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A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children

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Summary

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides nutrition-rich foods, nutrition education (including breastfeeding promotion and support), and health care and social services referrals to eligible low-income women, infants, and children. In FY2016, approximately 7.7 million people participated in WIC each month. WIC is authorized by the Child Nutrition Act, as is the related WIC Farmers' Market Nutrition Program (WIC FMNP). WIC, WIC FMNP, school meals, and the other child nutrition programs are typically reauthorized together; these programs were last reauthorized in the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296).

WIC's funding is discretionary, and the bulk of program funds are allocated via formula grant to state agencies for food costs and "Nutrition Services and Administration." In FY2016, there were 90 state agencies (50 states, District of Columbia, 5 U.S. territories, and 34 Indian Tribal Organizations). These agencies operate the program through local WIC agencies and clinics. The program obligated over $7 billion in federal funds in FY2014.

WIC has a number of federal and state eligibility rules, including categorical, financial, and nutritional risk. Participants must fall into one of WIC's participant categories: pregnant, postpartum, and breastfeeding women; infants; or children (under five years of age). Financial eligibility is met if (1) a household has income at or below 185% of the federal poverty level, or (2) applicants receive benefits through Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), Medicaid, or certain state programs. Households also must meet nutritional risk criteria and reside in the state of application.

WIC provides participants with monthly benefits redeemable for specified foods to supplement their diets, as well as related nutrition and health services. WIC-eligible foods are laid out in federal regulation, and state agencies develop their own approved food lists within this framework. At the WIC clinic, participants are provided the benefits to redeem specific foods (food package) for the participant's category and individual nutritional needs. Major changes to the federal WIC food package regulations have been made in recent years; for some participant categories, the food package now includes a cash-value voucher redeemable for fruits and vegetables. One way that state agencies control WIC costs is through their approved foods lists. These lists usually include one brand of infant formula, as state agencies are required to control infant formula costs through competitive bidding for infant formula rebate contracts. In addition to providing food benefits, states are required to ensure that nutrition education, including breastfeeding promotion and drug abuse education, is available to all pregnant, postpartum, and breastfeeding participants in the program. Agencies also work to refer WIC participants to health services and other public programs, particularly Medicaid.

Nearly all states administer their programs through a retail food delivery system, in which participants purchase foods at authorized retailers (vendors). Accordingly, many WIC policies at the federal and state levels pertain to vendor authorization and oversight as well as benefit redemption. Currently, most states distribute checks or vouchers for participants to purchase WIC foods at vendors; however, state agencies are increasingly transitioning to electronic benefit transfer (EBT), in part because the 2010 reauthorization law requires this transition by October 1, 2020. States authorize vendors for the program, considering factors like a vendor's inventory and capacity and geographic distribution of vendors. States also consider and monitor WIC vendors' pricing, as required by federal law, to help contain program costs.

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Introduction and Background

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides supplemental nutrition-rich foods and nutrition education (including breastfeeding promotion and support), as well as referrals to health care and social services, to low-income, nutritionally at-risk women, infants, and children up to five years old. Eligible women are specifically limited to those pregnant and postpartum (if breastfeeding, women are eligible for more benefits for a longer period of time). The WIC program seeks to improve the health status of its participants and prevent the occurrence of health problems during critical times of growth and development.[1]

WIC is a federally funded program administered by the U.S. Department of Agriculture's Food and Nutrition Service (USDA-FNS). In FY2016, approximately 7.7 million people participated in WIC each month in programs run by 90 state agencies (50 states, District of Columbia, 5 U.S. territories, and 34 Indian Tribal Organizations).[2] USDA has said roughly half of all infants in the United States participate in the WIC program.[3]

This report provides an overview of the WIC program, including administration, funding, eligibility, benefits, benefits redemption, and cost containment policies. While this report is meant to be a primer and is not focused on tracking major policy issues, it may be useful for the reader to note that this report does discuss features of the WIC program that are often the topic of policy debate: funding, eligible foods, and the redemption of benefits.

Authorization and Reauthorization

The WIC program dates back to a 1972 amendment to the Child Nutrition Act, which created WIC as a two-year pilot program. WIC became a permanent program in 1975 and remains authorized by Section 17 of the Child Nutrition Act (codified at 42 U.S.C. 1786). Congressional jurisdiction over this law has typically been exercised by the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Education and the Workforce.

Congress periodically reviews and reauthorizes expiring authorities under the Child Nutrition Act, generally in conjunction with the "Child Nutrition Programs,"[4] which are authorized by the Richard B. Russell National School Lunch Act, Section 32 of the Act of August 24, 1935, and the Child Nutrition Act.[5] WIC and the Child Nutrition Programs were most recently reauthorized in 2010 through the Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296), and those authorities that expire do so after September 30, 2015 (the end of FY2015). During the 114th Congress, committees of jurisdiction marked up bills to reauthorize WIC but reauthorization was not completed. As of the date of this report, no bills to reauthorize WIC have been introduced or marked up in the 115th Congress.

The WIC Farmers' Market Nutrition Program (WIC FMNP) is closely related to WIC and also authorized within Section 17 of the Child Nutrition Act (Section 17(m)). This program, which serves much of WIC's population, is also typically reauthorized during the reauthorization of

[1] See Section 17(a) of the Child Nutrition Act (codified at 42 U.S.C. 1786(a)) for program declaration of purpose. Subsequent citations to WIC's authorizing statute will list only the U.S. Code citation.

[2] WIC Program Participation and Costs, available at USDA-FNS website, https://www.fns.usda.gov/pd/wic-program.

[3] See USDA-FNS website, "About WIC- WIC at a Glance," http://www.fns.usda.gov/wic/about-wic-wic-glance.

[4] "Child Nutrition Programs" is a category used to describe USDA-FNS programs that help to provide food for children in school or institutional settings.

[5] For an overview of federal child nutrition programs typically reauthorized with WIC, see CRS Report R43783, *School Meals Programs and Other USDA Child Nutrition Programs: A Primer*.

WIC and the Child Nutrition Program. This report discusses WIC and not WIC FMNP; however, a brief overview of that program is provided in **Appendix C**.

For information on WIC reauthorization laws, see the following:

- CRS In Focus IF10266, *An Introduction to Child Nutrition Reauthorization*
- CRS Report R44373, *Tracking the Next Child Nutrition Reauthorization: An Overview*
- CRS Report R41354, *Child Nutrition and WIC Reauthorization: P.L. 111-296*.

Federal, State, and Local Administration

WIC operates through a federal, state, and local partnership. The U.S. Department of Agriculture's Food and Nutrition Service (USDA-FNS) administers the WIC program at the federal level. USDA-FNS provides cash grants for foods and "Nutrition Services and Administration" to 90 state agencies (50 states, District of Columbia, 5 U.S. territories, and 34 Indian Tribal Organizations), which operate the program through local WIC agencies and clinics.[6]

At the federal level, USDA-FNS is responsible for issuing and enforcing regulations, providing technical assistance to state agencies, and conducting studies and producing reports to evaluate the WIC program.[7] At the state level, state agencies are generally responsible for program operations within their jurisdictions. States provide subgrants and technical assistance to local WIC agencies. Federal law and regulations allow states some flexibility in program operations, including options for food delivery systems and benefit redemption systems.[8] States also have discretion in deciding the specific brands, types, and package sizes to include in their approved WIC food packages, within the bounds of federal regulations.[9] At the local level, local WIC agencies—generally state and county health departments—provide WIC services and benefits directly or through local service sites and clinics. As of February 2015, there are approximately 1,900 local WIC agencies operating the program in approximately 10,000 local service sites or clinics.[10]

Funding

Funding for WIC food and services is primarily provided by the federal government; though some states supplement their programs with their own funding, WIC law does not require matching funds. WIC's funding is categorized as discretionary with funding amounts determined entirely through the annual appropriations process.[11] Since the late 1990s, the appropriations

[6] 42 U.S.C. 1786(c). NOTE: Since 2000, the Department of Defense (DOD) administers a similar program known as the WIC Overseas Program. The program is available to eligible participants living overseas, including civilian employees, Department of Defense contractors, members of the uniformed service and their family members. Established under 10 U.S.C. 1060a(a), the program is administered by DOD, not USDA, and is paid for with DOD funds. Further information can be found on Tricare's website: http://www.tricare.mil/wic/. This CRS report will not discuss the DOD program and data cited within does not include it.

[7] 42 U.S.C. 1786(g)(5).

[8] See "Redemption of Food Benefits and Related Cost Containment Policies" section of this report for more information on food delivery systems.

[9] 7 C.F.R. 246.10.

[10] See USDA-FNS website, "About WIC-WIC at a Glance," http://www.fns.usda.gov/wic/about-wic-wic-glance.

[11] A minor exception, 42 U.S.C. 1786(h)(13) directly appropriates $1 million per year for a Universal Product Code (UPC) database. This funding is mandatory.

committees' practice has been to provide enough funds for WIC to serve all eligible applicants who seek program benefits (i.e., all forecasted participants).[12] Lower levels of funding for the WIC program could reduce the number of pregnant and postpartum women, infants, and children served.

