

**Women, Infants, and Children
(WIC)
2026-27 May Revision Estimate**



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I. Estimate

A. Program Overview

The California Department of Public Health (CDPH), Women, Infants, and Children Division (WIC) operates a \$1.5 billion program that served approximately 1,003,092 low to medium income California residents per month in 2024-25. WIC is California's third largest federally funded food and nutrition assistance program after CalFresh, otherwise known as Supplemental Nutrition Assistance Program (SNAP) in most states, and subsidized school-meal programs.

WIC receives federal funding to administer the WIC program through 83 Local Agencies and over 3,700 authorized grocers (including military commissaries). Additionally, several hundred WIC authorized farmers and farmers' markets participate in both the WIC program and WIC Farmers' Market Nutrition Program (FMNP). The FMNP provides eligible participants with benefits that can be exchanged for fresh fruits, vegetables, and herbs at these authorized farmers' markets. Select authorized grocers in bordering states also accept California WIC benefits.

The funding through the United States Department of Agriculture (USDA) is based on a discretionary grant appropriated by Congress, plus subsequent reallocations of prior year unspent funds, and earned infant formula rebate revenue used to offset food package costs. Other than the infant formula rebate revenue earned through the USDA-mandated infant formula rebate contract, the WIC program does not require any state general funds and is not an entitlement program. The number of participants served is limited by the discretionary federal grant.

The WIC program provides nutrition services and food assistance for pregnant, breastfeeding, and non-breastfeeding people, infants, and children up to age five who are at nutritional risk. In addition to the categorical eligibility requirement, applicants can become income-eligible by providing documentation of income below 185 percent of the federal poverty level, which is equivalent to an annual income of \$50,542 for a family size of three in 2026. Applicants can also be deemed income-eligible, i.e., adjunctive eligibility, based on participation in certain means-tested programs. Applicants who currently receive or are certified as eligible to receive Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, or Food Distribution on Indian Reservations benefits are adjunctively eligible.

WIC program services include nutrition education, breastfeeding support, assistance with finding health care and other community services, and benefits for specific supplemental foods that can be redeemed at authorized grocers. The WIC program is federally funded by the USDA under the Federal Child Nutrition Act of 1966 and the Healthy, Hunger-Free Kids Act of 2010, as amended. Specific uses of the WIC program funds are required under federal laws and regulations, and CDPH/WIC must report funds and expenditures to USDA monthly.

According to the most recent data ([National- and State- Level Estimates of WIC Eligibility and WIC Program Reach in 2023](#), by USDA/Food and Nutrition Service (FNS) released in December 2025) the WIC program serves 72.4 percent of eligible Californians, the second highest coverage of eligible persons of all state WIC programs and third nationally behind Puerto Rico and Vermont, while the national average is 56.1 percent. California's coverage rate is statistically significantly higher than the national average.

WIC revenues are comprised of the federal grants and earned infant formula manufacturer rebates used to offset food package costs. The maximum number of participants served by WIC depends largely on food package costs, of which infant formula is used to support a large percentage. Infant formula purchases represent approximately 21 percent of gross food expenditures. WIC program federal regulations 7 CFR 246.16a require all states to obtain infant formula manufacturer rebates through a competitive bidding process to offset food package costs and maximize the number of participants that can be served. The California state budget authorizes WIC to retain infant formula rebate revenue and use it to offset the cost of food for WIC participants. Rebate revenue accounted for approximately 17 percent of WIC revenue for food for State Fiscal Year (SFY) 2024-25.

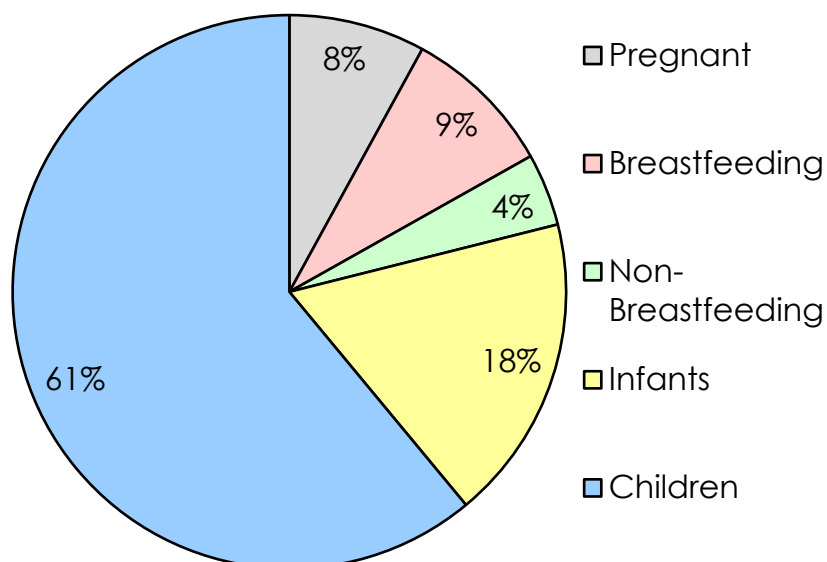
In addition to funding food expenditures, the Local Assistance budget authority includes other federal funds, such as the Nutrition Services and Administration (NSA) grant, which are used by WIC Local Agencies to provide services directly to WIC families and support the statewide management information system (MIS) used in the provision of those services. The NSA grant also funds WIC State Operations for administering the program. (See Appendix C, page 30)

This Estimate projects food expenditures based on statewide participation, historical expenditures, any regulatory changes that affect costs, and projections for food inflation. WIC estimates cost per participant at the overall participation level. For program management purposes, participation is still projected at the categorical level. These categories are pregnant people, breastfeeding people, non-breastfeeding people, infants, and children under five years old. The Estimate also includes other Local Assistance and State Operations expenditures.

WIC Participation in California

The largest participant category served in WIC is “Children” due to the length of children’s eligibility (first to fifth birthday). Other participant categories are limited to one year of eligibility or less. The table below displays the distribution of California WIC participants by category for 2024-25.

**Chart 1:
Percentage of CA WIC Participation by
Category: FY 2024-25**



**Table 1: Actual CA WIC Participation by
Category: FY 2024-25**

| Participant Category | Annual Average Monthly Participation FY 2024-25 |
|-----------------------------|--|
| Pregnant | 79,436 |
| Breastfeeding | 92,852 |
| Non-Breastfeeding | 40,093 |
| Infants | 177,202 |
| Children | 613,509 |
| Total | 1,003,092 |

WIC Modernization Efforts

The WIC program is actively modernizing to improve the applicant and participant WIC experience in California. Initiatives include simplified use of benefits at farmers' markets, expanded food choices, and leveraging technology for enrollment, education, and communication. These efforts align with federal policy changes and modernization initiatives and aim to provide equitable access to WIC benefits and services. It is important to note that the federal final rule for WIC online ordering and transactions was anticipated in 2025, its release date is now anticipated in 2026.

In May 2025, CDPH/WIC launched a pilot of the new California WIC card with a Quick Response (QR) code that enabled WIC authorized farmers to accept both WIC and FMNP benefits on the same card. Shortly after the pilot, CDPH/WIC completed the statewide rollout of the QR-enabled California WIC card, and the QR code card is now open to all WIC families and authorized farmers in California. Prior to the pilot, FMNP was paper voucher based. The QR-enabled card allows the redemption of benefits for both WIC and FMNP while preserving program distinctions.

B. Food Expenditure Projections (See Appendix A)

The following tables detail food expenditures and the resources, such as federal funds or rebate funds, used to support those expenditures. Expenditures paid from the NSA grant are also displayed in the tables to illustrate total federal funds used by WIC for Local Assistance and State Operations:

Table 2: Food Expenditure Comparison by Category (all funds)

All figures in dollars, rounded to the nearest thousand

| Expenditure Category | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|---|----------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|
| Participant Food Package Costs | 1,020,859,000 | 1,055,294,000 | 1,007,223,000 | (48,071,000) | -4.56% | 1,086,274,000 | 1,012,392,000 | (73,882,000) | -6.80% |
| Infant Formula Wholesale Price Increase | 0 | 0 | 1,067,000 | 1,067,000 | 100.00% | 0 | 4,267,000 | 4,267,000 | 100.00% |
| Prudent Reserve | 30,626,000 | 31,659,000 | 30,249,000 | (1,410,000) | -4.45% | 32,588,000 | 30,500,000 | (2,088,000) | -6.41% |
| Total Food Expenditures | 1,051,485,000 | 1,086,953,000 | 1,038,539,000 | (48,414,000) | -4.45% | 1,118,862,000 | 1,047,159,000 | (71,703,000) | -6.41% |

Table 3: Local Assistance and State Operations Expenditure Comparison by Fund Source (all funds)

