

NCALHD Update from DCFW – WIC

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NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**



WIC FUNDING PROCESS

March 8, 2024

Congress Passed Federal Budget

The budget secures full funding for WIC, including additional \$1B for WIC nationally (total of \$7B) after operating with continuing resolution since October 1, 2023.

Federal budget continues the enhanced cash-value benefits for fruits and vegetables, a major win for NC families.

April – May 2024

DCFW WIC Team Received NC Allocation

DCFW WIC team has received communication on NC allocation. Analysis and projections performed.

Funding awarded to states is dependent on **participation**. WIC grant must be “earned” through **participation**. States are penalized if they spend WIC grant without serving at least the base number of participants.

Mid-June, Early-July 2024

Agency Participation Reassessments, Potential Funding Adjustments for LAs

Local agency budget allocations are based on participation rates using the current funding methodology as approved by USDA. Allocation is based on \$ amount per month per participant.

DCFW WIC team have reassessed **participation** using an average of the last two closed months. Funding will be adjusted upwards for 38 local agencies with increased **participation**. Funding is dependent upon **participation**.

Factors other than local operations impact NC’s costs include but are not limited to fixed costs including MIS (Crossroads), eWIC maintenance and enhancement (including ebtEDGE app for participants and a Merchant Portal for vendors).

WIC PARTICIPATION AND FOOD EXPENDITURES APRIL 23 – MAY 24

	Participation	Gross Food Expenditures
April	267,683	\$17,487,578
May	270,252	\$18,532,542
June	268,692	\$18,354,404
July	268,549	\$18,078,136
August	231,440	\$15,739,941
Sept	230,430	\$16,109,918
Oct	230,809	\$15,714,151
Nov	228,642	\$15,813,479
Dec	225,987	\$16,087,013
Jan 24	230,318	\$17,136,574
Feb	232,489	\$16,543,973
March	235,482	\$16,821,209
April (Preliminary)	237,895	\$17,051,078
May (Preliminary)	236,188	Pending

REASSESSMENT OF WIC PARTICIPATION

- **However, participation increases are not even across the state.**
 - 38 agencies increased participation (see below)
 - 44 agencies maintained or decreased participation

Alamance	Edgecombe	Lincoln
Anson	Foothills	Macon
Buncombe	Forsyth	Mecklenburg
Cabarrus	Franklin	Montgomery
Catawba	Gaston	Nash
Cherokee	Granville-Vance	Onslow
Cleveland	Greene	Robeson
Columbus	Harnett	Surry
Craven	Henderson	Union
Cumberland	Hoke	Warren
Dare	Iredell	Wilson
Davidson	Jackson	Yadkin
	Johnston	Yancey

NC WIC PLAN TO MITIGATE BUDGET SHORT FALLS

- NC WIC has confirmed the following with USDA for FFY 2024:
 - USDA will waive the imposition of federal fiscal performance penalties for decreased performance in FFY2024. It is unlikely that USDA will waive penalty for decreased performance in FFY2025.
 - USDA provided a little over half of the administrative funding that NC requested in the April reallocation. USDA will provide States with an opportunity to request additional funds to address unmet needs through a July reallocation. NC will request additional funds to address the projected shortfall.

WHAT IS NEXT?

- **Phase 1:** As we had committed, NC WIC has reassessed local agencies' caseload assignments for SFY 24-25 based on most recent participation levels since the issuance of Agreement Addenda (AA):
 - 38 agencies increased participation –base caseload will be increased for these agencies for the last 4 months of FFY2024 (June – September 2024)
 - The 44 agencies that have maintained or decreased participation rates will remain at the caseload assigned on the AA issued through September
- **Looking ahead:** Caseload will be reassessed again in September. Agencies that do not increase participation may face a reduction, agencies serving more participants may receive an increase effective October 1, 2024.

NC WIC PROPOSED PLAN FORWARD

- **Phase 2:** NC WIC will increase the rate per participant per month for all AA agencies for the last 4 months of FFY2024 (June – September 2024) by 10 cents from \$16.60 per participant per month to \$16.70 per participant per month to get more money out to all local agencies.
- **Phase 3:** We are evaluating the proposals submitted by local agencies for the Special Funding Opportunity and prioritizing based on the criteria outlined. We will review these proposals and move forward *pending* additional funding availability. Priority will be given to those proposals that provide a solid plan for increasing participation.