The WIC program is typically funded through the annual Agriculture and Related Agencies appropriations bill. Funds are available for two years (e.g., FY2015 appropriations are available for obligation through FY2016). **Table 1** displays the funding provided for the WIC account in recent years' appropriations laws.

Table 1. WIC Appropriations, FY2012-FY2016

In millions of dollars

	FY2012 (P.L. 112-55)	FY2013 (P.L. 113-6)[a]	FY2014 (P.L. 113-76)	FY2015 (P.L. 113-235)	FY2016 (P.L. 114-113)
WIC Account Total	$6,618.5	$6,522.2	$6,715.8	$6,623.0	$6,350.0[b]

Source: CRS, compiled from respective appropriations laws and related congressional documents.

a. This funding level displayed is post-sequester. For more information on the FY2013 sequester of funds provided by the Agriculture and Related Agencies appropriations bill, based on the Budget Control Act of 2011, see CRS Report R43110, *Agriculture and Related Agencies: FY2014 and FY2013 (Post-Sequestration) Appropriations*.

b. In addition, Section 751 provided $220 million for management information systems and WIC EBT by rescinding FY2015 carryover and recovery funding.

The majority of WIC's funding is distributed by USDA-FNS to states based upon allocation formulas described in federal regulations.[13] The formulas used to allocate federal funds—both money from the annual appropriation and any unused money recovered and reallocated—are designed to (1) guarantee states enough money to maintain their previous year's operating level and caseload (with adjustments for inflation), and (2) distribute any extra dollars to grantees receiving comparatively less than their "fair share" of funds (based on their income-eligible WIC population and amount estimated as needed to serve their projected participation level).[14] As needed and authorized, USDA-FNS may reallocate funding throughout the year.[15] State-by-state allocation amounts for recent and past years can be found at USDA-FNS's website.[16]

In addition to the appropriated funding provided for the current fiscal year, WIC may carry over funds remaining from the prior year's appropriation; and in the event that these funds from two years prove insufficient, the program maintains a contingency fund that can be spent in any year.[17] **Table 2** displays three years of federal WIC obligations. Due to the availability of WIC's

[12] "Anecdotal evidence suggest that WIC became fully funded sometime in the late 1990s," Victor Oliveira and Elizabeth Frazão, *The WIC Program: Background, Trends, and Economic Issues, 2015 Edition*, EIB-134, U.S. Department of Agriculture, Economic Research Service, January 2015, p.19. (Hereinafter cited as "Oliveira and Frazão, EIB-134 (2015)").

[13] 7 C.F.R. 246.16.

[14] 7 C.F.R. 246.16(c)(2), (3). See also, Dawn K. Aldridge, "Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Funding Formula Evolution," *Journal of Official Statistics*, vol. 18, no. 3 (2002), pp. 430-433.

[15] 7 C.F.R. 246.16(c)-(e).

[16] http://www.fns.usda.gov/wic/wic-funding-and-program-data.

[17] After the contingency fund had been depleted, Congress provided $125 million funds to be held in contingency in the FY2014 appropriations law (P.L. 113-76).

appropriated funds, obligated funds may include not only the current year's appropriation but carryover and contingency spending as well.

Table 2. WIC Obligations, FY2012-FY2015

In millions of dollars

Project/Purpose	FY2012	FY2013	FY2014	FY2015
Grants to States:				
Supplemental Food	4,780	4,823	4,889	4,680
Nutrition Services and Administration	1,926	2,013	2,013	1,990
Subtotal, Grants to States	6,706	6,835	6,902	6,670
Infrastructure Grants	3	13	7	10
Technical Assistance	-	-	0[a]	0[a]
Breastfeeding Peer Counselors	60	55	60	60
Management Information Systems	10	32	36	10
Program Evaluation & Monitoring	10	5	8	13
Federal Administration	9	10	6	3
WIC Contingency Funds	368	-	125	0
UPC Database[b]	2	1	1	0[a]
TOTAL WIC FUNDS OBLIGATED	**$7,168**	**$6,952**	**$7,145**	**$6,768**

Sources: FY2012 data from FNS FY2015 Congressional Budget Justification (p. 32-63); FY2013, FY2014 data from FNS FY2016 Congressional Budget Justification (p. 32-67); FY2015 data from FNS FY2017 Congressional Budget Justification (p. 32-76).

Notes: Numbers may not add, due to rounding.

a. Less than $1 million.

b. Per Section 17(h)(13) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(13)), funding for this purpose is directly appropriated. This Universal Product Code (UPC) database supports states' transition to EBT.

As **Table 2** shows, the bulk of WIC funding is provided as two types of grants for states: food grants, and Nutrition Services and Administration (NSA) grants. Food grant funds may be used to pay retail grocery stores for foods purchased by program participants; to acquire, store, and provide supplemental foods to participants; and to purchase or rent breast pumps.[18] NSA grant funds may be used for participant certification costs, nutrition education activities, breastfeeding promotion and support activities, and salaries and administrative costs to provide these services.[19] In general, money for food costs and NSA expenses must be kept separate; however, grantees may, under federal guidelines, convert food funding to support NSA costs. The WIC appropriation also includes federal funds for specified WIC purposes (e.g., Management Information Systems, Breastfeeding Peer Counselors) that may only be used to carry out approved projects or certain activities.

Because WIC's funding is tied to the cost of food items, the program has come to include a number of cost containment measures. Such measures include approved food lists with

[18] 7 C.F.R. 246.14(b).

[19] 42 U.S.C. 1786(a)(4), 7 C.F.R. 246.14(c).

reasonably priced food items, rebates on infant formula and other authorized foods, and the selection of WIC vendors based on competitive prices. These policies are discussed in later sections of this report.

Eligibility

Mothers and children seeking WIC assistance must apply to their local WIC agencies and be screened for eligibility.[20] WIC has a number of federal and state eligibility requirements including categorical, financial, and nutritional risk tests.[21]

Categorical Eligibility

To qualify for benefits, an individual must be categorically eligible (i.e., in a specified participant category).[22] WIC serves individuals in the following participant categories:

- women during pregnancy and up to six weeks after delivery,
- breastfeeding women up to one year after delivery,
- non-breastfeeding women up to six months postpartum,
- infants, and
- children up to age five (eligibility ends at fifth birthday).

In FY2016, approximately 24% of participants were women, 24% were infants, and 52% were children under the age of 5.[23] Participant characteristics by category are shown in **Figure 1**.

[20] Physical presence of the applicant is required, unless a local agency determines that the physical presence of an applicant would present an unreasonable barrier to participation (42 U.S.C. 1786(d)(3)(C)).

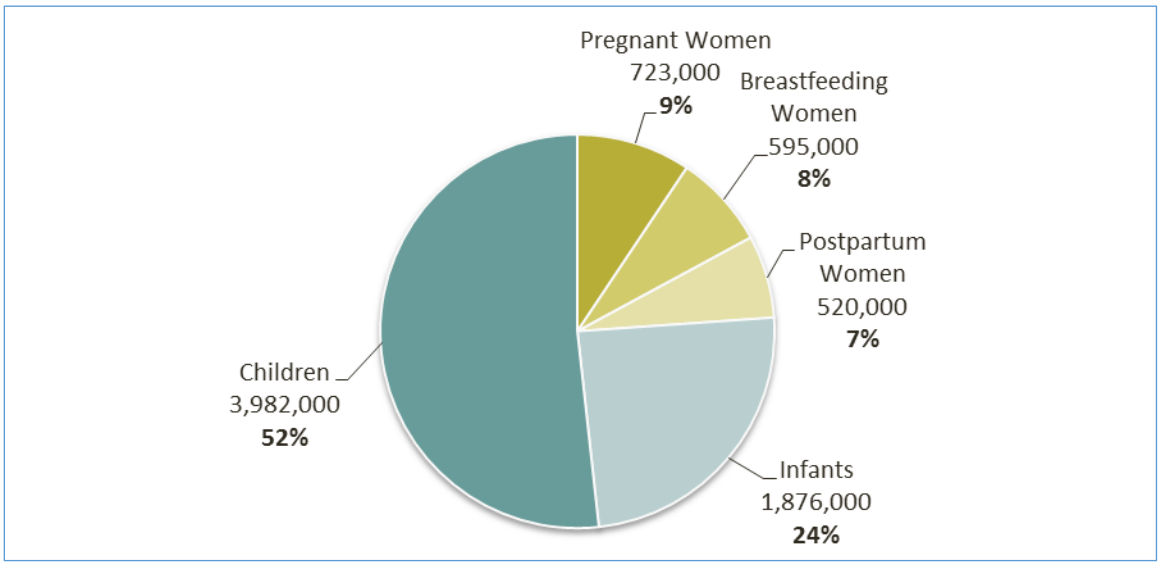
[21] See generally 42 U.S.C. 1786(d).

[22] In the WIC program, "categorical eligibility" refers to the categories of individuals the program is designed to serve, different from the term in the Supplemental Nutrition Assistance Program (SNAP).

[23] FNS Program Information Report, p. 30, http://www.fns.usda.gov/sites/default/files/datastatistics/keydata-september-2016_0.pdf. For more information on monthly and state level data, see WIC Program Data, http://www.fns.usda.gov/pd/wic-program.