All figures in dollars, rounded to the nearest thousand

| Expenditure Category | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|---|----------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|
| Total Food Expenditures | 1,051,485,000 | 1,086,953,000 | 1,038,539,000 | (48,414,000) | -4.45% | 1,118,862,000 | 1,047,159,000 | (71,703,000) | -6.41% |
| Food Expenditures Paid from Rebate Funds | 186,267,000 | 146,221,000 | 165,550,000 | 19,329,000 | 13.22% | 134,373,000 | 147,506,000 | 13,133,000 | 9.77% |
| Food Expenditures Paid from Federal Funds | 865,218,000 | 940,732,000 | 872,989,000 | (67,743,000) | -7.20% | 984,489,000 | 899,653,000 | (84,836,000) | -8.62% |
| Other Local Assistance Expenditures (Federal NSA) | 341,707,000 | 349,628,000 | 349,628,000 | 0 | 0.00% | 349,628,000 | 349,628,000 | 0 | 0.00% |
| Total Federal Local Assistance Expenditures (Food + NSA) | 1,206,925,000 | 1,290,360,000 | 1,222,617,000 | (67,743,000) | -5.25% | 1,334,117,000 | 1,249,281,000 | (84,836,000) | -6.36% |
| State Operations (Federal NSA) | 71,105,000 | 71,105,000 | 71,105,000 | 0 | 0.00% | 71,105,000 | 71,105,000 | 0 | 0.00% |

Prudent Reserve for Food Expenditures

The USDA allows states to maintain a three percent prudent reserve for food inflation and for any unexpected occurrences or natural disasters, which could affect food prices more than any projected “normal” inflation. For example, an unexpected increase in food inflation or increase in unemployment leading to a surge in the caseload could result in costs exceeding the projections in this Estimate.

As allowed, the prudent reserve request for food expenditures is revised for the current year to \$ 30.2 million, which is a decrease of \$1.4 million or 4.45 percent when compared to the 2026-27 Governor’s Budget. The prudent reserve request for 2026-27 is \$30.5 million, which is a decrease of \$2.0 million or 6.41 percent when compared to the 2026-27 Governor’s Budget. The 2026-27 amount includes approximately \$5.0 million in allowable breast pump purchases that are projected to be made in each fiscal year using Food Grant funds.

C. Expenditure Methodology/Key Drivers of Cost

Food expenditures are aggregated at the statewide level and divided by the number of participants to determine the average food cost per participant. Participation and inflation have been the main drivers of increasing food costs over the last few years. WIC Participation is divided into five categories as described below. Each participant category has special nutrition needs that influence food costs:

- **Pregnant Category** – Those who are in the pregnant category are eligible to be certified on the WIC program at any point in their pregnancy (and up to six weeks after the birth of an infant or the end of the pregnancy), and receive supplemental foods high in protein, calcium, iron, folate and folic acid, vitamin A, and vitamin C to support optimal fetal development.
- **Breastfeeding Category** – Those who are in the breastfeeding category are eligible for benefits up to their infant's first birthday and receive an enhanced supplemental food package with foods high in protein, calcium, iron, vitamin A, and vitamin C to support caloric needs during breastfeeding.
- **Non-Breastfeeding Category** – Those who are in the non-breastfeeding category are eligible for benefits up to six months post-partum (birth or end of pregnancy) and receive a supplemental food package to help in rebuilding nutrient stores, especially iron and calcium and achieving a healthy weight after delivery.
- **Infants** – Infants are eligible for benefits from birth until their first birthday. The WIC program promotes breastfeeding as the optimal infant feeding choice due to its many health, nutritional, economical, and emotional

benefits to parents and babies. Infants may also receive formula and supplemental foods that are rich in protein, calcium, iron, zinc, vitamin A, and vitamin C during this critical period of development.

- Children – Children are eligible for benefits from age one up to their fifth birthday, and receive supplemental foods rich in protein, calcium, iron, vitamin A, and vitamin C. These nutrients have been shown to be lacking in the diets of children who qualify for WIC benefits and are essential to meet nutritional needs during critical periods of development.

D. Food Expenditures

1. Current Year

Food expenditures are comprised of the federal food expenditures and the WIC Manufacturer Rebate food costs. The 2026-27 Governor's Budget estimated \$1.087 billion (\$940.7 million federal fund and \$146.2 million rebate fund) for 2025-26. The May Revision Estimate anticipates a decrease in food expenditures in 2025-26 to \$1.039 billion (\$873.0 million federal fund and \$165.6 million rebate fund), a decrease of \$48.4 million or 4.45 percent compared to the 2026-27 Governor's Budget. The decrease in food expenditure is based on a slowing food inflation rate (3.08 percent in the 2026-27 May Revision compared to 3.42 percent in the 2026-27 Governor's Budget) and a slight decrease in projected participation growth (984,777 participants projected in the 2026-27 May Revision Estimate compared to 1,005,616 projected in the 2026-27 Governor's Budget). Rebate revenue and expenditures are projected at \$165.6 million, which is an increase of \$19.3 million, or 13.22 percent compared to the 2026-27 Governor's Budget amount of \$146.2 million. The increase is attributed to the subsidized amounts from the new infant formula rebate contracts not decreasing as much as initially projected. Details are provided in the Existing (Significantly Changed) Assumption – Infant Formula Invitation for Bid. Additionally, there is an increase in the manufacturer's lowest national wholesale price beginning April 2026 as detailed in the New Assumption – Infant Formula Wholesale Price and Rebate Increase.

2. Budget Year

For 2026-27, WIC's food expenditure estimate is \$1.047 billion (\$899.7 million federal fund and \$147.5 million rebate fund), which is a decrease of \$71.7 million, or 6.41 percent as compared to the 2026-27 Governor's Budget amount of \$1.119 billion (\$984.5 million federal fund and \$134.4 million rebate fund). The decrease in food expenditures is driven by a decrease in budget year participation projections (959,795 participants projected in the 2026-27 May Revision Estimate compared to 1,006,704 projected in the 2026-27 Governor's Budget) offset by a slight increase in food inflation projections to 3.12 percent from the 2.82 percent projected in the 2026-27 Governor's Budget. Rebate

revenue and expenditures are projected at \$147.5 million, which is an increase of \$13.1 million or 9.77 percent compared with the 2026-27 Governor's Budget amount of \$134.4 million. The increase in rebate expenditures and revenue is attributed to the same reasons identified in the Current Year.

E. Other Local Assistance and State Operations Projections

In addition to food costs, the Local Assistance budget authority includes other federal funds from the NSA Grant, which are used to assist WIC Local Agencies in the direct services provided to WIC families and support the MIS used in the provision of those services. Examples of direct services include intake, eligibility determination, benefit issuance, nutrition education, breastfeeding support, and referrals to health and social services. The NSA Grant also funds WIC State Operations for administering the WIC program.

1. Current Year

In 2025-26, the NSA budget, including the anticipated expenditures for local administration, are estimated at \$349.6 million, which is the same as the 2026-27 Governor's Budget. State Operations expenditures are estimated at \$71.1 million, which is the same as the 2026-27 Governor's Budget.

2. Budget Year

For 2026-27, the NSA budget and anticipated expenditures for local administration are estimated at \$349.6 million, which is the same as the 2026-27 Governor's Budget. State Operations expenditures are estimated at \$71.1 million, which is the same as the 2026-27 Governor's Budget.

F. Fiscal Comparison Summary

The following tables display comparisons of expenditures by fund source and the resources that will be used to support the expenditures from each fund. Sufficient federal funds and WIC Manufacturer Rebate Funds are available to support projected expenditures:

Table 4: Expenditure Comparison (federal funds)
All figures in dollars, rounded to the nearest thousand

| Fund 0890 Federal Trust Fund | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|--|--------------------|--|-------------------------|--|--|--|-------------------------|--|--|
| Local Assistance Expenditures | 1,206,925,000 | 1,290,360,000 | 1,222,617,000 | (67,743,000) | -5.25% | 1,334,117,000 | 1,249,281,000 | (84,836,000) | -6.36% |
| Food Expenditures (Food Grant) | 865,218,000 | 940,732,000 | 872,989,000 | (67,743,000) | -7.20% | 984,489,000 | 899,653,000 | (84,836,000) | -8.62% |
| Other Local Assistance (NSA Grant) | 341,707,000 | 349,628,000 | 349,628,000 | 0 | 0.00% | 349,628,000 | 349,628,000 | 0 | 0.00% |
| State Operations (NSA Grant) | 71,105,000 | 71,105,000 | 71,105,000 | 0 | 0.00% | 71,105,000 | 71,105,000 | 0 | 0.00% |

