BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY | YOUR LOCAL HEALTH DEPARTMENT

Finance Committee Members:
Commissioner Hoffmaster (Chair)
Commissioner Houtz
Commissioner Collins

BOARD OF HEALTH – FINANCE COMMITTEE
Agenda for July 20, 2026 at 9:00 AM

1. Call to Order
    a. Roll Call
    b. Approval of the Agenda

2. Public Comment - For the purpose of public participation during public hearings or during the public comment portion of a meeting, every speaker prior to the beginning of the meeting is requested but not required to provide the Board with his or her name, address and subject to be discussed. Speakers are requested to provide comments that are civil and respectful. Each speaker will be allowed to speak for no more than three (3) minutes at each public comment opportunity.

3. Unfinished Business
    a. none

4. New Business
    a. Medical Director Contract – pg 2
    b. Mobile Unit Future – pg 8
    c. KOHA Billing – pg 12
    d. Immunization Fee Schedule – pg 13
    e. Compass Data System Enhancement – pg 14
    f. Fund Balance Overview – pg 15

5. Public Comment

6. Commissioner Comments

7. Adjournment – Next meeting: Full Board meets July 23, 2026, next Finance Committee Meeting August 17, 2026.

Contractual Agreement for Public Health Medical Direction

between the

Branch-Hillsdale-St. Joseph Community Health Agency

and

Dr. Karen Luparello, D.O., M.P.H.

This agreement is executed by and between the Branch-Hillsdale-St. Joseph Community Health Agency (Agency) located at 570 Marshall Rd, Coldwater, MI 49036 and Dr. Karen Luparello (the "Contractor") for the purpose of providing qualified Public Health Medical Direction for the health jurisdiction that includes the following counties; Branch, Hillsdale, and St. Joseph. Medical direction to the Agency is required by the Public Health Code (Act 368 of Public Acts of 1978, MCL 333.2495), Michigan's Public Health Code, including its administrative regulations and specifically R 325.13002 (this is medical director qualifications) and R 325.13004a (time requirements).

RECITALS:

WHEREAS, Branch-Hillsdale-St. Joseph Community Health Agency is responsible for public health services as defined in PA 368 of 1978 for its health jurisdiction; and

WHEREAS, Branch-Hillsdale-St. Joseph Community Health Agency desires to engage Dr. Karen Luparello, DO, MPH to provide medical director services as defined in PA 368 of 1978; and

WHEREAS, Dr. Karen Luparello, DO, MPH who is duly licensed in the State of Michigan and complies with the medical director qualifications as defined in R 325.13002 and/or R 325.13007 (provisional appointment).

NOW THEREFORE for and in consideration of the mutual covenants hereinafter contained it is agreed as follows:

I. Time Contractor is to Perform Services:

A. The Agency hereby engages and retains Contractor to serve as medical director and provide the services as defined in this Agreement. A copy of the medical director job description is attached hereto as Attachment I and is incorporated into this Agreement by this reference, which provides up to sixteen (16) hours per week portal to portal.

B. The Contractor shall be available at such other times under emergency conditions, as deemed necessary by the Board of Health or the Health Officer.

C. The Contractor shall submit monthly an invoice for the hours worked on a form provided by the Agency.

II. Responsibilities of the Contractor:

A. The Contractor shall act as the medical director for the Agency and shall be responsible for the medical supervision of public health services for the Agency. The duties of the Contractor shall include, but are not limited to, the following:

1. Provide medical leadership to improve health outcomes and protect the environment of the health jurisdiction.
2. Provide medical direction for required disease control and other public health programs.
3. Provide, review, change and sign guidelines, protocols and standing orders for services provided by the Agency (e.g. Sexually Transmitted Diseases, Immunizations).
4. Provide research, planning and networking with the health care community as needed for special projects and emerging public health issues.
5. The Contractor shall provide such additional duties as required by law, the Board of Health or the Health Officer.
6. All other duties and expectations as set forth in the medical director job description, which is attached as Exhibit 1 and incorporated by reference.

It is expressly understood and agreed that the Contractor shall be expected to utilize his/her professional judgment in the performance of the services to be provided under this Agreement consistent with the Agency's policies, the laws, and the standards of his/her profession.

B. Qualifications: The Contractor shall maintain the following qualifications:

1. Michigan physician licensure.
2. Meet the qualifications as set forth in R 325.13002, or R 323.13007;

C. Records and Reports. As part of the services the Contractor shall maintain records and provide reports as defined by the Agency.