Figure 1. WIC Participant Characteristics, by Category

FY2016, as of February 2017



Source: Figure prepared by CRS using USDA-FNS Administrative Data. Rounded to the nearest thousand and nearest 1%.

Income Eligibility

Applicants must meet specific income guidelines to qualify for WIC, and applicants who participate in certain programs are deemed income-eligible. Federal law states that the maximum allowable gross family income of an applicant must not exceed the guidelines for reduced-price school meals, which are set at 185% of the federal poverty level (income eligibility guidelines shown in **Table 3**).[24] Although federal regulation allows states to set income limits between 100% and 185% of the federal poverty level, currently all WIC state agencies set the income limit at the maximum of 185%. Federal law also sets the rules for what state agencies may exclude from counted income, with additional options provided in regulations.[25]

Applicants can become income-eligible for WIC by one of two pathways: (1) providing documentation of income below the 185% FPL threshold, or (2) being deemed eligible based on participation in certain means-tested programs (adjunctive eligibility).

In the first pathway, the income of the "family," not only the program participants, is considered. Federal regulation defines family largely as individuals (related or unrelated) who are living together.[26] State agencies have the option to choose the income time frame for applicants (e.g., annually or a shorter term).[27] WIC authorizing law includes state options for whether to count or

[24] 42 U.S.C. 1786(d)(2).

[25] 42 U.S.C. 1786(d). 7 C.F.R. 246.7 also defines income and provides additional state options for income exclusion rules.

[26] 7 C.F.R. 246.2 defines family as "a group of related or nonrelated individuals who are living together as one economic unit, except that residents of a homeless facility or an institution shall not all be considered as members of a single family."

[27] 7 C.F.R. 246.7(d)(2)(i) provides states flexibility on the time frame of income counting, "In determining the income eligibility of an applicant, the State agency may instruct local agencies to consider the income of the family during the past 12 months and the family's current rate of income to determine which indicator more accurately reflects the

exclude certain types of military income,[28] and the regulations give additional flexibilities on income exclusions.[29]

Table 3. WIC Income Eligibility Guidelines, 185% of Federal Poverty Level

Effective from July 1, 2016, to June 30, 2017

Family/Household Size	48 States, District of Columbia, Territories	Alaska	Hawaii
1	$21,978	$27,454	$25,290
2	$29,637	$37,037	$34,096
3	$37,296	$46,620	$42,902
4	$44,955	$56,203	$51,708
5	$52,614	$65,786	$60,514
6	$60,273	$75,369	$69,320
7	$67,951	$84,952	$78,126
8	$75,647	$94,572	$86,969
Each additional family member	+$7,696	+$9,620	+$8,843

Source: USDA-FNS website, http://www.fns.usda.gov/wic/wic-income-eligibility-guidelines (also published in the *Federal Register*).

Note: Annual thresholds are provided here, but the state agency may determine income based on a shorter time frame.

The second pathway, adjunctive eligibility, deems an applicant income-eligible based on their participation in certain means-tested programs. Applicants that currently receive or are eligible to receive Supplemental Nutrition Assistance Program (SNAP), Medicaid, or Temporary Assistance for Needy Families (TANF) are adjunctively eligible.[30] Recent years' data—from a biennial USDA-FNS study using states' participant data—show that Medicaid has been consistently the most frequent source of adjunctive eligibility for WIC participants. **Figure 2** displays the percentage of participants reporting participation in TANF, SNAP, and Medicaid. In April 2014, taking into account multiple program participation, 72.8% of WIC participants' income eligibility was determined through adjunctive eligibility.[31] See Appendix **Table A-2** for more detail on WIC participants' cross-program enrollment.

family's status. However, persons from families with adult members who are unemployed shall be eligible based on income during the period of unemployment if the loss of income causes the current rate of income to be less than the State or local agency's income guidelines for Program eligibility."

[28] 42 U.S.C. 1786(d)(2)(B).

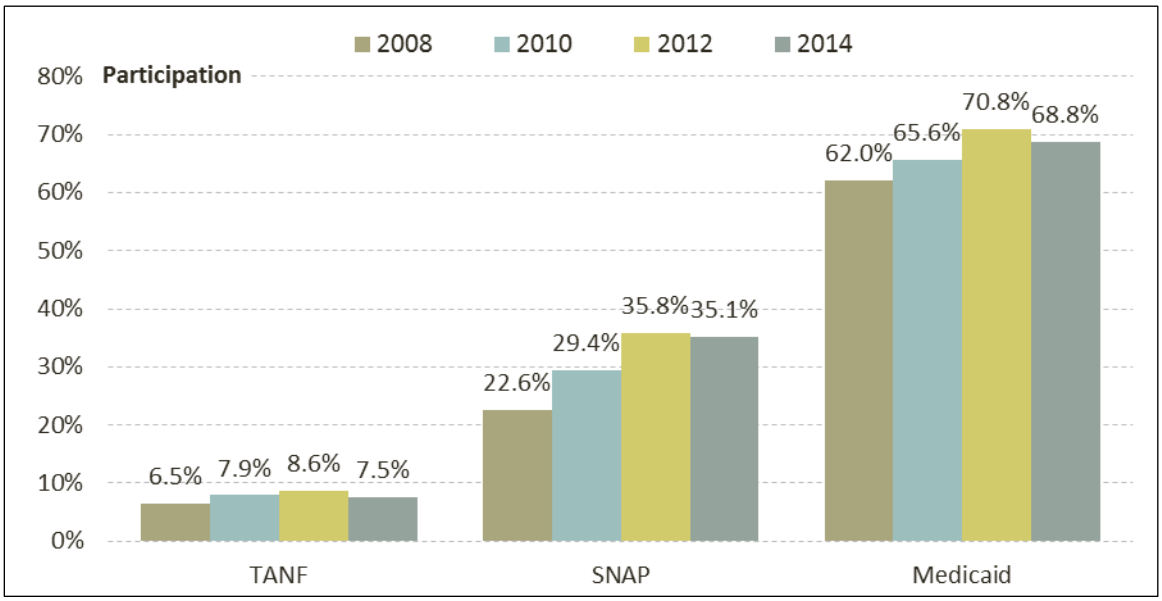
[29] See generally 7 C.F.R. 246.7(d)(2).

[30] 42 U.S.C. 1786(d)(2)(A). State agencies also have the option to deem applicants adjunctively eligible based on their participation in other state-administered programs as long as the programs have income eligibility guidelines at or below the state agency's WIC income guidelines and routinely require documentation of income (e.g., state-funded General Assistance programs). See 7 C.F.R. 246.7.

[31] B. Thorn, C. Tadler, and N.Huret et al., *WIC Participant and Program Characteristics 2014*, U.S. Department of

Figure 2. Participants Reporting Participation in TANF, SNAP, Medicaid

2008, 2010, 2012, 2014



Source: CRS adaptation of B. Thorn, C. Tadler, and N.Huret et al., *WIC Participant and Program Characteristics 2014*, U.S. Department of Agriculture, Food and Nutrition Service, Final Report, Alexandria, VA, November, 2015, p. 33, Figure III.1.

Notes: The source of these data notes that these data likely underestimate participation in TANF, SNAP, and Medicaid. Reasons for underreporting include (1) information is recorded at time of certification and some participants are referred to these programs after certification, and (2) variations in office information systems and documentation policies.

Because some states have income eligibility thresholds for SNAP and Medicaid that are above 185% of the federal poverty level, it is possible for WIC participants to have incomes over 185% of the federal poverty level. According to 2014 report data, 1.6% of WIC participants reported income above 185%.[32] The vast majority of participants reporting income (74.1%) are at or below the federal poverty level.[33]

Nutritional Risk

Applicants must be at nutritional risk to qualify for WIC benefits, a rule that is unique to the WIC program, compared to other food assistance programs. Federal law recognizes five major types of nutritional risk,[34] falling into two broad categories: "medically based risks" and "diet-based risks."[35] Medically based risks include health conditions such as anemia, underweight, maternal

Agriculture, Food and Nutrition Service, Final Report, Alexandria, VA, November, 2015, p. 33. (Hereinafter cited as *WIC Participant and Program Characteristics 2014*.)

[32] Ibid. at p. 44.

[33] Ibid. Over 9% of participant data includes missing or ambiguous income data.

[34] 42 U.S.C. 1786(a)(8). *Nutritional risk* is defined as "(A) detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements; (B) other documented nutritionally related medical conditions; (C) dietary deficiencies that impair or endanger health; (D) conditions that directly affect the nutritional health of a person, including alcoholism or drug abuse; or (E) conditions that predispose persons to inadequate nutritional patterns or nutritionally related medical conditions, including, but not limited to, homelessness and migrancy."

[35] See USDA-FNS website, "Frequently Asked Questions about WIC," http://www.fns.usda.gov/wic/frequently-asked-

age, history of pregnancy complications, or poor pregnancy outcomes. Diet-based risks refer to conditions that predispose applicants to inadequate nutritional patterns such as homelessness and migrancy.

