

MEMORANDUM

August 20, 1981

TO: Senator Dole  
FROM: Chris Bolton  
RE: WIC Funding Situation for FY 1982

*Chen*  
*Shang*  
*Jan*  
*Postel*

OMB is now giving serious consideration to requesting a \$300 million rescission of WIC funds for FY 1982. This would take the form of resubmitting the original Administration budget request for WIC that Congress has rejected, and preparing to rescind all funds above that level. OMB would plan to run the program at this drastically reduced level until the rescission request expires. Since a rescission remains pending until 45 legislative days have transpired, the rescission request would remain pending throughout the fall recess and would probably not expire until some time in February. In the meantime, states would have been required to have thrown several hundred thousand women and children off the program, causing considerable chaos in the program, as well as a major public outcry. Bill Hoagland called me from the regional office in Denver this morning to request your assistance with OMB. Also, apparently Deputy Secretary Lyng doesn't like the program for some reason, based on early prejudice back when he was at USDA during a previous Administration. As Secretary Block is relatively unfamiliar with most of the nutrition programs, these two individuals in USDA need to be educated as to the merits of the program.

Legislative Action to Date:

- The Administration originally requested \$720 million for WIC, or about \$300 million below the CBO "current services level.
- On a motion by Senator Gorton, the Senate Budget Committee rejected the WIC cut by a 15-4 vote. A majority of Republicans, including Senator Domenici, voted to restore the funds. The budget resolution assumed no cut in WIC funding.
- The WIC cut was also rejected in Reconciliation. The Republican amendment offered on the House floor with strong Administration support (Gramm-Latta II) specifically authorized \$1.037 billion for WIC. The final Reconciliation Act Conference Report authorizes \$1.107 billion for WIC.
- The FY 1982 Agriculture Appropriations bill which passed the House floor in July contains \$1.037 billion for WIC. Senator Cochran's subcommittee

has approved an appropriations bill which also contains \$1.037 billion with a provision to lower this to the number that finally comes out of Reconciliation. It is expected that the final appropriations bill will contain the \$1.017 billion authorized in the Reconciliation Act.

- The Administration proposal to limit WIC funds to \$720 million has been debated by Congress and explicitly rejected in the budget, authorization, and appropriations processes -- in every case with Republican leadership and strong bi-partisan support.

#### Consequences of a Rescission Request:

- The Administration has estimated that at a \$720 million level, an average of only \$1.5 million women, infants and children could be served throughout FY 1982. While there has been some reduction in the WIC caseload in recent months, there are over 2 million persons now in the program, and long waiting lists exist throughout the country. If the rescission is requested, and OMB runs the program at the \$720 million level while the rescission is pending, over a half million persons will have to be removed from the program in FY 1982.
- The rescission request is likely to be rejected by Congress. If the additional funds become available in February, the only way to spend them in the remainder of the year is to build the program up to very high participation levels in the latter months of the year. This increased participation level would either have to be cut back significantly in FY 1983, or the ceilings in the Reconciliation bill would have to be raised to allow higher funding in 1983 in order to accommodate the increased caseload. In either case, this would be a very poor way to manage the program.
- Running the program at this drastically reduced level for about 5 months would cause significant numbers of at-risk mothers and children to go unserved during this period. Increased incidence of low birth weight infants (and possibly even of infant deaths) would be expected.

#### Recommended Action:

A personal phone call from you to Mr. Stockman might be a good idea at this time, before this proposal becomes firmly fixed in the minds of the Administration.