Table 5: Revenue Comparison (federal funds)
All figures in dollars, rounded to the nearest thousand

| Fund 0890 Federal Trust Fund | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|------------------------------|-----------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|
| Total Available Resources | 1,307,101,000 | 1,390,928,000 | 1,362,350,000 | (28,578,000) | -2.05% | 1,442,169,000 | 1,396,689,000 | (45,480,000) | -3.15% |
| Food Grant | 889,470,000 | 940,732,000 | 902,996,000 | (37,736,000) | -4.01% | 984,489,000 | 923,213,000 | (61,276,000) | -6.22% |
| NSA Grant | 417,631,000 | 450,196,000 | 459,354,000 | 9,158,000 | 2.03% | 457,680,000 | 473,476,000 | 15,796,000 | 3.45% |

Table 6: Expenditure Comparison (rebate funds)
All figures in dollars, rounded to the nearest thousand

| Fund 3023 Manufacturer Rebate | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|-------------------------------|-----------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|
| Local Assistance Expenditures | 186,267,000 | 146,221,000 | 165,550,000 | 19,329,000 | 13.22% | 134,373,000 | 147,506,000 | 13,133,000 | 9.77% |

Table 7: Revenue Comparison (rebate funds)
All figures in dollars, rounded to the nearest thousand

| Fund 3023 Manufacturer Rebate | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|--|----------------------------|--|-------------------------------------|--|--|--|---------------------------------|--|--|
| Projected Rebate Revenue | 179,103,000 | 172,619,000 | 190,138,000 | 17,519,000 | 10.15% | 164,138,000 | 172,499,000 | 8,361,000 | 5.09% |
| New Infant Formula Rebate Contract | 0 | (32,022,000) | (32,022,000) | 0 | 0.00% | (34,933,000) | (34,933,000) | 0 | 0.00% |
| Infant Formula Wholesale Price Increase | 0 | 0 | 1,067,000 | 1,067,000 | 100.00% | 0 | 4,267,000 | 4,267,000 | 100.00% |
| 4% Reserve for Additional Revenue | 7,164,000 | 5,624,000 | 6,367,000 | 743,000 | 13.21% | 5,168,000 | 5,673,000 | 505,000 | 9.77% |
| Total Available Resources | 186,267,000 | 146,221,000 | 165,550,000 | 19,329,000 | 13.22% | 134,373,000 | 147,506,000 | 13,133,000 | 9.77% |

II. Fund Condition Statement

The Fund Condition Statement below illustrates the status of the WIC Manufacturer Rebate Fund (Fund 3023) for actual revenues and expenditures for 2024-25, and projected revenues and expenditures for 2025-26 and 2026-27:

Table 8: Fund Condition Statement

Dollars in thousands

| 3023 WIC Manufacturer Rebate Fund | SFY 2024-25 Actual | SFY 2025-26 Estimate | SFY 2026-27 Estimate |
|---|---------------------------|-----------------------------|-----------------------------|
| Beginning Balance | 552 | 623 | 724 |
| Prior Year Adjustments | (32) | 0 | 0 |
| Adjusted Beginning Balance | 520 | 623 | 724 |
| Revenues, Transfers, and Other Adjustments | | | |
| Revenues: | | | |
| 4163000 Investment Income - Surplus Money Investments | 103 | 101 | 101 |
| 4172500 Miscellaneous Revenue | 189,577 | 165,550 | 147,506 |
| Total Revenues, Transfers, and Other Adjustments | 189,680 | 165,651 | 147,607 |
| Total Resources | 190,200 | 166,274 | 148,331 |
| Expenditures and Expenditure Adjustments | | | |
| Expenditures: | | | |
| 4265 Department of Public Health (Local Assistance) | 189,577 | 165,550 | 147,506 |
| Total Expenditures and Expenditure Adjustments | 189,577 | 165,550 | 147,506 |
| Fund Balance | 623 | 724 | 825 |

III. Assumptions

1. Future Fiscal Issues

There are no Future Fiscal Issues Assumptions/Premises.

2. New Assumptions/Premises

a. Implementing updated WIC Food Package Rules

Background: On April 18, 2024, USDA/FNS released the Final Rule for regulations governing the WIC food packages. This Final Rule incorporates recommendations from a National Academies of Sciences, Engineering, and Medicine's (NASEM) 2017 report, public comment, and the 2020–2025 Dietary Guidelines for Americans. The Final Rule includes NASEM recommended food package revisions, including increases for under-consumed foods like fruits and vegetables and canned fish.

Specifically, the Final Rule makes permanent an increase in the monthly Cash-Value Benefit for fruits and vegetables, allowing amounts based on enacted federal appropriations legislation for FFY 2024 to continue and increase, as applicable, each FFY based on inflation. In FFY 2026, the Cash-Value Benefit amounts of \$26 for children and \$52 for fully and partially (mostly) breastfeeding participants remained the same as in FFY 2025, while the amount for pregnant and postpartum participants increased from \$47 to \$48.

The Final Rule also included a decrease in the maximum monthly allowance (MMA) for milk, aligning with NASEM recommendations. However, a subsequent federal appropriations bill for FFY 2026 restored the previous milk MMA levels through September 30, 2026, effectively reverting that reduction.

USDA/FNS required State Agencies to implement most Final Rule provisions by April 2026; CDPH/WIC implemented these provisions, both mandatory and optional in April 2026. Future updates will include a mandatory change to yogurt vitamin D requirements by April 2027, which will require amendments to state WIC food package regulations.

Description of Change: Specific WIC food package changes in California changed to incorporate both the mandatory and optional provisions USDA/FNS included in their Final Rule.

California's WIC Bulletin Regulation amendments that went into effect in April 2026 included mandatory changes, as well as optional changes as decided by CDPH/WIC. Stakeholders were provided with an opportunity to provide

comments on the changes during the expedited regulatory process, as detailed in California Health and Safety Code § 123322.

Highlights of food package changes implemented by CDPH/WIC as a result of the Final Rule include, but are not limited to:

- Mandatory changes, including an increase in the fruits and vegetables benefit, the participant option to substitute juice with a \$3 fruits and vegetables benefit, the addition of canned fish for all non-infant participants, the choice to replace eggs with legumes (dry beans, canned beans, or peanut butter), and increased or decreased food amounts for various food groups.
- Optional changes that CDPH/WIC implemented based on need and available food funds, including new food options, such as new types of whole grains, new types of plant-based milks, and additional container sizes for foods like canned fish and whole grains.

Discretionary: Mixed – some food changes in California resulting from the USDA/FNS final rule were mandatory, while others were permissive to accommodate the specific needs of California participants. Many of the optional food changes allowed by State agencies cost more than existing options.

Prior to implementation, CDPH/WIC amended WIC Bulletin Regulations to incorporate applicable mandatory and optional food changes, all of which were subject to stakeholder feedback as part of the expedited regulatory amendment process. To read more about the justifications for these regulatory amendments, please refer to [Regulatory Alert 2025-01](#).

Reason for Adjustment/Change:

- CDPH/WIC implemented all Final Rule mandatory changes and several of the optional ones in April 2026. April 20, 2026, was the federal deadline for implementing most of the mandatory food changes.
- The Final Rule included both increases and reductions to the quantities of foods issued, depending on food group and participant category, and the addition of new foods for some participants.

There are expected increases in food expenditures for some foods and expected reductions in others, depending on specific changes to those foods.

Fiscal Impact (Range) and Fund Source(s): The impact to Federal Trust Fund (0890) because of the WIC Food Package changes is expected to result in no net change, or at best negligible savings, to food expenditures. The fiscal impact is based on a combination of potential cost increases associated with the authorization of additional optional food choices and/or increased food amounts, as well as potential cost savings associated with reductions in food

amounts and the allowance of additional cost-effective container sizes (as described above).

Specifically, based on WIC participants' current patterns of utilizing prescribed food benefits, the increases and decreases to food amounts are expected to largely offset with savings of less than \$2 million annually, where expected cost savings for food categories with lowered food amounts such as juice or infant foods may be shifted to additional cost expenditures in food categories with increasing food amounts such as canned fish. Furthermore, there may be cost savings associated with authorizing more cost-effective container sizes in food categories such as whole grains and cheese. However, the frequency with which participants will select more cost-effective container sizes is expected to be variable across food categories and is dependent on prescribed food amounts, and is therefore yet unknown. Taking a conservative approach to estimating the savings expected from authorizing additional container sizes, combined with the potential cost increases associated with the authorization of additional foods in more expensive categories such as plant-based milks, savings are not expected to exceed \$3 million annually. The increase to the monthly fruits and vegetables benefit is already included as a part of the base participant cost in the existing estimate and will not impact overall expenditures.