To determine nutritional risk, a "competent professional authority," such as a physician, nutritionist, or nurse, must conduct a medical and/or nutritional assessment that includes the collection of anthropometric and biochemical measures, medical history, and dietary information from applicants and participants.[36] This assessment allows WIC providers to tailor participant benefits and services.[37]

Residential Eligibility and Immigration Status

Applicants must reside within the state in which their eligibility is determined and cannot participate in WIC at more than one WIC clinic at the same time. WIC state agencies have the option to limit WIC participation to U.S. citizens, nationals, and qualified aliens.[38]

Other Eligibility Issues

Certification Period

Once certified eligible for WIC, participants are eligible for a certain period of time. At the end of a certification period, eligible participants must be recertified to continue receiving benefits. At recertification, the WIC clinic will confirm that the participant is still eligible for benefits (including nutritional risk) and may adjust benefits if categorical status and/or nutritional needs change. The lengths of WIC certification periods vary by participant category, but in general, participants are eligible to receive benefits for a six-month period. Pregnant women are certified for the duration of their pregnancy and up to six weeks postpartum. Breastfeeding women are certified for six-month periods up to one year after delivery, while non-breastfeeding women are certified only up to six months after delivery. States have options to certify infants through their first birthday and/or children for up to one-year periods.[39]

Priority System and Waiting Lists

Federal regulations require states to use a priority system to manage WIC applicant waiting lists, in the event that limited funding prevents all eligible applicants from being served. Because WIC funding is discretionary, the number of participants served by the program is limited by the level of funding appropriated by Congress (and the allocation of these funds by USDA-FNS to each state). However, since the late 1990s funding provided has been adequate to serve all eligible

questions-about-wic#2.

[36] Per WIC law, " 'Competent professional authority' means physicians, nutritionists, registered nurses, dietitians, or State or local medically trained health officials, or persons designated by physicians or State or local medically trained health officials, in accordance with standards prescribed by the Secretary, as being competent professionally to evaluate nutritional risk." Section 17 (b)(3) of the Child Nutrition Act of 1966 (codified at 42 U.S.C. 1786(b)(3)).

[37] Oliveira and Frazão, EIB-134 (2015), p.5.

[37] 42 U.S.C. 1786(f)(12), 7 C.F.R. 17(f)(12).

[38] 7 C.F.R. 246.7(c)(3).

[39] 42 U.S.C. 1786(d)(3).

applicants.[40] As a result, the priority system has largely gone unused in recent years—though the issue of WIC waiting lists is often brought up by program advocates in budget-related debates.[41]

In the event that limited funding prevents all eligible applicants from participating in the program, local agencies are to create and maintain a waiting list of applicants seeking benefits.[42] Using a seven-point priority system, applicants are prioritized on the waiting list to ensure that those with the greatest nutritional risk and overall need can receive benefits.[43] Typically, applicants with medically based nutritional risks (e.g., anemia) are prioritized over those with only diet-based nutritional risks (e.g., conditions that may lead to inadequate diet). Additionally, certain participant categories—infants, pregnant women, and breastfeeding women—are given higher priority levels than other categories such as children and non-breastfeeding women.

Benefits and Services Provided

The WIC program provides grants to states to provide benefits redeemable for specified supplemental foods (i.e., the WIC food package) and specified services. In addition to foods, WIC participants receive nutrition education, breastfeeding promotion and support, and referrals to healthcare and social services. Recent WIC grants to states for food costs as well as Nutrition Services and Administration (NSA) are displayed in **Table 2**, with historical funding in **Table A-1**.

Supplemental Food Package

Typically, WIC participants receive vouchers/checks or an electronic benefit transfer (EBT) card, which are then redeemed for specific supplemental foods, and in some respects tailored to the specific participant's needs. The federal food package regulations and the basis for states' approved food lists are discussed in this section. More information about the delivery of benefits and states' food lists is provided in a subsequent section, "Redemption of Food Benefits and Related Cost Containment Policies."

Federal Requirements for WIC-Eligible Foods

The supplemental food package in a given state is the result of federal regulation and state policies.[44] Federal regulations list seven food packages, including eligible foods and their quantities, based on participant characteristics such as pregnancy status, breastfeeding practices, the age of children or infants, and dietary needs. Food items within the seven food packages include milk, juice, cereal, eggs, whole-wheat bread, legumes and peanut butter, cheese, canned

[40] Oliveira and Frazão, EIB-134 (2015), p.19.

[41] See, for example, Douglas A. Greenaway, National WIC Association, October 2013 blog post, https://www.nwica.org/blog/what-congress-can-do-to-keep-wic-doors-open-for-mothers-and-young-children#.VVT1X5PAOEI.

[42] 7 C.F.R. 246.7(f)(1).

[43] 7 C.F.R. 246.7(e)(4).

[44] "Supplemental foods" is defined in federal WIC law as "those foods containing nutrients determined by nutritional research to be lacking in the diets of pregnant, breastfeeding, and postpartum women, infants, and children and foods that promote the health of the population served by the program authorized by this section [WIC], as indicated by relevant nutrition science, public health concerns, and cultural eating patterns, as prescribed by the Secretary [of Agriculture]. State agencies may, with the approval of the Secretary, substitute different foods providing the nutritional equivalent of foods prescribed by the Secretary, to allow for different cultural eating patterns." 42 U.S.C. 1786(b)(14).

fish, infant formula, infant cereal, and infant fruits, vegetables, and meats.[45] State agencies create their eligible food lists within this framework.[46] For instance, two states may make different brands of infant cereals WIC-eligible but both states' choices will meet the federal regulatory cereal requirements for sugar and fiber.[47] States' WIC food selections are a prime way that states can control costs and make their WIC grants go further. The bulk of participants' benefits are for specific foods, but certain participants also receive a cash value voucher (CVV) for a specified monthly dollar amount to be redeemed for fruits and vegetables.[48] **Figure 3** summarizes the federal WIC food packages—noting which packages include a CVV.

WIC law, as amended in 2004 and 2010, requires USDA to conduct periodic ("not less than every 10 years") scientific reviews of foods included in the WIC food packages and to change the regulations as necessary.[49] The current federal food package regulations, discussed in this section and displayed in **Figure 3**, are largely the result of significant revisions that began in 2003 with meetings of the National Academy of Sciences' Institute of Medicine (IOM) and continued with a 2007 interim rule that was finalized in 2014, with an added change (allowing CVV purchases of white potatoes) from Congress through the FY2015 appropriations law. The 2003 revision had been the first major revision since the 1970s. Note: In 2016, the IOM was renamed the Health and Medicine Division (HMD) of the National Academies of Sciences, Engineering, and Medicine (NASEM).[50]

Since the 2014 final rule, USDA-FNS engaged IOM/HMD for further review and assessment of the WIC food package studies. HMD convened an expert committee, and has since produced three reports, the third and final of which is expected to form the basis for FNS's next revision of the WIC food packages.[51]

Appendix B provides further detail on the WIC food package updates and proposed food package updates discussed in this section.

[45] 7 C.F.R. 246.10(e). See Table 4 for the minimum requirements, specifications, and substitutions permitted for supplemental foods. WIC approved food lists vary considerably by state. A list of each state agency's WIC approved food list can be found on USDA-FNS's website: http://www.fns.usda.gov/wic/links-state-agency-wic-approved-food-lists.

[46] 7 C.F.R. 246.10(e).

[47] See state agency websites for state-specific WIC food lists. List of state agency websites available at http://www.fns.usda.gov/wic-state-agency-contacts.

[48] See Table 4 of paragraph 7 C.F.R. 246.10 (e)(12) for cash value voucher limitations.

[49] 42 U.S.C. 1786(h)(11)(C). Periodic reviews added by Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265); 10-year timeframe added by Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296).

[50] In March 2016, IOM was renamed the Health and Medicine Division (HMD) of the National Academies of Sciences, Engineering and Medicine.

[51] The HMD committee produced three reports: (1) Review of WIC Food Packages: An Evaluation of White Potatoes in the Cash Value Voucher (February 3, 2015); (2) Review of WIC Food Packages: Proposed Framework for Revisions: Interim Report (November 30, 2015); (3) Review of WIC Food Packages: Improving Balance and Choice (January 5, 2017). See http://nationalacademies.org/hmd/Reports/2017/review-of-wic-food-packages-improving-balance-and-choice.aspx.

Figure 3. Overview of the Seven WIC Food Packages

Details at 7 C.F.R. 246.10

Package #	Participant Category	Age/Duration	Foods	Cash Value Voucher Amount[1]
I	Infants[2]	Ages 0 through 5 months old	Infant formula	-
II	Infants[2]	Ages 6 through 11 months old	Infant formula, infant cereal, infant fruits and vegetables, infant meat	-
III	Participants with qualifying conditions (includes women, infants, children)[3]	Same as participant's category	With medical documentation: infant formula, exempt infant formula, or WIC-eligible medical foods, plus all of the foods in the packages to which they would have been eligible in the absence of their special medical needs	Same as participant's category
IV	Children	Ages 1 through 4 years old	Juice, milk, breakfast cereal, eggs, whole-wheat bread, legumes or peanut butter, fruits and vegetables	$8
V	Pregnant and Partially Breastfeeding Women	Pregnant women: until mother gives birth; Partially breastfeeding women: up to 1 year after giving birth	Juice, milk, breakfast cereal, eggs, whole-wheat bread, legumes and peanut butter, fruits and vegetables	$10
VI	Postpartum Women (non-breastfeeding)	Up to 6 months postpartum	Juice, milk, breakfast cereal, eggs, legumes or peanut butter, fruits and vegetables	$10
VII	Fully Breastfeeding Women	Up to 1 year	Juice, milk, cheese, breakfast cereal, eggs, whole-wheat bread, legumes and peanut butter, canned fish, fruits and vegetables	$10

Source: CRS adaptation of Victor Oliveira and Elizabeth Frazão, *The WIC Program: Background, Trends, and Economic Issues, 2015 Edition*, EIB-134, U.S. Department of Agriculture, Economic Research Service, January 2015, p. 7, Table 2.