D. The Agency shall have sole and exclusive right to the retention of all records pertaining to its patients and services rendered pursuant to this Agreement. The Contractor shall have the right to access any Agency records including patient records required for the performance of services to be provided pursuant to this Agreement. The Contractor agrees to comply with the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) including the amendments made to HIPAA by the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), part of the American Recovery and Reinvestment Act of 2009 ("ARRA") and the Genetic Information Nondiscrimination Act of 2008 ("GINA"), and its rules and regulations promulgated pursuant thereto, 45 CFR Parts 160 and 164, as amended. Breach of this provision shall constitute a material breach of this Agreement.

E. The Contractor shall render services in complete compliance with the standards and requirements of all applicable federal, state, local, and other laws, rules and regulations professional standards, and all applicable Agency policies and procedures including compliance requirements.

F. It is expressly understood and agreed that the Contractor is an independent private practitioner who has other clients both corporate and individual. The Contractor and/or the employees, servants and agents of the Contractor shall in no way be deemed to be and shall not hold themselves out as the employees, servants or agents of the Agency. The Contractor and/or the Contractor's employees, servants or agents shall not be entitled to any fringe benefits of the Agency such as, but not limited to, health and accident insurance, life insurance, paid vacation leave, paid sick leave or longevity. The Contractor shall be responsible for the withholding and payment of all applicable taxes, including but not limited to, income and Social Security taxes to the proper Federal, State and local governments. The Contractor shall carry workers compensation coverage for its employees, as required by law.

III. Responsibilities of the Branch-Hillsdale-St. Joseph Community Health Agency

A. The Agency shall furnish the Contractor with reasonable and necessary materials, supplies, facilities, and administrative support necessary for the performance of services required under this agreement.

B. The Agency shall reimburse the Contractor for the following professional expense:

1.	Cell Phone	$20/month
2.	Mileage Reimbursement	$6000.00/year maximum
3.	Approved Conference Training	$1000.00/year maximum

C. The Agency shall have sole and exclusive rights to the retention of all records pertaining to patients and the services rendered pursuant to this Agreement.

D. Reimbursement for travel that is necessary to perform the duties as the Agency's Medical Director shall be paid at the Agency's mileage rate as set by the Agency's Board of Health. Mileage will be calculated from the Medical Director's residence.

IV. Mutual Responsibilities:

A. Establish a procedure for public health medical direction if the Contractor is unavailable due to illness and/or vacation.

B. Maintain open lines of collaboration and communication.

C. As required by law, the Contractor and Agency shall not discriminate against a person to be served or an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, political affiliation or beliefs. Both parties shall adhere to all applicable Federal, state and local laws, ordinances, rules and regulations prohibiting discrimination, including, but not limited to, the Elliott-Larson Civil Rights Act, 1967 PA 453 amended; Section 504 of the Federal Rehabilitation Act of 1973 as amended, P.L. 93-112, 87 Stat 355 as amended, the Americans with Disabilities Act of 1990, P.O. 101-336, 104 Stat 327 *(42 USC 12101 et seq), as amended, and regulations promulgated thereunder. Breach of this section shall be regarded as a material breach of the Agreement.

V. Compensation

A. The Agency will compensate the Contractor as follows:

1. The Contractor shall receive payment for services rendered hereunder in the amount of $54,600 per fiscal year. For said fee the Contractor agrees to provide a minimum of 832 hours per year of physician services, including travel time to and from Contractor's home. During the terms of this contract the Medical Director shall be granted any percentage increase in pay as approved by the Board of Health for employees of this agency. The Agency shall process payment on a monthly basis.

VI. Health Department Billing/Managed Care Agreements

A. The Agency shall have the right to bill, collect and retain all fees for medical services billed under the Contractor NPI number for public health services included in this agreement.

B. The Contractor agrees to participate in established/new relationships with third party payers and provide necessary credentialing information.

VII. Insurance

A. The Agency shall pay on behalf of the Contractor the total cost of Professional Liability Insurance Coverage (malpractice) necessary and appropriate for the professional activities being carried out pursuant to the terms of this Contract. The Contractor shall submit to the Health Officer a copy of the policy and terms of coverage along with the invoices therefore in the same manner as any other request for expense reimbursement according to Agency policy. The Agency's obligation for payment of the cost of liability insurance for the services provided under the Agreement shall be in addition to any other consideration set forth under this Agreement. Failure of the Contractor to submit the policy and request for reimbursement in accordance with Agency policy shall constitute a waiver of such reimbursement.

