-9,600
Iowa	-4,600
Kansas	-4,800
Kentucky	-8,700
Louisiana	-8,500
Maine	-1,600
Maryland	-8,000
Massachusetts	-8,100
Michigan	-16,000
Minnesota	-9,000
Mississippi	-6,800
Missouri	-9,200
Montana	-1,400
Nebraska	-2,900
Nevada	-3,600
New Hampshire	-1,100
New Jersey	-10,400
New Mexico	-4,500
New York	-33,500
North Carolina	-16,200
North Dakota	-1,000
Ohio	-19,300
Oklahoma	-8,300
Oregon	-7,200
Pennsylvania	-16,800
Rhode Island	-1,600
South Carolina	-7,600
South Dakota	-1,500
Tennessee	-10,900
Texas	-61,700
Utah	-4,600
Vermont	-1,100
Virginia	-9,800
Washington	-11,200
West Virginia	-3,500
Wisconsin	-7,800
Wyoming	-900
<b>Total*</b>	<b>-562,600</b>

\*National total includes U.S. territories and WIC programs operated by Indian tribal organizations.