Notes: In addition to the foods listed here, the federal food package regulations give states certain substitution options such as yogurt as a substitute for milk for Food Packages III-IV.

(1) Provided per month. Cash value voucher amounts are adjusted for inflation according to rules in 7 C.F.R. 246.16;

(2) Three infant feeding options are available under these packages, depending whether the infant is fully, partially, or not breastfeeding;

(3) For any participant with a "documented qualifying condition," substitutions to the conventional foods may be made.

Issuance of Food Benefits

At a WIC clinic (local agency), a "competent professional authority" will assign an applicant to one of seven food packages (**Figure 3**). Participants are eligible to receive up to the maximum food benefits as determined by medical and nutritional need, not household income. Prescribed foods are typically reassessed at each recertification or when a participant's status changes (e.g., after a pregnant participant gives birth). Food package benefits are usually issued monthly.[52]

Currently, all but two state agencies have participants redeem their benefits at authorized WIC vendors (retailers).[53] Most are issuing benefits through paper checks/vouchers, but (as of March 2017) 24 state agencies have implemented an electronic benefit transfer (EBT) system statewide.[54] These benefit redemption concepts are discussed further in "Retail Food Delivery Systems and the Transition to EBT."

Nutrition Education, Breastfeeding, and Referral Services

In addition to food benefits, WIC also provides nutrition education and related support. States are required to ensure that nutrition education, including breastfeeding promotion and drug abuse education, is available to all pregnant, postpartum, and breastfeeding participants in the program.[55] States develop and coordinate nutrition education services and oversee and support the administration of these benefits at local agencies. Under federal guidelines, WIC nutrition education must emphasize the relationship between nutrition, physical activity, and health and it must assist each participant in improving health status and achieving a positive change in dietary and physical activity habits.[56] Nutrition education is provided through a number of approaches, including individual consultations, group counseling sessions, and online educational modules.

Though WIC does provide infant formula for infants whose mothers do not breastfeed, or do not exclusively breastfeed, WIC also promotes and supports breastfeeding in a variety of ways. States must establish standards and practices for breastfeeding promotion within nutrition education services.[57] Additionally, states must spend an annual average of at least $21 per pregnant and breastfeeding woman to promote breastfeeding.[58] Examples of breastfeeding promotion and support services include breastfeeding peer counselors, lactation consultants, classes and support groups, educational materials, and a breastfeeding hotline for questions.[59] According to USDA-

[52] Participants can be issued up to a three-month supply of food benefits vouchers at a time with each voucher typically valid for a 30-day period. 7 C.F.R. 246.12 (r)(5).

[53] WIC state agencies may choose from three types of food delivery systems: retail, home delivery, and/or direct distribution. Currently, all state agencies except Vermont and Mississippi operate retail food delivery systems. Vermont operates a home delivery system and Mississippi operates a direct distribution delivery system in which participants pick up food from designated facilities operated by the state agency. Both agencies are scheduled to switch to the retail food delivery system as part of their transition to EBT.

[54] USDA-FNS, http://www.fns.usda.gov/wic/wic-ebt-activities.

[55] 42 U.S.C. 1786(e).

[56] See 7 C.F.R. 246.11(b).

[57] 7 C.F.R. 246.11(c)(7). See USDA's WIC Works Resource System for nutrition education materials used by states, http://wicworks.nal.usda.gov/nutrition-education.

[58] 42 U.S.C. 1786(h)(3)(E).

[59] For further information on WIC's provision of breastfeeding and support services, see related USDA-FNS resources available at http://www.fns.usda.gov/wic/breastfeeding-promotion-and-support-wic.

FNS, breastfeeding initiation has increased in recent years. 69.8% of WIC infants 6 to 13 months old were breastfed at some point in 2014, an increase from 67.1% in 2012.[60]

In an effort to integrate available services, state and local WIC agencies often provide applicants and participants with information on other health-related and public assistance programs (such as Medicaid, SNAP, and immunizations).[61] WIC law requires that states provide Medicaid information to individuals that are income-eligible and not participating.[62]

Redemption of Food Benefits and Related Cost Containment Policies

State agencies, under federal guidelines, design and oversee the delivery of food benefits to participants. As stated earlier, almost all state agencies currently provide benefits using a voucher or EBT card for redemption at an authorized vendor. This section provides an overview of benefit redemption, states' transitions to EBT, authorization and management of vendors, and related cost containment policies.

Retail Food Delivery Systems and the Transition to EBT

Currently, most states have their participants redeem WIC benefits using a paper food instrument in the form of a check or voucher that specifies the types and quantities of foods that can be purchased at an authorized WIC vendor. Vendors send vouchers to the states, and the states reimburse vendors (using food grant funds) for WIC benefit redemptions. With paper vouchers, each will typically be redeemable for a group of approved foods (e.g., milk and eggs for the month), and WIC participants will have to redeem the entire group in the same transaction or lose the benefits if they make a partial transaction (e.g., only milk with the "milk and eggs" voucher).

WIC's 2010 reauthorization included the requirement that state agencies transition to using electronic benefit transfer (EBT) by October 1, 2020 (the end of FY2020).[63] SNAP underwent the transition from paper food stamps to EBT from 1988 to 2004.[64] WIC EBT (referred to by some states and stakeholders as "eWIC") replaces vouchers with a card, similar to a debit card, which keeps track of remaining and redeemed benefits. Policy rationales for this transition include program integrity considerations as well as improved services for participants and vendors.[65]

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[60] Breastfeeding initiation refers to the incidence of breastfeeding rather than the duration of breastfeeding, meaning an infant was fed breast milk at least once or more. See, *WIC Participant and Program Characteristics 2014*, pp. 141-147. Table VI.2. (on p. 145) indicates the rate of breastfeeding initiation has been increasing since 1998, although there are limitations to comparing the data across years.

[61] WIC regulations require states to make such referrals, 7 C.F.R. 246.7(b).

[62] 42 U.S.C. 1786(e)(4): "The State agency ... shall provide to individuals applying for the program under this section, or reapplying at the end of their certification period, written information about the Medicaid program and referral to such program or to agencies authorized to determine presumptive eligibility for such program, if such individuals are not participating in such program and appear to have family income below the applicable maximum income limits for such program."

[63] 42 U.S.C. 1786(h)(12) as amended by Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296).

[64] See USDA-FNS website "A Short History of SNAP," http://www.fns.usda.gov/snap/short-history-snap.

[65] In the report accompanying the 2010 reauthorization, the Senate committee wrote, in part, "Updating technology in the WIC Program will allow State WIC staff at all levels to perform operations more effectively and efficiently, increasing accountability and streamlining program monitoring and business practices through electronic solutions. At the clinic level it will enhance client services by improving clinic efficiencies. EBT will improve access to prescribed WIC foods by allowing the participant to shop for benefits when they want to and in the amounts they wish to

EBT, for instance, allows food benefits to be redeemed for each item individually or in groupings of the participant's choice. The WIC technology is more complex than SNAP's, however, and state agencies are at varying stages of making the transition.[66] 24 state agencies (20 states and 4 Indian Tribal Organizations), as of March 2017, have fully transitioned to WIC EBT.[67] The fruit and vegetable cash-value voucher (CVV) is included in a transition to EBT, and so some states and stakeholders have begun referring to it instead as a cash-value *benefit* (CVB).

States' Cost Containment through Approved Foods

Approved Food Lists

Referred to earlier, the specific types and quantities of approved foods for redemption are a prime way states control food costs. In practice, states often control food costs by limiting participants' food-item selection to specific brands, economically priced package sizes and product forms, or least-cost brands. States' approved food lists, along with geographic variation in food costs, explain much of the variation between average food package costs in states. In FY2015, the average monthly food package cost was over $43 nationwide; individual state agencies' average monthly food package costs ranged from around $29 to $96.[68] However, states balance cost containment considerations with participant satisfaction, as an approved food list that is too limited may stifle participation.[69]

Infant Formula (and Other Food) Rebates

Manufacturers' rebates for infant formula (and some other foods) also serve to contain WIC food costs.

Over time, one of the ways that WIC has controlled costs has been to require competitive bidding for infant formula, which has resulted in infant formula being available to states at well below market costs, especially due to manufacturers' discounts in the form of rebates to states. Infant formula has been shown to be the most expensive WIC food category. A study of FY2010 found that, without infant formula rebates, infant formula would have accounted for 42% of WIC food costs in FY2010; after rebates, formula costs were only 20%.[70]

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purchase. EBT will also simplify the retail point-of-sale transaction and will reduce participant stigma and improve the shopping experience. WIC benefit redemption and payment for WIC transactions will be vastly improved for retailers using EBT." S.Rept. 111-178, p. 10.

