



National WIC Association
Your child has you. And you have WIC.



WIC Funding: What Does Sequestration Mean for WIC's Future?

History of WIC Funding

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a federally funded discretionary program. Funding is allocated each fiscal year by Congress through the appropriations process. Once funding levels are determined, the Food and Nutrition Service (FNS) of the United States Department of Agriculture (USDA) distributes grants to the 90 WIC State Agencies, including U.S. Territories and Indian Tribal Organizations. With bipartisan support since 1989, WIC has been funded to meet caseload needs.

Over the years, while the overall cost of the program has increased as caseload increased, the real cost per person enrolled in the program has decreased due to increased efficiency in program management and the implementation of entrepreneurial cost containment measures.

Figure 1. Number of Participants in WIC by Year

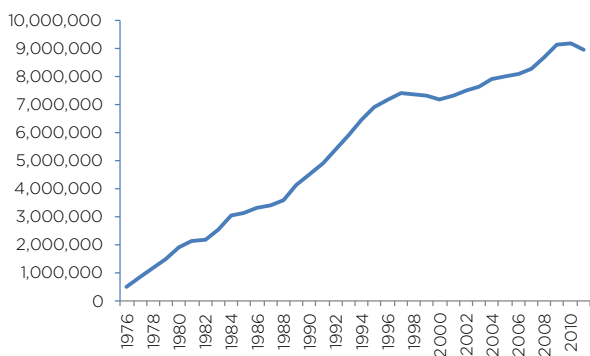
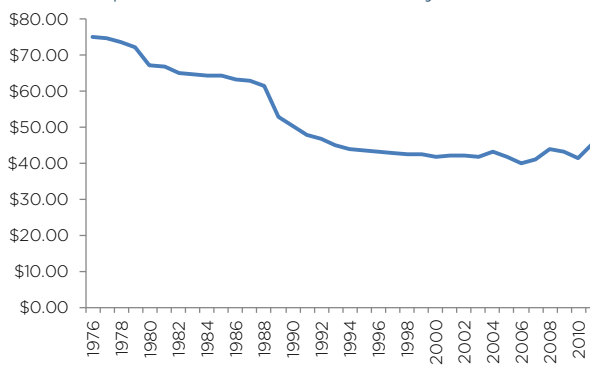


Figure 2. Real Average Monthly WIC Food Cost per Person in 2010 Dollars by Year



| Fiscal Year | WIC Annual Appropriation + supplements* or rescissions** | Caseload | Real Average Monthly Food Cost per Participant in 2010 |
|-------------|--|--------------|--|
| 1976 | \$106,000,000 | 520,000 | 75.11 |
| 1977 | \$250,000,000 | 848,000 | 74.84 |
| 1978 | \$247,000,000 | 1,181,000 | 73.54 |
| 1979 | \$569,500,000 | 1,483,000 | 72.35 |
| 1980 | \$757,950,000* | 1,914,000 | 67.30 |
| 1981 | \$927,040,000 | 2,119,000 | 66.78 |
| 1982 | \$934,080,000 | 2,189,000 | 65.15 |
| 1983 | \$1,160,000,000* | 2,537,000 | 64.85 |
| 1984 | \$1,360,000,000* | 3,045,000 | 64.18 |
| 1985 | \$1,423,583,000 | 3,138,000 | 64.22 |
| 1986 | \$1,590,000,000* | 3,312,000 | 63.31 |
| 1987 | \$1,663,497,000 | 3,429,000 | 62.73 |
| 1988 | \$1,802,363,000 | 3,593,000 | 61.34 |
| 1989 | \$1,929,362,008 | 4,119,000 | 53.00 |
| 1990 | \$2,126,000,000 | 4,517,000 | 50.38 |
| 1991 | \$2,350,000,000 | 4,893,000 | 47.77 |
| 1992 | \$2,600,000,000 | 5,403,000 | 47.00 |
| 1993 | \$2,860,000,000 | 5,921,000 | 44.92 |
| 1994 | \$3,210,000,000 | 6,477,000 | 44.02 |
| 1995 | \$3,450,000,000** | 6,894,000 | 43.44 |
| 1996 | \$3,729,807,000 | 7,186,000 | 43.36 |
| 1997 | \$3,805,807,000 | 7,407,000 | 43.04 |
| 1998 | \$3,924,000,000 | 7,367,000 | 42.49 |
| 1999 | \$3,924,000,000 | 7,311,000 | 42.54 |
| 2000 | \$4,032,000,000 | 7,192,000 | 41.86 |
| 2001 | \$4,043,086,000 | 7,306,000 | 42.24 |
| 2002 | \$4,462,000,000* | 7,491,000 | 42.21 |
| 2003 | \$4,696,000,000 | 7,631,000 | 41.81 |
| 2004 | \$4,611,861,000 | 7,904,000 | 43.35 |
| 2005 | \$5,235,032,000 | 8,023,000 | 41.78 |
| 2006 | \$5,172,430,000 | 8,088,000 | 40.10 |
| 2007 | \$5,204,430,000 | 8,285,000 | 41.05 |
| 2008 | \$6,020,000,000 | 8,705,000 | 43.97 |
| 2009 | \$6,860,000,000 | 9,122,000 | 43.10 |
| 2010 | \$7,252,000,000 | 9,175,000 | 41.43 |
| 2011 | \$6,734,027,000 | 8,951,459 | 45.36 |
| 2012 | \$6,618,497,000 | 9,006,000*** | 44.64*** |

