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WILL WIC TURN AWAY ELIGIBLE LOW-INCOME WOMEN AND CHILDREN NEXT YEAR?

By Zoë Neuberger

For each of the last 15 years, Administrations and Congresses of both parties have provided sufficient funding for the WIC nutrition program to serve all eligible low-income pregnant women, infants, and young children who apply. Leaders of the current Congress have reiterated this commitment rhetorically. But there are mounting questions as to whether they will live up to it, or whether eligible low-income women and children will be denied WIC assistance in fiscal year 2012.

WIC — the Special Supplemental Nutrition Program for Women, Infants, and Children — provides nutritious foods, counseling on healthy eating, and health care referrals to roughly 9 million low-income pregnant and postpartum women, infants, and children under age 5 who are at nutritional risk. Extensive research shows that WIC improves birth outcomes, reduces child anemia, and improves participants' nutrition and health.¹ It is widely regarded as one of the most effective of all social programs.

Unlike other key low-income nutrition programs, such as SNAP (formerly called food stamps) and school meals, eligible WIC recipients have no entitlement to benefits. If funds are insufficient, eligible applicants are put on a waiting list.

The appropriations bill for fiscal year 2012 that the House passed on June 16 contains a large cut in funding that would force the program to turn away more than 700,000 eligible low-income women and young children next year.² The House appropriations bill reduces WIC funding from \$6.734 billion in fiscal year 2011 to \$6.001 billion in fiscal year 2012, a cut of \$733 million.

¹ For a more detailed discussion of health outcomes associated with WIC participation, see Mary Kay Fox, William Hamilton, and Biing-Hwan Lin, *Effects of Food Assistance and Nutrition Programs on Nutrition and Health*, Volume 3, Literature Review, Economic Research Service, U.S. Department of Agriculture, 2004, www.ers.usda.gov/publications/FANRR19-3.

² At the time the House bill was passed, we estimated that 300,000 to 450,000 eligible low-income women and young children would be turned away. Since that time, our estimates of food costs and participation in fiscal year 2011 have increased, which means that less funding from fiscal year 2011 will remain available in fiscal year 2012. The average federal per-participant cost of providing WIC foods in June 2011 (the latest month for which these data are available) was 7.8 percent higher than in June 2010. In addition, participation has increased, likely partly in response to the bad economy, which means that the number of participants who can be served in fiscal year 2012 is compared to a higher starting point and the *reduction* necessitated by the funding cut is larger.

During the House floor debate on the bill, Rep. Jack Kingston, chair of the House Agriculture Appropriations Subcommittee, stated that the funding reduction would not affect participants, because contingency and carryover funds (funds provided but not used in fiscal year 2011) will be available.³ Budget data on WIC, however, are not consistent with this claim. Our estimates reflect the use of all contingency funds, as well as use of the carryover funds from fiscal year 2011, to close funding shortfalls — and the funding level would nevertheless result in the estimated participation cutback of 700,000 women and children.

On September 7, the Senate Appropriations Committee approved a fiscal year 2012 agriculture funding bill that provides \$581 million more for WIC than the House bill. But that level — \$152 million below the amount appropriated for fiscal year 2011 — may not be adequate. The Senate Appropriations Committee is designing its fiscal year 2012 funding bills to fit within the new caps enacted in the Budget Control Act, which resulted in an overall funding allocation to the Senate Agriculture Appropriations Subcommittee that is 7.7 percent below the fiscal year 2011 funding total for programs under the Subcommittee's jurisdiction. The WIC funding amount in the bill is an early example of the fallout of the lower caps.

If food costs and WIC participation next year do not exceed our projections, the Senate funding level would be enough to avoid turning people away, but only if the U.S. Department of Agriculture taps WIC's \$125 million contingency reserve (and uses carryover funds from fiscal year 2011 as usual). Food costs, however, have been rising rapidly — especially for milk and cheese, which account for about one-third of WIC's food expenditures. Economists have varying views on the size of the likely increase in food prices over the next year, but 2 percent is generally considered the low end of the plausible range, and some experts believe food price inflation close to 4 percent is more likely.