[66] For additional resources and guidance on the transition to WIC EBT, see USDA-FNS's webpage on WIC Electronic Benefits Transfer (EBT) Guidance and Resources: http://www.fns.usda.gov/wic/wic-electronic-benefits-transfer-ebt-guidance. See also Diane Phillips, Loren Bell, and Ruth Morgan, et al., *Transition to EBT in WIC: Review of Impact and Examination of Participant Redemption Patterns*, Altarum Institute, Final Report, September 8, 2014, http://altarum.org/publications/transition-to-ebt-in-wic-review-of-impact-and-examination-of-participant-redemption-patterns.

[67] See state agencies EBT implementation at USDA-FNS's WIC EBT Activity Map and Status Report, updated monthly, http://www.fns.usda.gov/wic/wic-ebt-activities.

[68] U.S. Department of Agriculture, Food and Nutrition Service., *WIC Program, Annual State Level Data: FY 2009-2014 - Average Monthly Food Cost Per Person*, June 5, 2015, http://www.fns.usda.gov/pd/wic-program.

[69] For more information on the assessment of WIC cost-containment practices, see John A. Kirlin and Nancy Cole, *Assessment of WIC Cost-Containment Practices*, USDA-ERS, Report Number 31, Washington, DC, May 2003, https://www.ers.usda.gov/webdocs/publications/fanrr31/35814_fanrr31.pdf?v=42499.

[70] Tracy Vericker, Chen Zhen, and Shawn Karns, *Fiscal Year 2010 WIC Food Cost Report*, USDA Food and Nutrition Service, August 2013, p. 16.

Infant formula manufacturers submit bids through a state's (and, in some cases, alliances of states) competitive bidding process, and the contract is awarded to the manufacturer with the lowest price. The requirement that states pursue such cost containment systems for infant formula was added by the Child Nutrition and WIC Reauthorization Act of 1989 (P.L. 101-147), although some states had begun to enter into these arrangements prior to the law's passage and implementation.[71]

A rebate contract is a legal agreement between an infant formula manufacturer and a state (or multistate alliance).[72] In a rebate contract, the state agency receives a rebate payment from the manufacturer, with total rebate payments depending upon how much infant formula was ultimately purchased with WIC benefits.[73] The manufacturer receives the exclusive right to sell formula to the state's WIC participants.[74] (Note: Some states competitively bid their milk- and soy-based formulas separately, so WIC participants buy formula from two manufacturers rather than a sole source.) WIC-authorized retailers are reimbursed for the "full" retail price of the infant formula, but state agencies then submit their reimbursements to the manufacturers for rebates.

Though the rebate may impact the manufacturers' profit on the WIC purchases, economic research indicates that the manufacturer who wins the state's WIC business also gains non-WIC business in the state.[75]

Infant formula rebates have significantly defrayed the costs of operating the WIC program. USDA-ERS estimates that, in FY2013, rebates generated $1.9 billion in savings.[76] USDA-ERS also found that infant formula manufacturers in FY2013 were providing percentage discounts ranging from 77% to 98%, with 21 state agencies receiving discounts of 95% or greater.[77]

Although the law does not require states to pursue competitive bidding for other foods, some states have pursued rebate contracts for infant foods. According to March 2017 USDA-FNS data, eight WIC state agencies had rebate contracts for infant foods.[78]

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[71] See 42 U.S.C. 1786(h)(8). Provision creates certain exemptions from these cost containment requirements (e.g., Indian Tribal Organization agencies with less than 1,000 participants). Further history of infant formula rebates is provided in Steven Carlson, Robert Greenstein, and Zoë Neuberger, *WIC's Competitive Bidding Process for Infant Formula Is Highly Cost-Effective*, Center on Budget and Policy Priorities, June 24, 2015, pp. 2-4, http://www.cbpp.org/research/food-assistance/wics-competitive-bidding-process-for-infant-formula-is-highly-cost.

[72] Over half of the WIC state agencies that operate a competitive rebate system do so as part of a multistate alliance. For a list of multistate alliance states, see Victor Oliveira, Elizabeth Frazão, and David Smallwood, *Trends in Infant Formula Rebate Contracts: Implications for the WIC Program*, USDA-ERS, EIB-119, December 2013, p. 7, https://www.ers.usda.gov/webdocs/publications/eib119/41312_eib119_summary.pdf.

[73] For more information on formula rebate contracts and program implications, see USDA-ERS's study: David E. Davis and Victor Oliveira, *Manufacturers' Bids for WIC Infant Formula Rebate, 2003-2013*, U.S. Department of Agriculture, Economic Research Service, Number 142, July 2015, https://www.ers.usda.gov/webdocs/publications/eib142/53266_eib142.pdf?v=42314.

[74] WIC does make exceptions to the contract brand for participants with religious or medical needs. 7 C.F.R. 246.10(d).

[75] Using retailer data from 30 states in 2004-2009, a USDA-ERS analysis found that when states switched brands the prior manufacturer's total sales severely dropped and the new manufacturer's sales increased; ERS found that the benefits of the contract "spill over" to non-WIC purchases. Victor Oliveira, "Winner Takes (Almost) All: How WIC Affects the Infant Formula Market," *Amber Waves*, September 1, 2011.

[76] David E. Davis and Victor Oliveira, *Manufacturers' Bids for WIC Infant Formula Rebate Contracts, 2003-2013*, USDA Economic Research Service, Number 142, July 2015, p. 2.

[77] Victor Oliveira, Elizabeth Frazão, and David Smallwood, *Trends in Infant Formula Rebate Contracts: Implications for the WIC Program*, USDA-ERS, EIB-119, December 2013, p. 9, https://www.ers.usda.gov/webdocs/publications/eib119/41313_eib119.pdf?v=41645.

[78] Data provided by USDA-FNS staff. The eight states are New York, Ohio, Texas, and one multi-state alliance

Vendor Authorization and Management[79]

WIC uses the term "vendors" to describe the retailers that states authorize to accept WIC benefits.[80] In FY2013, there were over 48,000 WIC authorized vendors nationwide.[81] The sections that follow provide an overview of how states authorize WIC vendors and federal and state price-related policy impacting cost containment in WIC.

States' Authorization of Vendors

Vendors include a variety of retailers from supermarkets to convenience stores to military commissaries. State agencies are responsible for setting criteria and authorizing WIC vendors, within the framework of federal law and regulations. State agencies select and authorize vendors based on a set of criteria, such as competitive pricing, minimum stocking requirements of supplemental foods, and business integrity.[82] If a vendor satisfies the state's criteria and participates in the agency's WIC training, it may enter into a vendor agreement with the state agency, thereby agreeing to comply with the state's rules and regulations.

Overseeing Vendors

As discussed earlier, WIC food benefits are provided in the form of specific foods, rather than a dollar amount of benefits (the cash value voucher/benefit is the exception). This can set up challenges for program spending, as participants are less sensitive to the price of goods and vendors can potentially take advantage of this. Therefore, states consider and monitor WIC vendors' pricing as a means of cost containment. For instance, federal law requires (1) the establishment of vendor "peer groups" and (2) additional strictures for vendors that receive over 50% of their revenue from WIC transactions. These policies, discussed further below, were added to WIC law in the 2004 reauthorization.[83]

Federal law requires states to establish a vendor peer group system for their WIC vendors. State agencies group vendors based on shared characteristics or criteria that affect food prices and compare prices within the group. Groups are based upon factors such as store size, geographic location, sales, and/or type of ownership. For example, large chain groceries may be grouped together as one peer group, while pharmacies may be grouped in another. States establish competitive price criteria for each peer group, with most states establishing a Maximum Allowable Reimbursement Level (MARL) or the total maximum reimbursement rate for each

(Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island).

[79] Further detail about these policies is provided in S. Gleason, R. Morgan, and L. Bell, et al., *2013 WIC Vendor Management Study*, USDA-FNS, Final Report, Alexandria, VA, November 2013, pp. 2-5, http://www.fns.usda.gov/sites/default/files/2013WICVendor.pdf.

[80] 7 C.F.R. 246.2, in part: "*Vendor* means a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State agency to provide authorized supplemental foods to participants under a retail food delivery system."

[81] S. Gleason, R. Morgan, and L. Bell, et al., *2013 WIC Vendor Management Study*, USDA-FNS, Final Report, Alexandria, VA, November 2013, p. 1, http://www.fns.usda.gov/sites/default/files/2013WICVendor.pdf.

[82] Per federal regulation, states must set their own minimum stocking requirements but they must include at least two varieties of fruits, two varieties of vegetables, and one whole grain cereal. These and other federal requirements for states' vendor authorization are at 7 C.F.R. 246.12(g).

[83] 42 U.S.C. 1786(h)(11) (as amended by the Child Nutrition and WIC Reauthorization Act of 2004, P.L. 108-265). S.Rept. 108-279, pp. 53-57.

WIC transaction.[84] When a vendor sends in a WIC voucher for reimbursement, the vendor will not be reimbursed above the MARL.