Taken together, the mandatory and optional WIC Food Package changes being implemented are expected to largely balance out and are not expected to impact overall food expenditures to Federal Trust Fund (0890).

b. Infant Formula Wholesale Price and Rebate Increase

Background: Federal WIC regulations require that CDPH/WIC has sole supplier rebate contracts in place with an infant formula manufacturer(s) for milk-based and soy-based infant formula. The current primary milk-based contract brand infant formula manufacturer announced an increase to their wholesale price per can for two of the rebated infant formulas provided to WIC participants effective April 2, 2026. The change was announced following the release of the Governor's Budget for State Fiscal Year 2026-27. The infant formula rebate contract allows the manufacturer to increase wholesale prices and requires a cent-for-cent increase to the rebate amount paid to CDPH/WIC following the wholesale price increase to result in the same total net monthly cost of infant formula as in the original contract.

Description of Change: Although rebate revenue will increase in direct proportion to the increase in wholesale price to WIC Authorized Vendors, CDPH/WIC will still experience an increase in food expenditures due to expected increase in retail markup on the infant formula as a result of the wholesale price increase.

Discretionary: No

Reason for Adjustment/ Change: Change in manufacturer's wholesale price of infant formula results in increased food costs, despite contractual cost neutrality, due to the retailer's disproportionate price mark-up in response to wholesale price increase. As a result, CDPH/WIC's food expenditures for infant formula will increase in addition to the increase in projected rebate revenue.

Fiscal Impact (Range) and Fund Source(s): Monthly estimated impact of \$355,581 per month increase to both expenditures and revenue, resulting in an overall annual increase in food expenditures and rebate revenue of approximately \$1.1 million in current year (2025-26) and \$4.3 million annually, on-going. The impacted funds are WIC Manufacturer Rebate Fund (3023) and the Federal Trust Fund (0890).

3. Existing (Significantly Changed) Assumptions/Premises

a. Infant Formula Invitation for Bid (IFB)

Background: On July 31, 2025, infant formula contracts with Abbott Laboratories and Mead Johnson and Company expired. To ensure the continuity of cost containment for infant formula after the expiration of the previous contracts, CDPH/WIC issued two Invitation for Bids (IFBs); one for milk-based formula and one for soy-based formula. The purpose was to secure revenue-generating contracts for the provision of milk-based and soy-based iron-fortified infant formula for the WIC Program in three forms: liquid concentrate, powder, and ready-to-feed.

The winning bidder for each IFB was the manufacturer that provided the lowest total net cost per month of infant formula to CDPH/WIC while meeting all bid requirements and bidder qualification requirements (as specified in the IFBs).

The winning bidder for milk-based formula was Mead Johnson and Company, and for soy-based formula, it was Abbott Laboratories. The new contracts started on August 1, 2025. The rebate bids for both milk-based formula and soy-based formula were significantly lower than in previous years, resulting in less rebate money for CDPH/WIC. For example, the total net cost per month based on current average redemption of infant formula, the new rebate amounts per can will result in an estimated reduction in rebate revenue of \$23.1 million annually now that the new contracts are in place. This is a reduced impact from the \$35 million estimated with the November Estimate and is based on the final rebate received per can purchased by obligation month under the new contract.

Description of Change: With the new infant formula contracts, the rebate dollar amount reimbursed per can of infant formula has changed. As a result, the net

cost for infant formula has increased. This increase in net cost for the infant formula purchased by CDPH/WIC will require greater reliance on the USDA/FNS food grant for funding.

Discretionary: No. Federal WIC regulations require that CDPH/WIC has a continuous revenue-generating rebate contract in place for both milk-based and soy-based infant formula.

Reason for Adjustment/ Change: The impacts of the new infant formula contracts are not as significant as initially projected in the 2026-27 November Estimate.

Fiscal Impact (Range) and Fund Source(s): The fiscal impact is estimated at a \$23.1 million annual reduction in revenue and expenditures (\$17.3 million in 2025-26 due to the partial year July 31, 2025 start) to the WIC Manufacturer Rebate Fund (3023). An offsetting \$23.1 million annual increase (\$17.3 million in 2025-26) in expenditure authority to the Federal Trust Fund (0890) will be necessary to support food expenditures; however, a change in net cost for infant formula will impact both the Federal Trust Fund (0890) and the WIC Manufacturer Rebate Fund (3023). In the 2026-27 November Estimate, the fiscal impact was estimated at a \$35 million annual reduction in revenue and expenditures (\$32 million in 2025-26) to Fund 3023 with an offsetting \$35 million annual increase (\$32 million in 2025-26) to Fund 0890.

4. Unchanged Assumptions/Premises

a. Federal Fiscal Year (FFY) 2026 Budget Appropriation

Background: The WIC program national budget is subject to federal budget negotiations and an annual appropriations process, starting with the President's proposed budget, due annually to Congress by the first Monday in February, followed by the House and Senate proposed budgets for the upcoming Federal Fiscal Year (FFY). Following negotiations, the final federal budget passed by Congress is signed and enacted by the President.

In FFY 2025, WIC was funded at \$7.597 billion in the full year continuing resolution (CR). The Center on Budget and Policy Priorities (CBPP) estimates that WIC will need approximately \$8.2 billion nationally in FFY 2026 funding to support projected caseload ([Center on Budget and Policy Priorities, September 2025](#)). In November 2025, a full-year appropriation of \$8.2 billion in funding for the WIC Program was passed by Congress and enacted, an increase of \$603 million from prior year funding, and enables the continuation of WIC's current evidence-based Cash Value Benefit. Of the \$8.2 billion appropriated, \$150 million is reserved for contingency funds, leaving \$8.05 billion for FFY 2026 in WIC funding. Further, \$90 million is allocated to the Breastfeeding Peer Counselors Program, \$13.6 million is dedicated to infrastructure, \$32.59 million is allocated to federal administration

and program initiatives, \$12 million will go towards studies and evaluation, and \$400,000 will be allocated to technical assistance. This leaves approximately \$7.901 million remaining for WIC state agency grants.

Description of Change: Federal fiscal year 2026 funding of \$8.2 billion was provided in the federal appropriation for WIC to ensure sufficient funding at the national level to meet caseload needs as projected by USDA and the CBPP.

Discretionary: No. The Appropriation Committees and members of Congress decide the funding levels for WIC.

Reason for Adjustment/ Change:

- FFY 2026 funding of \$8.2 billion was provided to ensure sufficient funding to meet WIC caseload at a national level for the fiscal year.
- Federal fiscal year 2026 funding levels are projected to meet participation needs in California for FFY 2026.

Fiscal Impact (Range) and Fund Source(s): CDPH/WIC received final state agency base grant allocations from USDA of \$889.2 million and \$323.9 million, respectively, and received second quarter food and NSA reallocation funds in early January 2026. CDPH/WIC anticipates requesting additional food and NSA funds through reallocation to support operational needs in FFY 2026. The impacted Fund Source is the Federal Trust Fund (0890).

b. FFY 2025 Budget Appropriation

Background: The WIC program national budget is subject to federal budget negotiations and an annual appropriations process, starting with the President's proposed budget, due annually to Congress by the first Monday in February, followed by the House and Senate proposed budgets for the upcoming FFY. Following negotiations, the final federal budget passed by Congress is signed and enacted by the President.

On March 14, 2025, a full year Continuing Resolution was enacted, which increased FFY 2025 WIC funding through September 30, 2025, to \$7.597 billion, an increase of \$567 million from prior year funding.

Description of Change: FFY 2025 funding of \$7.597 billion provided sufficient funding at the national level to meet California's needs for the fiscal year.

Discretionary: No. The Appropriation Committees and members of Congress decide the funding levels for WIC.

Reason for Adjustment/Change:

- The federal budget for WIC that the Congress votes and passes, and the President signs, directly affects state's Food and WIC Nutrition Services and Administration (NSA) funding levels.

Fiscal Impact (Range) and Fund Source(s): CDPH/WIC received sufficient food and NSA funds through reallocation to support operational needs in FFY 2025. The impacted Fund Source is the Federal Trust Fund (0890).

5. Discontinued Assumptions/Premises

There are no Discontinued Assumptions/Premises.

IV. Appendices

Appendix A

Rationale and Methodology for Participation and Expenditure Projections

According to the most recent data (Eligibles and Program Reach, 2023, by USDA/FNS released in December 2025), the WIC program serves 72.4 percent of eligible Californians, the second highest coverage of eligible persons of all state WIC programs and third nationally behind Puerto Rico and Vermont, while the national average is 56.1 percent.

Participation is the main driver of food costs for the WIC program.

The five participation categories, defined on page 7-8, are forecasted separately based on:

- The participation numbers during the 12 most recent months of data.
- The upper limit of possible WIC participants, jointly estimated using recently published USDA FNS coverage rates and counts of all WIC-eligible individuals using administrative data for WIC and Medi-Cal.

