Policy 305
Funding Formula
June 28, 2018 (Revised)

POLICY

The state WIC program shall allocate federal WIC funds to reach the population most in need of WIC benefits.

PURPOSE

To ensure distribution of federal WIC funds to areas most in need of WIC services.

RELEVANT REGULATIONS

7 CFR §246.16 — Distribution of Funds

7 CFR §246.4 ¶(a) (5)—Affirmative Action Plan

7 CFR §246.5 ¶(c) (1)—Program Initiation and Expansion

APPENDICES

Page 305.3   Appendix A   Funding Formula Explanation

Page 305.5   Appendix B   Funding Formula Steps

DEFINITIONS

Federal Food Funding Formula: The formula established by the USDA national office to distribute WIC food money within federal guidelines.

Nutrition Services & Administration (NSA) Funding Formula: A formula that determines allocation of WIC funds to county, non-profit organization or Native American programs for WIC operation, breastfeeding promotion and nutrition education services.

BACKGROUND

The WIC program depends primarily on funding appropriated annually by Congress. WIC is a discretionary program and has a budget cap on the amount of federal money allocated each year. It must operate within the annual funding levels appropriated by Congress. The WIC program in Oregon receives no state general funds, with the exception of a small amount of general funds for the required state match for the WIC Farmers Market Nutrition Program.

Each fiscal year, USDA allocates the federal WIC funds to state WIC programs to cover the costs of food and of state and local program services, including nutrition education and breastfeeding promotion. In addition, Oregon WIC has been successful in raising additional funding through infant formula rebate contracts, which provide a rebate on each can of bid infant formula bought through the WIC program. Oregon allocates funds to counties, non-profit organizations and Native American programs within the state based on a funding formula developed by the Oregon Health Authority (OHA) with advice from the Conference of Local Health Officials (CLHO). The funding formula currently in use was approved by CLHO in February of 2003.

PROCEDURE

Federal food and NSA funding formula

1.0   Federal food funds are allocated to each state by USDA based on the state's food grant for the previous year, the state's success in reaching people at greatest nutritional risk, and the potential number of people to be served. NSA funding is allocated based on this food grant.

State food funding formula

2.0   The state WIC program manages a food budget that includes federal food funds and a projection of formula purchase rebate.

State NSA funding formula

3.0   NSA (Nutrition Services & Administration) budgets are based on each local agency's assigned caseload for the state fiscal year and its group tier adjustment.

    3.1.   **To determine agency caseload assignments:** Subtract breastpump dollars from food budget; Calculate state projected caseload based on state food dollars divided by projected average food package cost per participant; Apply funding formula to caseload to determine individual agency caseload assignment. See appendix A for details.

    3.2.   **Tier Groupings:** Agencies are listed in descending order of their current assigned caseloads. Tier groupings are based on current assigned caseload. A set amount of funding adjustment is made annually according to the tier groupings.

    3.3.   **Apply "Capacity Caseload Adjustment" Factor:** This additional factor allows the state program flexibility to manage the state caseload based on the following principle:

    "The State will conduct quarterly performance reviews. Allocate funds proportionate to caseload adjustment as related to assigned caseload. Adjust caseload to individual agencies according to: the amount of caseload available to increase or decrease, local agency capacity, priorities served, and the ability to maintain service availability."

    This flexibility factor allows the State to make decisions needed to maximize optimal caseload for the benefit of all WIC programs avoiding an unstable statewide caseload that could put the state of Oregon at risk for USDA penalties and in a poor position to compete with other states for continued growth funds. ★

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POLICY HISTORY

Date	*Revised, Reviewed, Released
7/13/2018	Released

The date located at the top of the policy is the date of the most recent release. Policies are to be implemented on release date and will become compliance findings 6 months from the release date.