Also per the 2004 reauthorization law, states enforce additional requirements for vendors that receive over half their revenue from WIC transactions. These stores have been colloquially referred to as "WIC-only" vendors and in WIC regulations are called "above-50-percent" (A50) vendors. The 2004 law restricted A50 stores from providing incentives or other free merchandise to customers, and states are also required to limit A50 maximum reimbursements to the average of all other stores in the state.[85] Not all states have A50 stores.[86]

At times, USDA and/or state agencies have imposed a vendor moratorium in states that have had issues managing cost containment and maintaining the integrity of existing WIC vendors. Under a vendor moratorium, no new vendors are authorized.[87]

[84] 42 U.S.C. 1786(h)(11)(C),(E). Some states use the term MAR (Maximum Allowable Reimbursement).

[85] See also 7 C.F.R. 246.12(g).

[86] According to administrative data provided by USDA-FNS, as of September 30, 2014, A50 vendors are authorized in 13 state agencies. The 13 state agencies are Arizona; California; Connecticut; Florida; Georgia; Louisiana; New Mexico; New York; Oklahoma; Puerto Rico; Texas; Wisconsin; and Wichita, Caddo, and Delaware Tribes. Nearly 80% of these stores are authorized in California and Puerto Rico.

[87] Recent examples of vendor moratoria include California (lifted effective February 1, 2015) and Louisiana (ongoing as of the date of this report). See California's "Notice of Final Moratorium Lift" http://www.cdph.ca.gov/programs/wicworks/Documents/VendorAlerts/WIC-Vendor-Alert-2015-01.pdf; Louisiana's vendor notice http://dhh.louisiana.gov/assets/oph/nutrition/WIC/alerts/VendorAlerts2014/VendorNotice_FederalMoratorium52214.pdf.

Conclusion

Several aspects of the WIC program discussed in this primer—funding, eligible foods, and retail transactions—have been of interest to policymakers in the past and may continue to be in the future. Although the program has been reauthorized roughly every five years, interest in or debate over the program also arises in the context of annual appropriations deliberations. In light of budget laws' discretionary spending limits, congressional appropriators consider forecasted WIC need against other priorities. In addition to funding matters, moving forward, policymakers may be interested in overseeing the next update to the WIC food package regulations and states' transitions to EBT.

Along with the sources cited throughout the report, please see the text box below for a listing of additional resources which provide finer detail than was included in this overview.

Additional WIC Resources

- **USDA-FNS WIC Website:** http://www.fns.usda.gov/wic/women-infants-and-children-wic. Includes program descriptions, press releases, current policy guidance and regulations, and participation and spending data.
- **USDA-FNS WIC Studies Website:** http://www.fns.usda.gov/ops/wic-studies. Includes reports and studies on the WIC program such as
  - WIC Participant and Program Characteristics 2014: https://www.fns.usda.gov/wic-participant-and-program-characteristics-2014. Report summarizes the demographic characteristics of WIC participants nationwide in April 2014.
  - 2013 WIC Vendor Management Study: http://www.fns.usda.gov/2013-wic-vendor-management-study. Study estimates the level of vendor errors in WIC by examining compliance buys using paper- or EBT-based food instruments.
  - National and State-level Estimates of WIC Eligibles and Program Reach, 2013: https://www.fns.usda.gov/national-and-state-level-estimates-special-supplemental-nutrition-program-women-infants-and-childr-2. Report updates estimates on the number of people eligible for WIC benefits in 2013.
- **FY2017 President's Budget Justification for USDA-FNS** (pp. 32-74 to 32-90): http://www.obpa.usda.gov/32fns2017notes.pdf. Includes funding and program data, performance and evaluation data, along with general information on the WIC program.
- **USDA-ERS Report: The WIC Program: Background, Trends, and Economic Issues, 2015 Edition**: http://www.obpa.usda.gov/32fns2016notes.pdf. Report provides an overview of the WIC program, as well information on program trends and economic issues.
- **WIC State Agency Contacts and Websites**: http://www.fns.usda.gov/wic/wic-contacts. USDA-FNS maintains this list of state agencies' contact information and websites.

Appendix A. Additional WIC Data

Table A-1. WIC Participation and Costs FY1989-FY2016

Cost data in current dollars

		Federal Spending (in millions of dollars)[a]			
Fiscal Year	Total Participation[b] (in thousands)	Food Costs	Nutrition Services and Administration (NSA) Costs	Total (including other costs)[c]	Per Participant Monthly Food Cost
1989	4,119	$1,489.4	$416.5	$1,908.9	$30.13
1990	4,517	1,636.8	478.7	2,120.4	30.20
1991	4,893	1,751.9	544.0	2,298.3	29.84
1992	5,403	1,960.5	632.7	2,598.2	30.24
1993	5,921	2,115.1	705.6	2,825.5	29.77
1994	6,477	2,325.2	834.4	3,164.4	29.92
1995	6,894	2,511.6	904.6	3,429.7	30.36
1996	7,186	2,689.9	985.1	3,688.5	31.19
1997	7,407	2,815.5	1,008.2	3,837.2	31.68
1998	7,367	2,808.1	1,061.4	3,880.0	31.76
1999	7,311	2,851.6	1,063.9	3,926.0	32.50
2000	7,192	2,853.1	1,102.6	3,966.1	33.06
2001	7,306	3,007.9	1,110.6	4,132.6	34.31
2002	7,491	3,129.7	1,182.3	4,322.7	34.82
2003	7,631	3,230.3	1,260.0	4,504.7	35.28
2004	7,904	3,562.0	1,272.4	4,865.7	37.55
2005	8,023	3,602.8	1,335.5	4,968.4	37.42
2006	8,088	3,597.5	1,402.6	5,050.6	37.07
2007	8,285	3,881.1	1,479.0	5,389.1	39.04
2008	8,705	4,534.0	1,607.6	6,169.3	43.40
2009	9,122	4,640.9	1,788.0	6,451.9	42.40
2010	9,175	4,561.8	1,907.9	6,671.3	41.43
2011	8,961	5,020.2	1,961.3	7,159.6	46.69
2012	8,908	4,809.9	1,877.8	6,782.9	45.00
2013	8,663	4,497.1	1,881.6	6,463.1	43.26
2014	8,258	4,325.7	1,903.3	6,277.5	43.65
2015	8,024	4,176	1,922	6,210	43.37
2016	7,696	3,949	1,948	5,960	42.76

Source: USDA-FNS data, as of March 8, 2017.

a. USDA-FNS describes these data as both outlays and unliquidated obligations for the given year.

b. Average monthly participation in the given year.

c. This total includes Food and NSA as well as EBT, Infrastructure, Breastfeeding Peer Counselors, and other federal WIC costs.

Table A-2. Number and Percentage of WIC Participants Reporting Participation in Other Programs

Participant reports at certification

By Programs		
Program	**Number of Participants**	**% of U.S. WIC Participation[a]**
TANF	699,952	7.5%
SNAP	3,268,231	35.8%
Medicaid	6,402,851	68.8%
TANF, SNAP, and/or Medicaid	6.769,683	72.8%
By Combination of Programs, Where Applicable		
Program	**Number of Participants**	**% of U.S. WIC Participation**
TANF, SNAP, and Medicaid	557,853	6.0%
TANF and SNAP	29,099	0.3%
TANF and Medicaid	61,692	0.7%
SNAP and Medicaid	2,394,853	25.7%
TANF only	51,308	0.6%
	286,426	3.1%
Medicaid only	3,388,453	36.4%
Do not participate in TANF, SNAP, or Medicaid	1,960,470	21.1%
Not reported	573,100	6.2%
Total WIC Participation	**9,303,253**	**100.0%**

Source: B. Thorn, C. Tadler, and N.Huret et al., *WIC Participant and Program Characteristics 2014*, U.S. Department of Agriculture, Food and Nutrition Service, Final Report, Alexandria, VA, November, 2015, p. 34, Table III.1.

Notes: Source notes that this data likely underestimates participation in TANF, SNAP, and Medicaid. Reasons for underreporting include (1) information is recorded at time of certification and some participants are referred to these programs after certification, and (2) variations in office information systems and documentation policies.

a. Total of this column exceeds 100% because of participation in combinations of programs.

Appendix B. Revisions of WIC Food Packages, 2003-Present

2009 Changes to the WIC Food Packages

Effective October 1, 2009, USDA significantly revised the WIC food packages. These changes were made to reflect updates and revisions in nutrition science, public health concerns, and cultural eating patterns. The revised packages provide participants with a wider variety of foods, including whole grains, fruits, and vegetables; increase incentives for breastfeeding; and allow states greater flexibility in accommodating cultural preferences of participants. Before USDA embarked on this process to update the food packages, there had not been a major revision since the 1970s.[88]

In 2003, USDA-FNS contracted with the Institute of Medicine (IOM) to independently review the WIC food packages, in order to align them more closely with updated nutrition science.[89] IOM released its final report in 2005, recommending significant, though cost-neutral, changes to the food packages.[90] IOM's major recommendations included the addition of whole-wheat bread and infant foods including fruits, vegetables, and meats; revised food quantities and food package categories; additional foods for breastfeeding women and breastfed infants; providing new optional food-substitutions (such as soy milk and tofu); and the introduction of a cash-value voucher (CVV) redeemable for a specified dollar amount of fruits and vegetables.