CDPH/WIC used a logistic growth model to project future category-specific WIC participation. This model makes use of two parameters to predict changes in participation over time.

The first parameter is the growth rate of the population, which is based on the average percent change in monthly participation across the twelve most recently available months of actuals.

The second parameter is the upper limit of possible participants in California, given WIC age and income eligibility requirements. CDPH/WIC estimated this upper limit using both administrative data sources and WIC eligibility estimates published by USDA/FNS. Counts of all WIC certified individuals were summed with counts of WIC eligible non-participants determined from a match between WIC and Medi-Cal administrative records. This sum was adjusted upwards (to account for WIC eligible individuals not participating in either WIC or Medi-Cal) using separate estimates of coverage rates available in the most recent version of the USDA/FNS WIC Eligibility and Program Reach Report.

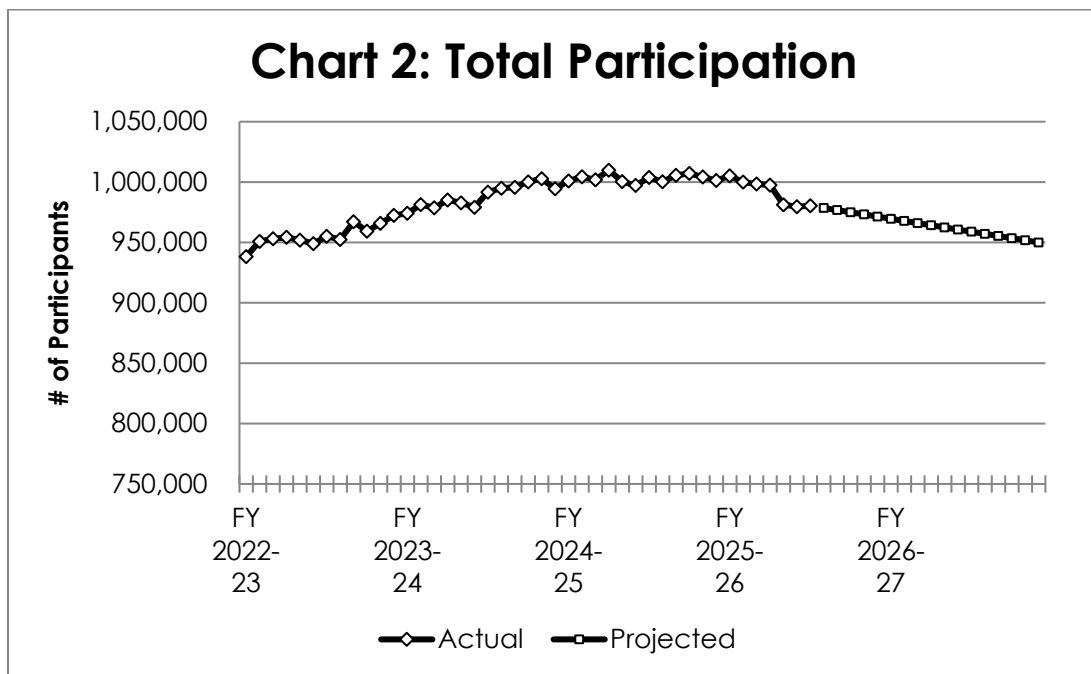
Using these two parameters and starting the model off with the most recent month of participation actuals, CDPH/WIC calculated subsequent months of participation for each of the five WIC participation categories (infants, children, pregnant participants, breastfeeding participants, and non-breastfeeding participants). Monthly projections were then summed across categories to

provide a total estimate of the WIC participant population at any given point in time.

Total average monthly participation for 2025-26 is based upon 5 months of projected data and 7 months of actuals summed across all categories. For 2024-25, monthly average participation was 1,003,092. WIC estimates that average monthly participation for 2025-26 will decrease to 984,777, a decrease of 1.83 percent, compared to an increase of 1.48 percent in 2024-25.

Total average monthly participation for 2026-27 is based upon the remaining projected months from the growth model initialized with January 2026 as the most recent month of actuals. WIC estimates average monthly participation will continue to decrease to 959,795, a decrease of 2.54 percent, compared to the 1.83 percent decrease projected for 2025-26.

The participation graph below and the individual participant category charts located in Appendix B show the participation levels through 2026-27, which includes updated actual participation numbers through January 2026:



Total Food Expenditures

Food expenditures are divided by the number of participants to determine the average food cost per participant, which is then adjusted using the Consumer Price Index (CPI) projections for Food at Home from the Department of Finance Economic Research Unit (ERU). Actual CPI data is available from ERU through September 2025 with projections through the end of 2026-27. The updated projected CPI rate in 2025-26 is 3.08 percent, and for 2026-27 is 3.12 percent. Historical expenditures and updated average per participant food costs for 2024-25 through December 2025 were used to update projections for 2025-26 and to build the new projection for 2026-27 food costs. Below is a chart summarizing total actual food cost expenditures for 2024-25 and food cost projections for the current and budget year as compared to the 2026-27 Governor's Budget.

Table 9: Food Expenditures

| Factor | 2024-25 Actuals | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|---------------------------------------|-----------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|
| Average Monthly Participation* | 1,003,092 | 1,005,616 | 984,777 | -20,839 | -2.07% | 1,006,704 | 959,795 | -46,909 | -4.66% |
| Average Cost per Participant | \$84.56 | \$87.45 | \$85.23 | \$(2.22) | -2.54% | \$89.92 | \$87.90 | \$(2.02) | -2.25% |
| Annual Expenditures** | \$1,017,809,624 | \$1,055,293,868 | \$1,007,222,892 | \$(48,070,976) | -4.56% | \$1,086,274,064 | \$1,012,391,942 | \$(73,882,122) | -6.80% |

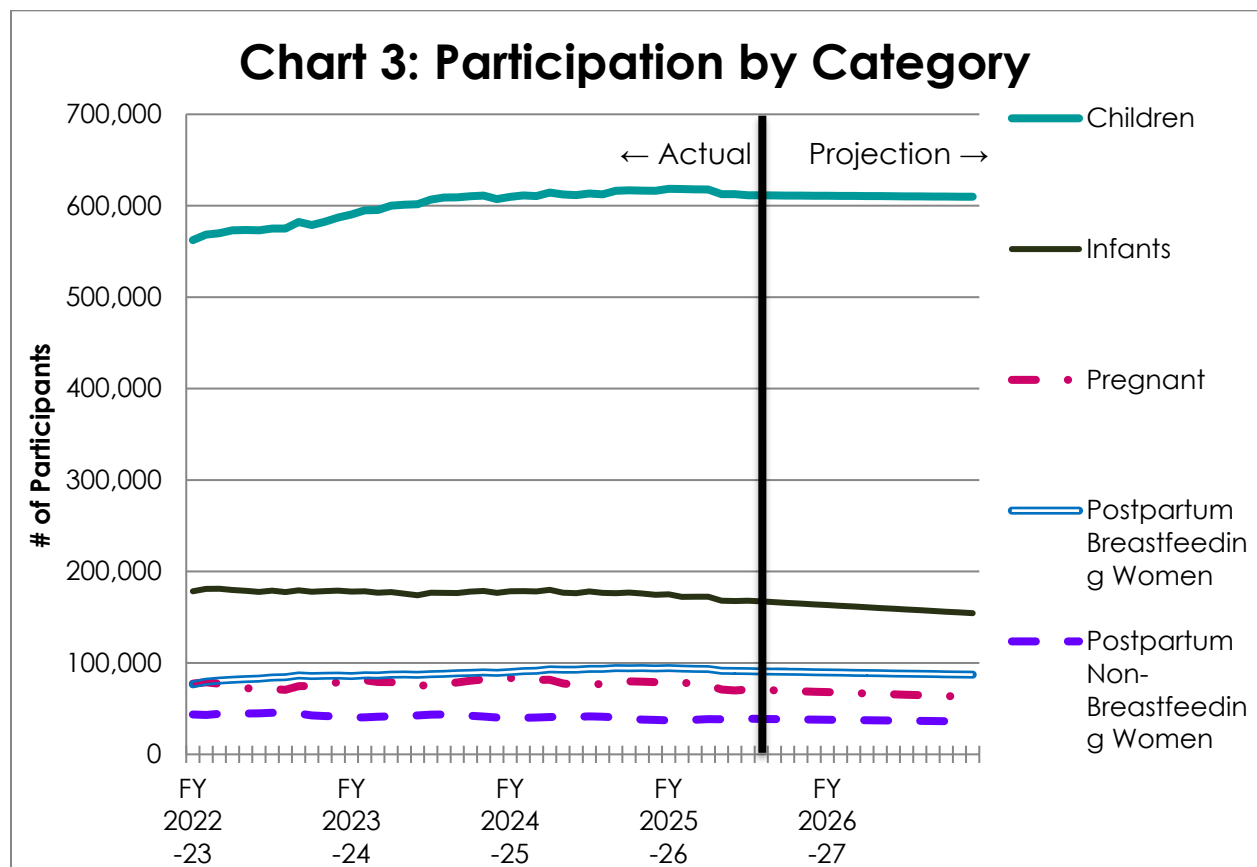
* SFY 2025-26 Average Participation includes projected participation for February 2026 through June 2026.

