

NATIONAL WIC ASSOCIATION

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President's Budget Threatens WIC's Success

Reduction in Nutrition Services Funding Has Critical Consequences

White House Budget Shortchanges WIC by At Least \$175 Million - WIC Requires a Minimum of \$5.562 billion to Provide Food and Adequate Nutrition Services to All Eligible WIC Applicants

The President claims to have proposed an increase of roughly \$220 million over fiscal year 2006/2007, funding WIC at \$5.387 billion to reportedly serve 8.3 million participants. **What is really needed to fund WIC in fiscal year 2008 is at least \$5.562 billion - restoring the proposed \$145 cut in critical nutrition services and \$30 million in essential management information systems (MIS) funding.** Moreover, because there are uncertainties in the Administration's participation and food cost estimates, WIC caseload and food costs will need to be monitored throughout the appropriations process to ensure that even this number will meet the anticipated need.

WIC Receives Highest Program Performance Rating from White House

The White House Office of Management & the Budget (OMB) has given WIC its highest rating of Effective. Based on their most recent assessments, only 17% of Federal programs are "Effective."¹

According to the White House, "WIC has received the highest rating a program can achieve because WIC has ambitious goals, achieves results, is well-managed and improves program efficiencies.

WIC has a positive impact on key health outcomes. Evaluations provide strong evidence that WIC has a positive impact on: (1) the incidence of low birth-weight, and other key birth outcomes, and that these positive effects lead to savings in Medicaid costs and (2) children's intake of key nutrients and immunization rates.

Available program funds are utilized efficiently to maximize service to eligible participants. Over the last fifteen years the national average WIC food package cost has increased at a rate below the general rate of food inflation. "²

¹ <http://www.whitehouse.gov/omb/expectmore/rating/effective.html>. OMB has designated programs that are performing with ratings of Effective, Moderately Effective, or Adequate.

² <http://www.whitehouse.gov/omb/expectmore/summary/10003027.2006.html>.

Despite Successes, President Slashes Nutrition Services Funding

Despite this recognized success, the President has seen fit to slash nutrition services funding (NSA) - the key, essential ingredient to the successes the White House has cited - by \$145 million. This dramatic cut is set in motion by reducing the fiscal year 2008 national average nutrition services (NSA) grant per mother and child participating in WIC from \$15.54 to \$14.12. This means that there will be \$1.42 less for every mother and child to deliver critical public health nutrition and other social services.

This proposal leads one to conclude that there are those who are determined to undermine the public health successes WIC has achieved for the nation's mothers and children!

The Government Accountability Office - GAO - wrote in its Congressionally mandated, but largely ignored December 2001 report to Congress:

"Since the late 1980's . . . requirements have been placed on [WIC] aimed at, among other things, containing the cost of food benefits, promoting breastfeeding, encouraging immunizations, and controlling program abuse. While these requirements have placed additional service delivery and administrative demands on WIC staff, they have not been accompanied by more funding per participant; the NSA grant per participant was established in 1989 and since then has only been adjusted for inflation. . . . WIC agencies have had to cut costs and make changes in service delivery that potentially will have a negative impact on the quality of WIC services (GAO-02-142, p. 31)."

Slashing nutrition services (NSA) funding as proposed by the President would fulfill GAO's prophecy of potential harm to WIC.

After years of pressing for changes in the WIC Food Packages, WIC is now on the verge of attaining victory through an NWA supported USDA proposal to make the Food Packages consistent with the most recent Dietary Guidelines for Americans, allow for a wider variety of culturally acceptable foods, improve infant feeding practices, and reduce excessive nutrient intakes such as saturated fats.

Implementation of this proposal is put AT RISK if Congress does not act to restore the proposed cut in NSA funding. WIC NSA must be made whole by adhering to the formula established for the average grant per person cited in the Child Nutrition and Reauthorization Act Section 17(h)(1)(B).

President Budget's Shortchanges MIS Funding Needs

The President's own WIC technology initiative, embodied in the Child Nutrition and WIC Reauthorization Act of 2004, provided for \$30 million in essential management information systems (MIS) resources.

Despite the White House's own recognition of the critical need and despite requests to USDA Secretary Mike Johanns and Undersecretary Nancy Montanez-Johner, the White House has provided no money in the budget request to meet Management Information Systems (MIS) needs.

Congress must not override WIC's authorizing statute and should provide \$30 million annually outside of the regular NSA grant to implement MIS core functions, upgrade and maintain WIC technology systems, achieve program efficiencies and economies, and render systems EBT ready.

White House Recycles Proposed Cap on Medicaid Adjunctive Eligibility

Once again, the President has proposed a cap on Medicaid adjunctive eligibility at 250% of the federal poverty level. This proposal most directly affects MD, MO, MN, NH, RI and VT. **Congress must continue to save Medicaid funds by ensuring that all Medicaid recipients remain automatically income eligible for WIC.**

This proposal, wisely rejected twice by Congress, flies in the face of the Administration's purported efforts to reduce NSA costs by driving up the cost of doing WIC business for the six states directly affected.

While this mean-spirited proposal eliminates eligibility for a small number of individuals, it will require the affected states to accomplish duplicative income documentation for all Medicaid recipients applying for WIC, potentially discouraging otherwise WIC eligible participants from applying if they feel that they may not be eligible, undermining the preventative impact of WIC, and adding unnecessary administrative burden.

White House Provides for Increased Contingency Funding

In its budget proposal, the President has wisely increased the Program's contingency fund to \$200 million. This will insure that WIC is prepared to meet unanticipated spikes in participation.

White House Freezes Infrastructure and Breastfeeding Funding

The Budget includes a proposal to fund breastfeeding initiatives at \$14.85 million and infrastructure needs at \$13.86 million. Both of these proposals essentially represent a freeze in funding levels for these two important initiatives.

The National WIC Association and the WIC Community cannot in good conscience support the President's current budget proposals. With the exception of the contingency fund proposal and the infrastructure and breastfeeding initiative proposals, the President's budget will irreparably harm to the WIC Program.

If these proposals are not defeated by Congress and at least \$5.562 billion is provided to the WIC Program, the quality of nutrition services, which is integral to WIC's success, WIC provides will be damaged and the health of WIC mothers and children will be undermined.