In December 2007, USDA-FNS published an interim final rule to update the WIC food packages. This interim rule largely included the IOM's recommendations, and state agencies were required to implement the changes in their state lists by October 1, 2009.[91] While the interim final rule was in effect, USDA-FNS collected comments on its implementation, receiving over 7,500 letters. The agency published a final rule in March 2014.[92]

About the White Potato Policy Changes[93]

The description of the WIC food packages in the "Supplemental Food Package" section of this report largely reflects the March 2014 final rule. Both the interim and final rules restricted the purchase of white potatoes, but a 2015 legislative change now allows their purchase.

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[88] http://www.iom.edu/Reports/2005/WIC-Food-Packages-Time-for-a-Change/Actions-Taken.aspx.

[89] See USDA-FNS's Background: Revisions to the WIC Food Package for more information: http://www.fns.usda.gov/wic/background-revisions-wic-food-package.

[90] National Research Council, *WIC Food Packages: Time for a Change* (Washington, DC: The National Academies Press, 2005).

[91] Department of Agriculture, Food and Nutrition Service, "Special Supplemental Nutrition Program for Women, Infants and Children (WIC): Revisions in the WIC Food Packages," 72 *Federal Register*, December 6, 2007. Under the Administrative Procedure Act (5 U.S.C. §553), if an agency has "good cause," it may issue a rule that becomes effective immediately and hold a comment period after the rule has already become effective. If the agency is persuaded by any of the comments received during that comment period and so chooses, it can later amend the rule in light of those comments.

[92] Department of Agriculture, Food and Nutrition Service, "Special Supplemental Nutrition Program for Women, Infants and Children (WIC): Revisions in the WIC Food Packages," 79 *Federal Register* 12274 et seq., March 4, 2014. See also related USDA-FNS resources at http://www.fns.usda.gov/wic/final-rule-revisions-wic-food-packages.

[93] For further details on congressional and IOM actions around white potatoes in the food package, see CRS Insight IN10226, *WIC and White Potatoes: Understanding Recent News from the Institute of Medicine (IOM)*, by Randy

One of the changes in the updated food packages was the inclusion of the CVV. Based on the 2005 IOM recommendations, these interim and final regulations did not allow participants to purchase white potatoes with the CVV. IOM cited the 2005 Dietary Guidelines for Americans for starchy vegetable consumption as well as food intake data showing that white potatoes, unlike many other vegetables, were already widely consumed.

This policy proved to be controversial in Congress and related proposals were included in the 112th and 113th Congress.[94] In December 2014, Congress enacted a FY2015 appropriations law that included a policy rider (Section 753 of P.L. 113-235) to change WIC's exclusion of white potatoes. The law barred USDA from excluding any vegetable (without added sugar, salt, or fat) from the WIC food packages, therefore allowing white potatoes. The provision also required USDA to conduct another review of the WIC food packages, and, based on the results of that review, white potatoes (or other vegetables) would either continue to be included or would return to being excluded. In response to the appropriations law, on December 30, 2014, FNS issued policy guidance to states for implementing the inclusion of white potatoes.[95] States were required to submit implementation plans to FNS by January 30, 2015. FNS's memo states that "state agencies are expected to complete all implementation actions as soon as possible, but no later than July 1, 2015."

IOM/HMD's WIC Food Package Review: 2015-Present

Note: In 2016, the IOM was renamed the Health and Medicine Division (HMD) of the National Academies of Sciences, Engineering, and Medicine (NASEM).[96]

Since the 2014 final rule, USDA-FNS engaged HMD for further review and assessment of the WIC food package studies. HMD convened an expert committee and has since produced three reports, the third and final of which is expected to form the basis for FNS's next revision of the WIC food packages.[97]

The first, published in February 2015, was a "letter report" regarding the inclusion of the white potatoes issue (this was the review required by P.L. 113-235). The committee evaluated the 2009 regulation and, along with recommendations on data collection and study topics, recommended that USDA allow white potatoes as a WIC-eligible vegetable for purchase with the cash value voucher so long as this was consistent with the (forthcoming at that time) 2015 Dietary Guidelines for Americans.[98]

Alison Aussenberg (available upon request).

[94] In the 113th Congress, a study of potatoes was ultimately proposed but not included in the 2014 farm bill (CRS Report R43332, *SNAP and Related Nutrition Provisions of the 2014 Farm Bill (P.L. 113-79)*); and the House Appropriations Committee's FY2014 bill included a policy rider that would have required inclusion of white potatoes, but the enacted law only included less powerful language in its Joint Explanatory Statement (CRS Report R43110, *Agriculture and Related Agencies: FY2014 and FY2013 (Post-Sequestration) Appropriations*).

[95] http://www.fns.usda.gov/eligibility-white-potatoes-purchase-cash-value-voucher.

[96] See "Our Web Address & Division Name," http://www.nationalacademies.org/hmd/About-HMD/Division-Name.aspx.

[97] The HMD committee produced three reports: (1) *Review of WIC Food Packages: An Evaluation of White Potatoes in the Cash Value Voucher* (February 3, 2015); (2) *Review of WIC Food Packages: Proposed Framework for Revisions: Interim Report* (November 30, 2015); (3) *Review of WIC Food Packages: Improving Balance and Choice* (January 5, 2017). See http://nationalacademies.org/hmd/Activities/Nutrition/ReviewWICFoodPackages.aspx.

[98] Full report, p.29, available at http://nationalacademies.org/hmd/reports/2015/review-wic-food-packages-letter-report.aspx.

The second, published in November 2015, established a framework by which the HMD committee would subsequently evaluate the current WIC food packages and make findings in the final report.[99]

The third and final report of the series was published in January 2017; it is the HMD committee's final analysis of the current WIC food packages and includes recommendations for changes.[100] In general, the committee recommends increasing the amounts of the cash value voucher, servings of whole grains, and seafood, while decreasing juice, milk, legumes, peanut butter, infant vegetables, fruits, and meats. For all food packages for women and children, the committee recommends

- increasing the dollar amount of cash value vouchers;
- adding fish;
- increasing the amount of whole grains from 16 ounces to 24 ounces; and
- reducing the amounts of juice, dairy, legumes, and peanut butter.

HMD also recommended policy changes to encourage partial breastfeeding over the exclusively formula-feeding package. Additional recommendations and the committee's rationale for its recommendations are included in the final report.

As of the date of this CRS report, USDA has not published any rules to amend the WIC food package regulations. As discussed earlier, USDA-FNS regulations based upon scientific recommendations, not the scientific recommendations themselves, govern the program's eligible foods and related issuance policies.

[99] http://nationalacademies.org/hmd/reports/2015/review-of-wic-food-packages-interim-report.aspx.

[100] http://nationalacademies.org/hmd/Reports/2017/review-of-wic-food-packages-improving-balance-and-choice.aspx.

Appendix C. WIC Farmers' Market Nutrition Program (WIC FMNP)

The WIC Farmers' Market Nutrition Program (WIC-FMNP) was first established in 1992.[101] WIC-FMNP provides grants to participating states to offer vouchers/coupons/EBT to WIC participants that may be used in farmers' markets, roadside stands, and other approved venues to purchase fresh produce.[102]

Not all states participate in WIC-FMNP; in FY2015, 38 states, the District of Columbia, 3 U.S. territories, and 6 Indian Tribal Organizations received WIC-FMNP grants.[103] Federal funds primarily cover the program's food costs and 70% of the administrative costs for each participating state. Participating state agencies must provide program income or state, local, or private funds for the program in an amount that is equal to at least 30% of its administrative cost, with some exceptions for tribal agencies.[104]

In FY2015, the program covered an estimated 1.7 million recipients, and about 17,900 farmers, 3,400 farmers' markets, and 2,900 roadside stands. Participants received an average benefit of $23.[105] In FY2015, total WIC-FMNP grant funding was approximately $20 million.[106] FY2016 appropriations (P.L. 114-113) provided $18.5 million for WIC FMNP. These are discretionary funds, but while WIC funding is appropriated to the WIC account, WIC-FNMP funds are included in the Commodity Assistance Program account.[107]

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[101] WIC-FMNP's authorizing language is at 42 U.S.C. 1786(m). The program was most recently reauthorized by the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296).

[102] NOTE: In addition to WIC participants, WIC applicants on a waiting list are also eligible for WIC FMNP. As discussed earlier in this report, wait listing has not been necessary in recent years.

[103] USDA-FNS, "WIC FMNP Profiles – Grants and Participation – FY2015," https://www.fns.usda.gov/sites/default/files/fmnp/FMNP-Profile-Data-FY2015.pdf.

[104] 7 C.F.R. 248.14(a). See also CFDA 10.572.

[105] USDA-FNS, "WIC FMNP Profiles – Grants and Participation – FY2015," https://www.fns.usda.gov/sites/default/files/fmnp/FMNP-Profile-Data-FY2015.pdf.

[106] See USDA-FNS website for state-specific grant amounts and past years' data, http://www.fns.usda.gov/sites/default/files/fmnp/WFMNP-Grant-Amounts.pdf

[107] See generally, President's Budget Justification for USDA-FNS http://www.obpa.usda.gov/32fns2017notes.pdf, pp. 32-74 to 32-90.

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