** Numbers rounded to the nearest dollar. Does not include 3% Prudent Reserve in food expenditures.

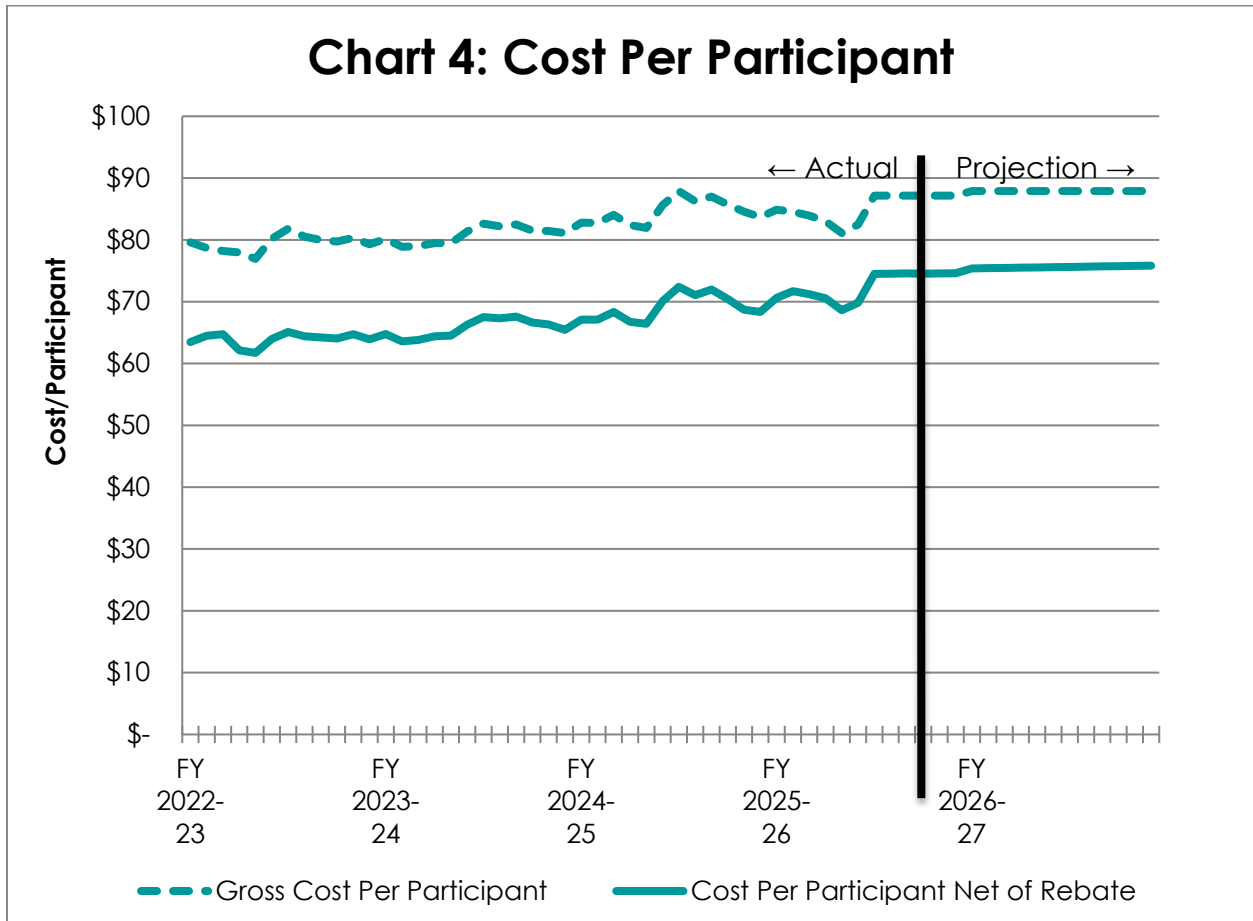
Appendix B

Participant and Food Cost Projections by Category

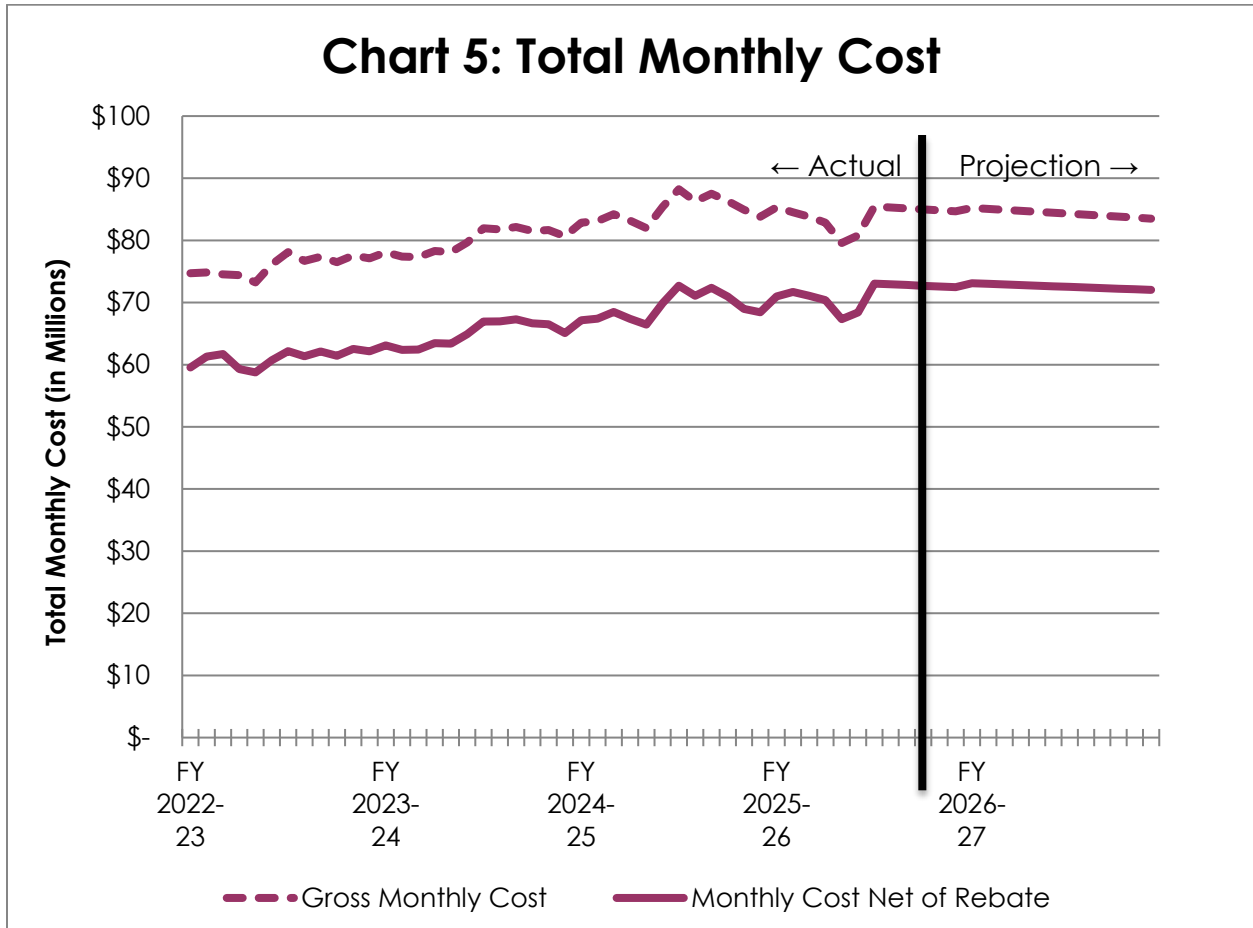
The figure below illustrates actual and projected participation trends since 2022-23. As mentioned previously, the Children participant category is the largest due to their longer period of eligibility. This population also experienced considerable growth around the time of the COVID-19 statewide shutdown because of increased recertification rates and large-scale auto-issuance of food benefits. Growth has moderated since then and currently is projected to be slightly negative. Forecasted total monthly participation is included in the chart in Appendix A:



The figure below illustrates the average cost per participant. Projected costs include inflation projections:



The figure below consolidates the information in the above two charts, and illustrates total monthly cost (forecasted participation times average cost per participant):