The Senate funding level was based on an Agriculture Department estimate that WIC food costs would grow by 2 percent next year, which already appears outdated and likely to be too low, as a result of recently released data on WIC food costs in June that were not available when the estimate was developed. In June, not only did WIC food costs rise significantly, but the WIC food cost data previously reported for April and May were revised upward as well.⁴ If WIC food costs remain at the level reported for June for the remainder of this fiscal year and throughout fiscal year 2012, with no further food price inflation, WIC food prices for fiscal year 2012 will average 3.8 percent higher than WIC food prices for fiscal year 2011, significantly above the 2 percent increase the Senate funding level assumes. For USDA's 2 percent inflation estimate to prove accurate, food prices will

³ Rep. Kingston also referred to USDA authority to transfer funds between accounts. This authority was used in fiscal year 2008, when there was a dairy price spike and WIC faced an unanticipated funding shortfall, to transfer \$150 million from the SNAP contingency fund to WIC. That was a very different situation, however, because the WIC shortfall was unexpected and occurred late in the fiscal year, due to the unforeseen dairy price increase. Relying on a transfer when enacting the WIC appropriation *before the fiscal year has even started* — and when a WIC funding shortfall is evident — would be an unsound budgeting practice and an unreliable approach to serving all eligible WIC applicants. There is no guarantee that funds will be available for transfer. Moreover, state WIC programs must ensure that they do not spend more than the federal WIC funds they receive. If states cannot count on the funds provided through the appropriation process being sufficient, they will need to take steps at the start of the fiscal year to reduce their caseloads.

⁴ State WIC programs continue to revise cost and participation data for a few months after the close of each month as they reconcile reimbursements for the food vouchers used by participants and submitted to the state by WIC-authorized vendors.

have to fall significantly. Even small percentage differences in food price inflation have a substantial impact on WIC funding needs; for example, if average WIC food costs are 3 percent higher in fiscal year 2012 than in fiscal year 2011, rather than 2 percent higher, WIC will need an additional \$42 million. In coming weeks, it may become clear that to avoid turning away eligible low-income families, more funding will be needed than the Senate provided.

When Congress sets the final WIC funding level this fall, we recommend that it use the most recent available data to ensure that WIC can continue the bipartisan tradition of serving all of the eligible low-income mothers and young children who apply. Census data issued September 13 show that the share of children living in poverty rose to 22 percent in 2010, the highest level since 1993. In addition, the Agriculture Department announced on September 7 that in 2010, nearly one of every four children (23.6 percent) living in a household with a child under age 6 lived in a household that was “food insecure” — that is, had difficulty affording sufficient food at some point during the year. Congress should make sure it provides enough funding for WIC not to drive that number even higher.

Estimated WIC Cuts Under House Fiscal Year 2012 Agriculture Appropriations Bill

State	Participation Cut in Fiscal Year 2012 Relative to Participation in June 2011
U.S. Total	-700,000
Alabama	-11,100
Alaska	-2,100
Arizona	-14,000
Arkansas	-7,500
California	-111,300
Colorado	-8,400
Connecticut	-4,400
Delaware	-1,800
District of Columbia	-1,300
Florida	-38,900
Georgia	-23,800
Hawaii	-2,800
Idaho	-3,600
Illinois	-23,400
Indiana	-13,300
Iowa	-5,700
Kansas	-5,900
Kentucky	-10,600
Louisiana	-11,900
Maine	-2,100
Maryland	-11,300
Massachusetts	-9,600
Michigan	-19,500
Minnesota	-10,600
Mississippi	-7,700
Missouri	-11,500
Montana	-1,600
Nebraska	-3,400
Nevada	-5,500
New Hampshire	-1,400
New Jersey	-13,100
New Mexico	-4,700
New York	-39,100
North Carolina	-20,800
North Dakota	-1,000
Ohio	-22,700
Oklahoma	-8,000
Oregon	-8,700
Pennsylvania	-20,000
Rhode Island	-1,900
South Carolina	-10,200
South Dakota	-1,600
Tennessee	-13,000
Texas	-79,100
Utah	-5,800
Vermont	-1,300
Virginia	-12,200
Washington	-14,800
West Virginia	-4,000
Wisconsin	-9,700
Wyoming	-1,000

Technical Note:

This table shows estimated participation cuts to the Special Supplemental Nutrition Program for Women, Infants, and Children under the fiscal year 2012 agriculture appropriations bill passed by the House on June 16, 2011.

This analysis measures participation cuts relative to participation in June 2011 and assumes that the participation cuts would affect each state in proportion to that state's share of the total number of WIC participants in fiscal year 2010.

National totals include U.S. territories and tribes, not shown separately.

Source: Center on Budget and Policy Priorities