***Projected 2012 caseload.

How WIC's Funding Allocation is Determined

ANNUAL APPROPRIATIONS PROCESS

- 1) House and Senate Appropriations Committees set funding allocations for their respective Subcommittees.
- 2) In both the House and the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies sets the funding allocation for WIC in that year's appropriations bill. An approved bill moves next to the full Appropriations Committee and then to each chamber's floor for debate and action. The allocation may be subject to further amendment before the bill passes out of each chamber.
- 3) If there are no differences between the House and Senate-passed versions of the bill, it is sent directly to the president to be signed into law. In the case of discrepancies between the two bills, the House and Senate form a conference committee to work out the differences, and they present the outcome in a conference agreement.
- 4) Once the conference agreement is approved by the House and Senate, the president signs the conference agreement into law, and the USDA then divides the WIC allocation into program requirements and state-specific grants using a funding formula.

WHAT IS A CONTINUING RESOLUTION, MINIBUS, OR OMNIBUS?

Congress enacts a Continuing Resolution (CR) as a stopgap spending measure to keep federal departments, agencies, and programs functioning in the absence of completed appropriations. One or more CRs may be enacted to keep the government functioning until a final agreement can be reached on a new fiscal year's spending priorities. Facing a legislative time crunch (like the end of a fiscal year), Congress will sometimes choose to pass one or more CRs until funding agreement is reached or wrap some or all as yet unapproved appropriations bills (called a "minibus" where two or more appropriations bills are wrapped or an "omnibus" where all

or all remaining unapproved appropriations bills are wrapped) into a single legislative vehicle to assure passage.

COMPETING PRIORITIES

There are competing priorities at every stage of the process, and the distributions of funding may change. Every year, WIC must make a case for appropriate funding levels.

WIC Funding and Sequestration

WHAT IS THE BUDGET CONTROL ACT OF 2011?

It is a law that 1) allowed the president to increase the debt ceiling up to \$2.8 trillion, 2) requires the deficit be reduced by \$2.3 trillion over 10 years with at least \$841 billion coming from cuts to discretionary funding, and 3) requires a vote on a balanced budget amendment to the constitution.

HOW WILL THE BUDGET CONTROL ACT OF 2011 REDUCE THE DEFICIT BY \$2.3 TRILLION?

It requires at least \$841 billion to come from discretionary funding cuts and an additional \$1.2 trillion to come from other cuts or revenue sources. It resulted in the creation of the Joint Select Committee (JSC), the 12 member Congressional committee comprised of 3 Senate Democrats, 3 Senate Republicans, 3 House Democrats, and 3 House Republicans tasked with finding the additional \$1.2 trillion in savings. It mandated sequestration if deficit reduction targets were not met.

WHAT IS SEQUESTRATION?

Sequestration is a process of automatic, across-the-board spending cuts.

DOES EVERY GOVERNMENT PROGRAM GET CUT THROUGH THE SEQUESTRATION PROCESS?

No. There is a list of protected entitlement programs, including many programs that affect low-income families.

IS WIC PROTECTED FROM SEQUESTRATION UNDER THE 2011 ACT?

No. WIC, like other domestic discretionary programs (DOPs), is not included in the most current protected programs list. Since the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177),

WIC has traditionally been on the list of programs exempt in the event of a sequestration. However, in PAYGO 2010 (P.L. 111-139), WIC and other DOPs were excluded from the list of protected low-income programs.

WHY WAS WIC REMOVED FROM THE LIST OF PROTECTED PROGRAMS?

Some suggest because WIC is a discretionary program and not an entitlement program. Others suggest that WIC was inadvertently removed as a result of confusion when the Food Stamp program was renamed the Supplemental Nutrition Assistance Program (SNAP). WIC's legal name—the Special Supplemental Nutrition Program for Women, Infants, and Children—sounds strikingly like the SNAP rename.

WHAT WAS THE JSC OUTCOME?

The Joint Select Committee on Deficit Reduction did not come to an agreement or meet their deadline. Sequestration is scheduled to take effect in January 2013.

WHAT IS THE POTENTIAL IMPACT ON WIC?

Assuming caseload and food price inflation projections do not change significantly, and that WIC will experience a 9.3% cut as a non-exempt discretionary program through sequestration, WIC would see hundreds of thousands of participants cut from the program in FY 2013.

WHAT HAPPENS WITH WIC IF SEQUESTRATION REMAINS IN EFFECT AFTER FY 2013?

For FY 2014-FY 2021, there will be an annual overall cap for non-defense discretionary funding. It will be up to the Appropriations Committees to fulfill the year's cap. As with previous years' appropriations cycles, WIC will need to demonstrate its case to achieve funding success.

IS SEQUESTRATION INEVITABLE?

No. The president and congressional leaders have signalled the goal is to find \$1.2 trillion in spending cuts and revenue. WIC will need to demonstrate that it provides a solid return on investment and contributes to the long-term deficit reduction strategy to avoid sequestration and be among a revised list of protected programs.