Appendix C

WIC Special Display Chart (Government Code 13343)

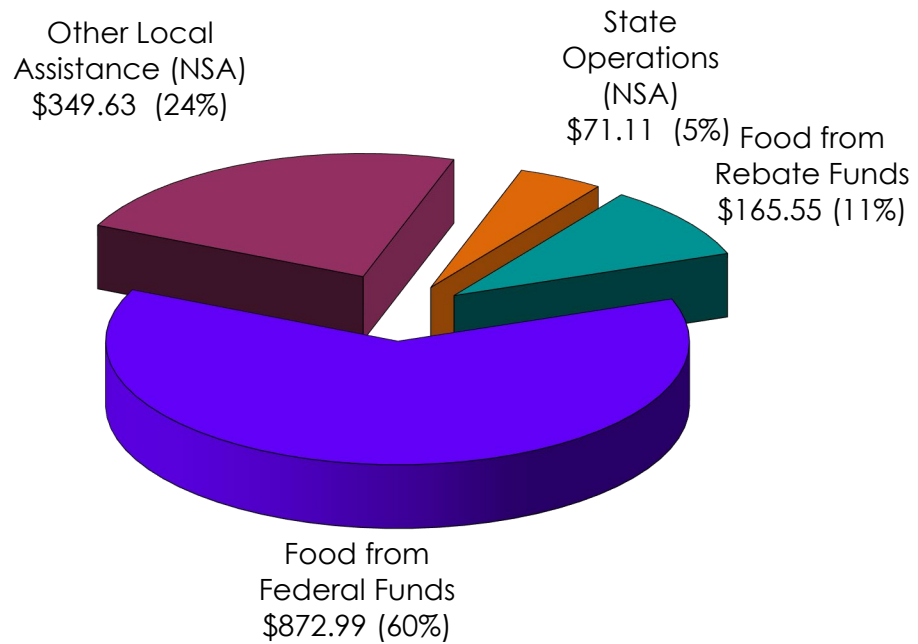
Table 10: California WIC Program Expenditures

PY 2024-25 (Actual) figures pending submittal of financial statements.

| Funding Source | PY 2024-25 (Actual)* | CY 2025-26 (Estimated) | BY 2026-27 (Proposed) |
|--|-------------------------------------|---------------------------------------|--------------------------------------|
| LOCAL ASSISTANCE | | | |
| <i>0890 Federal Grant for WIC</i> | \$1,305,341,632 | \$1,222,617,000 | \$1,249,281,000 |
| TOTAL FEDERAL TRUST FUND | \$1,305,341,632 | \$1,222,617,000 | \$1,249,281,000 |
| <i>3023 WIC Manufacturer Rebate Fund</i> | \$189,686,483 | \$165,550,000 | \$147,506,000 |
| TOTAL LOCAL ASSISTANCE | \$1,495,028,115 | \$1,388,167,000 | \$1,396,787,000 |
| STATE OPERATIONS | | | |
| <i>0890 Federal Grant for State Operations</i> | \$60,109,610 | \$71,105,000 | \$71,105,000 |
| Grand Total WIC Program | \$1,555,137,725 | \$1,459,272,000 | \$1,467,892,000 |

Chart 6: WIC EXPENDITURES FY 2025-26 (in Millions)

- Food from Federal Funds
- Other Local Assistance from Federal NSA
- State Operations from Federal NSA
- Food from Rebate Funds



Appendix D

Revenue Projections

WIC is federally funded by the USDA through the Food Grant and the NSA Grant, as well as through rebates received from the contracted infant formula manufacturer.

For 2025-26, the federal revenue estimates total \$1.362 billion, which is a decrease of \$28.6 million or 2.0 percent less than the 2026-27 Governor's Budget amount of \$1.391 billion. The estimate is based on the appropriated federal budget for federal fiscal year 2026.

For 2026-27, the federal revenue estimates total \$1.397 billion, which includes a decrease of \$45.5 million or 3.2 percent less than the 2026-27 Governor's Budget amount of \$1.442 billion. This projection is also based on funding WIC nationally at federal fiscal year 2026 levels.

Table 11: Revenue Comparison (all funds)
All figures in dollars, rounded to the nearest thousand

| Revenue Source | 2025 Budget Act | 2026-27 Governor's Budget for 2025-26 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget | 2026-27 Governor's Budget for 2026-27 | 2026-27 May Revision | Change from Governor's Budget | % Change from Governor's Budget |
|-----------------------------|----------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------------|----------------------|-------------------------------|---------------------------------|
| Federal Food Grant | 889,470,000 | 940,732,000 | 902,996,000 | (37,736,000) | -4.01% | 984,489,000 | 923,213,000 | (61,276,000) | -6.22% |
| Rebate Food Funds | 186,267,000 | 146,221,000 | 165,550,000 | 19,329,000 | 13.22% | 134,373,000 | 147,506,000 | 13,133,000 | 9.77% |
| Total Funds for Food | 1,075,737,000 | 1,086,953,000 | 1,068,546,000 | (18,407,000) | -1.69% | 1,118,862,000 | 1,070,719,000 | (48,143,000) | -4.30% |
| Federal NSA Grant | 417,631,000 | 450,196,000 | 459,354,000 | 9,158,000 | 2.03% | 457,680,000 | 473,476,000 | 15,796,000 | 3.45% |
| Total Federal Funds | 1,307,101,000 | 1,390,928,000 | 1,362,350,000 | (28,578,000) | -2.05% | 1,442,169,000 | 1,396,689,000 | (45,480,000) | -3.15% |

*Food and NSA revenue for CY and BY are estimated based on national-level projections.

1. Revenue Estimate Methodology Federal Funds: Fund 0890

The annual federal revenue for WIC depends on the amount of the discretionary grant appropriated annually by Congress, plus subsequent reallocations of prior year unspent funds, if available, and earned infant formula rebate revenue used to offset food package costs. California's share of the federal grant is approximately 16.44 percent of the national appropriation. Federal funds are granted to each state using a formula methodology as specified in federal regulation to distribute the following:

- Federal Food Grant funds that reimburse authorized vendors for foods purchased by WIC participants, and
- NSA funds that reimburse WIC Local Agencies contracted for direct services provided to WIC participants and to support state operations.

2. Federal Food Grant

Nationally, approximately 70.73 percent of the federal fiscal year 2025 appropriation was allocated for food and California received approximately 15.43 percent of that appropriation. The food allocation for federal fiscal year 2026 is projected to increase by about \$434 million over federal fiscal year 2025 food funding. These amounts are based on the FFY 2026 base grant allocations from USDA, which consider increases in food costs due to increased participation and inflation.

Table 12: Federal Revenue Projections (Food)

| Federal Fiscal Year | National Budget Appropriation | Discretionary Funds | % of Food Allocation | % of California Share | Total Allocated Food* |
|---------------------|-------------------------------|---------------------|----------------------|-----------------------|-----------------------|
| FFY 2026 | \$ 8,050,000,000 | \$ 298,590,000 | 69.51% | 15.65% | \$ 889,224,650 |
| FFY 2027 | \$ 8,050,000,000 | \$ 298,590,000 | 69.51% | 15.65% | \$ 889,224,650 |

* Total Allocated Food is equal to the National Budget Appropriation Less Discretionary Funds, multiplied by the Percent of Food Allocation, and multiplied by the Percent of California Share.

The appropriated grant for each fiscal year may be supplemented through federal reallocations which are distributed, when available, at least twice and up to four times during the federal fiscal year. These are funds from all states' WIC programs that have not, or will not, be able to expend all their grant funds, which are then redistributed by the USDA to those states that have demonstrated both a need for additional funding and the ability to spend it. When the opportunities are made available, WIC has typically applied for reallocations and has been successful in receiving these additional funds.

In 2025-26, Food Grant revenue is expected to total \$903.0 million, which is a decrease of \$37.7 million or 4.0 percent less than the 2026-27 Governor's Budget. The increase is attributed to the decreased need for food funds to support projected food costs.

For 2026-27, Food Grant revenue is expected to total \$923.2 million, which is a decrease of \$61.3 million or 6.2 percent less than the 2026-27 Governor's Budget, also due to decreased need for food funds to support projected food costs.