*Released: *Significant changes made to policy. Release notes can be found in the corresponding document on the* Policy and Procedure Manual page*.*

Reviewed: *The writer looked at this policy to make sure it was still accurate. Formatting changes may have occurred.*

Revised: *Minor edits or formatting has occurred without need for release. USDA has accepted a policy and watermark is reviewed.*

Date of Origin: *Date policy was initially released*

APPENDIX A

Oregon WIC Funding Formula

WIC Funding Formula Approved by CLGO Exec Committee on 2/03

To determine agency caseload assignments:

1. Subtract breastpump dollars from food budget (see Column C, line 6)
2. Calculate state projected caseload based on state food dollars divided by projected average food package cost per participant (Column C, line 13)
3. Apply funding formula to caseload to determine individual agency caseload assignment
   - 70% agency's weighted* assigned caseload for the previous year
   - 25% needs factor**
   - 5% performance factor***

The 25% Needs Factor is based on the following factors:

- Total Births   5%
- Population   15%
- Free & Reduced Lunch   32%
- Public Paid Births   48% (represents women & infants so weighted x 2)

Weighted caseload is the adjusted caseload to account for any increases or decreases in caseload assignment made by the state within the 12 month period.

** These variables represent the best available information that can be used to address "need." Current data on the number of women in childbearing ages with incomes below 185% poverty is not available. Some minor data changes were used to incorporate Salud, combine small counties, and adjust for data in Warm Springs and Umatilla tribes.

**** **The 5% Performance Factor** is based on the following:*

> *60% total Priorities 1-2-3 caseload served and*
> *40% of total caseload served expressed as scores (see below)*

For caseload served, caseload performance points are assigned in the following manner:

Range	Points
≤96%	50
>96% ≤ 97%	70
>97% ≤98%	80
>98% ≤103%	100
>103% ≤104%	80
>104 %	50

However, the allotted performance caseload (5% of total caseload) was allocated proportionally to each tier based on previous caseload. Each agency competes for this in their respective tiers.

Tier Groupings: Agencies are listed in descending order of their current assigned caseloads.

Tier groupings are based on current assigned caseload as follows:

> Tier 1 – Agencies with a current assigned caseload equal to or greater than 5,000

> Tier 2 – Agencies with a current assigned caseload greater than 1,500 and less than 5,000

> Tier 3 – Agencies with a current assigned caseload greater than 1,000 and equal to or less than 1,500

> Tier 4 – Agencies with a current assigned caseload equal to or less than 1,000

4. Apply "<u>Capacity Caseload Adjustment</u>" Factor: This additional factor allows the state program flexibility to manage the state caseload based on the following principle:

> "The State will conduct quarterly performance reviews. Allocate funds proportionate to caseload adjustment as related to assigned caseload. Adjust caseload to individual agencies according to: the amount of caseload available to increase or decrease, local agency capacity, priorities served, and the ability to maintain service availability."

> This flexibility factor allows the State to make decisions needed to maximize optimal caseload for the benefit of all WIC programs avoiding an unstable statewide caseload that could put the state of Oregon at risk for USDA penalties and in a poor position to compete with other states for continued growth funds.

To determine NSA Fund allocation for each agency:

5. Total state NSA budget available for local agencies
   X   Minus $4,000 base dollars for each agency in Tier 4 and minus $2,000 base dollars for each agency in Tier 3.
   X   Equals NSA dollars available to distribute

6. TOTAL NSA budget divided by total state caseload
   X   Equals NSA dollar allocation per participant

7. Apply NSA dollar allocation per participant to each individual agency's assigned caseload
   X   Equals Local Agency NSA budget for Tier 1 and 2

8. Add tier NSA base to agencies in Tiers 3 and 4 for their total NSA budget

APPENDIX B

Funding Formula Steps

Step 1

State Caseload

Calculate based on state food dollars and average food package cost

Step 2

Tier Adjustment

Agency funding is adjusted according to the tier group it is in.

Step 3

Capacity Caseload Adjustment

This additional factor allows the state program flexibility to manage the state caseload based on a set principle.

Step 4

ADMIN GRANT

Local agency's assigned caseload multiplies by the '**per capita"** rate plus tier adjustment.