Table 13: WIC Resources for Food for SFY 2025-26

| Resource | FFY 2025 | FFY 2026 | Prorate to SFY 2025-26 |
|--------------------|----------------|----------------|------------------------|
| Base Appropriation | \$ 809,789,798 | \$ 893,093,593 | \$ 872,267,644 |
| Reallocations | \$ 83,303,795 | \$ 13,202,956 | \$ 30,728,166 |
| Total | \$ 893,093,593 | \$ 906,296,549 | \$ 902,995,810 |

Table 14: WIC Resources for Food for SFY 2026-27

| Resource | FFY 2026 | FFY 2027 | Prorate to SFY 2026-27 |
|--------------------|----------------|----------------|------------------------|
| Base Appropriation | \$ 893,093,593 | \$ 893,093,593 | \$ 893,093,593 |
| Reallocations | \$ 13,202,956 | \$ 35,758,225 | \$ 30,119,408 |
| Total | \$ 906,296,549 | \$ 928,851,818 | \$ 923,213,001 |

3. NSA Grant

Approximately 26.9 percent of the national WIC appropriation for federal fiscal year 2025 was allocated for NSA, and California received approximately 16.0 percent of that allocation. The NSA allocation for federal fiscal year 2026 is expected to increase to 31 percent of the national appropriation.

Table 15: Federal Revenue Projections (NSA)

| Federal Fiscal Year | National Budget Appropriation | Discretionary Funds | % of NSA Allocation | % of California Share | Total Allocated NSA* |
|---------------------|-------------------------------|---------------------|---------------------|-----------------------|----------------------|
| FFY 2026 | \$8,050,000,000 | \$298,590,000 | 29.93% | 13.24% | \$323,950,836 |
| FFY 2027 | \$8,050,000,000 | \$298,590,000 | 29.93% | 13.24% | \$323,950,836 |

* Total Allocated NSA is equal to the National Budget Appropriation less Discretionary Funds, multiplied by the Percent of NSA Allocation, and multiplied by the Percent of California Share.

In 2025-26, NSA Grant revenue is expected to total \$459.4 million, which is an increase of \$9.2 million or 2.0 percent more than the 2026-27 Governor's Budget amount of \$450.2 million due to an increase in NSA funding for federal fiscal year 2026.

In 2026-27, NSA Grant revenue is expected to total at \$473.5 million, which is an increase of \$15.8 million or 3.5 percent more than the 2026-27 Governor's Budget amount of \$457.7 million. This increase is due to an increase in the appropriated budget for federal fiscal year 2026.

Table 16: WIC Resources for NSA for SFY 2025-26

| Resource | FFY 2025 | FFY 2026 | Prorate to SFY 2025-26 |
|-------------------------------|-----------------------|-----------------------|-------------------------------|
| Base Appropriation, NSA | \$ 321,440,787 | \$ 323,950,836 | \$ 323,323,324 |
| Farmers' Market and Nutrition | \$ 1,262,184 | \$ 1,262,184 | \$ 1,262,184 |
| Breastfeeding Peer Counseling | \$ 13,484,133 | \$ 13,484,133 | \$ 13,484,133 |
| Reallocations | \$ 49,400,942 | \$ 96,782,164 | \$ 84,936,859 |
| Spend Forward | \$ 40,157,720 | \$ 34,225,091 | \$ 35,708,248 |
| WIC Modernization | \$ 248,252 | \$ 769,796 | \$ 639,410 |
| Total | \$ 425,994,018 | \$ 470,474,204 | \$ 459,354,157 |

* 5 percent is subtracted from Total Allocated NSA for Regional Contribution to Operational Adjustment funds to arrive at this amount.

Table 17: WIC Resources for NSA for SFY 2026-27

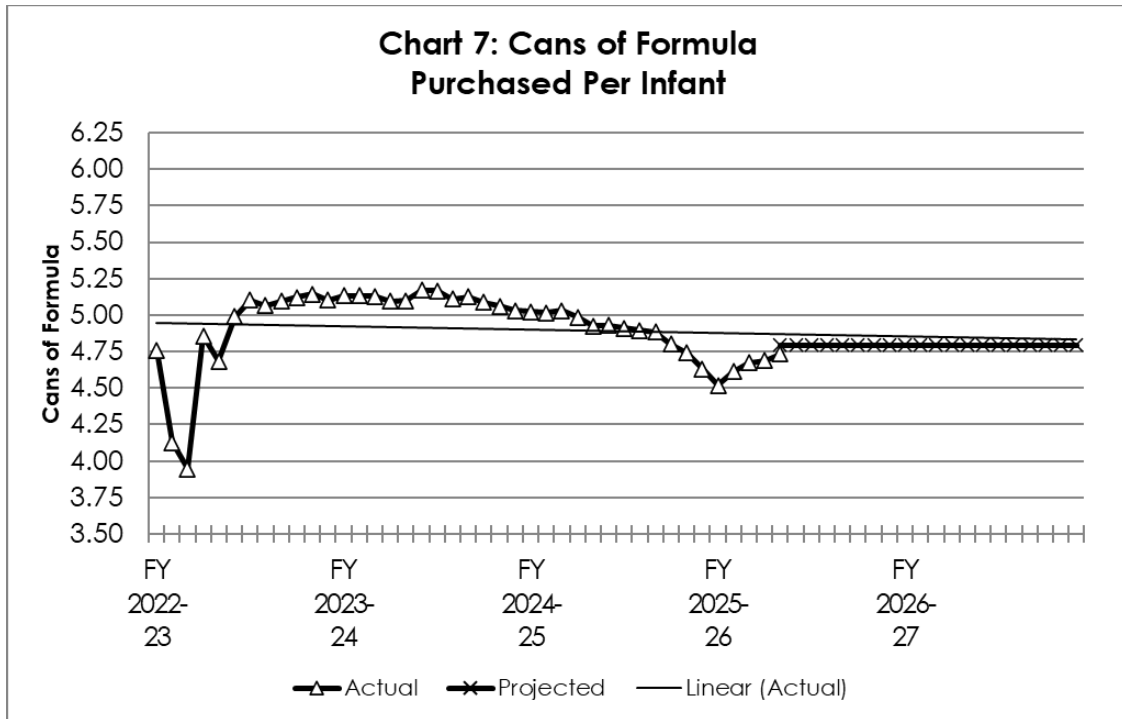
| Resource | FFY 2026 | FFY 2027 | Prorate to SFY 2026-27 |
|-------------------------------|-----------------------|-----------------------|-------------------------------|
| Base Appropriation, NSA | \$ 323,950,836 | \$ 323,950,836 | \$ 323,950,836 |
| Farmers' Market and Nutrition | \$ 1,262,184 | \$ 1,262,184 | \$ 1,262,184 |
| Breastfeeding Peer Counseling | \$ 13,484,133 | \$ 13,484,133 | \$ 13,484,133 |
| Reallocations | \$ 96,782,164 | \$ 96,782,164 | \$ 96,782,164 |
| Spend Forward | \$ 34,225,091 | \$ 36,304,454 | \$ 35,784,613 |
| WIC Modernization | \$ 769,796 | \$ 2,693,398 | \$ 2,212,497 |
| Total | \$ 470,474,204 | \$ 474,477,169 | \$ 473,476,428 |

* 5 percent is subtracted from Total Allocated NSA for Regional Contribution to Operational Adjustment funds to arrive at this amount.

Rebate Funds: WIC Manufacturer Rebate Fund (Fund 3023)

In addition to the federal Food and NSA Grants, WIC receives rebate funds from the contracted infant formula manufacturer. WIC estimates current year infant formula WIC Manufacturer Rebate Fund revenues to total \$165.6 million, an increase of \$19.3 million or 13.2 percent when compared to the 2026-27 Governor's Budget amount of \$146.2 million. The increase is attributed to an increase in the manufacturer's lowest national wholesale price, which results in a dollar-for-dollar increase in rebate revenue per can beginning April 2026, paired with a reduced impact from the transition to the new infant formula rebate contracts (Existing, Significantly Changed Assumption – Infant Formula Invitation for Bid), as well as a slight decline in projected infant participation from the 2026-27 Governor's Budget.

In 2026-27, WIC estimates infant formula WIC Manufacturer Rebate Fund revenues will total \$147.5 million, which is an increase of \$13.1 million or 9.8 percent when compared to the 2026-27 Governor's Budget amount of \$134.4 million. The increase is primarily attributed to an increase in the manufacturer's lowest national wholesale price, which results in a dollar-for-dollar increase in rebate revenue per can beginning April 2026, paired with a reduced impact from the transition to the new infant formula rebate contracts (Existing, Significantly Changed Assumption – Infant Formula Invitation for Bid) as well as a slight decrease in both the projected cans redeemed per infant and projected infant participation from the 2026-27 Governor's Budget. The estimated rebate revenue includes a four percent reserve to account for changes in participation in alignment with the updated projections.



Infant participants redeem approximately 4.79 cans of infant formula on average per month for each infant participant (a reduction from the 4.93 cans projected in the 2026-27 Governor's Budget), which is then multiplied by the number of infants projected to be served monthly to arrive to total cans purchased. This number is then divided proportionally between the different forms of infant formula purchased to account for price variations by type of formula. The total number of cans is multiplied by the rebate per can, to arrive at a total rebate projection by obligation month.