B. The Agency shall include the Contractor as an insured on its liability policy as to the administrative services rendered to the Agency under this Agreement.

C. The Contractor shall maintain valid driver's license and auto insurance coverage and provide proof of both to the Agency.

VIII. Independent Contractor Status.

A. The parties agree that Medical Director is an independent contractor. In her capacity as an independent contractor, Medical Director agrees to and represents the following:

1. Medical Director has the right and does fully intend to perform services for third parties during the term of this Agreement.

2. Medical Director has the sole right to control and direct the means, manner, and method by which the services required by this Agreement will be performed.

3. Subject to the limitations set forth in this agreement, Medical Director has the right to perform the services required by this Agreement at any place or location and at such times as she may determine.

B. The parties acknowledge and agree that Health Department is entering into this Agreement with reliance on the representations made by the Medical Director relative to its independent contractor status.

C. Medical Director is not eligible to participate in the Agency's employee pension, health, vacation pay, sick pay, or other fringe benefit plan the Agency may offer.

D. Medical Director, as an independent contractor, agrees to indemnify, defend, and hold harmless Agency from any and all liability arising out of or in any way related to Medical Director's performance of services during the term of this Agreement.

IX. Term/Termination

A. The term of this Agreement shall be for the period of one year, commencing on the 1st day of October 2026 and terminating on the 30th day of September 2027.

B. Notwithstanding any other provision in this Agreement to the contrary, either party may terminate this Agreement prior to the termination date set forth herein if notice is given in writing to the other party at least sixty (60) days prior to the date such termination as authorized herein.

C. The Contractor shall be compensated for all services performed up to the effective date of termination.

X. Amendments, Completeness, and Invalid Provisions

A. Modifications, amendments, or waivers of any provision of this Agreement may be made only by the written mutual consent of the parties hereto. Such extensions and/or amendments shall be attached to and become part of this contract.

B. This Agreement contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.

C. If any provisions of the Agreement are held invalid, the remainder of this Agreement shall not be affected thereby.

D. No failure or delay on the part of either of the parties to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise of any right, power or privilege preclude any other or further exercise of any right, power or privilege.

XI. Signatures

In Witness Whereof, the parties hereto have fully executed this instrument on the day and year first above written above.

For the Agency:

_____ _____

Agency Date

Rebecca A. Burns, MPH, RS, Health Officer

For the Contractor:

_____ _____

Medical Director Date

Karen Luparello, D.O., MPH

XII. Attachment – Job Description

BRANCH-HILLSDALE-ST. JOSEPH COMMUNITY HEALTH AGENCY | YOUR LOCAL HEALTH DEPARTMENT
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To: Finance Committee - Board of Health

From: Rebecca Burns

Date: July 10, 2026

Re: Mobile Unit

The agency took delivery of the mobile unit in February 2021. The unit was ordered in 2020, prior to the availability of the COVID-19 vaccine, when the primary public health response focused on expanding community testing. After delivery, the mobile unit played an important role in the agency's COVID-19 response by supporting both testing and vaccination efforts. A dedicated public health nurse was assigned to staff the unit and coordinate its schedule.

Following the end of the pandemic, the agency has made ongoing efforts to identify meaningful opportunities to utilize the mobile unit within the community. In 2025, a new outreach initiative was launched to improve access to the Women, Infants, and Children (WIC) program in Hillsdale County. Because Hillsdale County does not have a countywide public transportation system, transportation was identified as a significant barrier for many residents. To address this need, monthly WIC clinics were established in the Village of Waldron and the City of Litchfield using the mobile unit.

Attached is a report detailing the advertising, marketing, and community outreach efforts undertaken to promote both the mobile unit and the off-site WIC clinics. As the report demonstrates, these efforts have been extensive. In each community, local partners served as "champions" by providing highly visible locations for the mobile unit and assisting with promotion through community networks. The report also includes utilization data for the mobile unit.

Despite these significant outreach efforts, participation has remained consistently low. Staff have routinely asked clients whether they would prefer to schedule appointments at the mobile clinic locations. Most have declined, explaining that they prefer to travel to the Hillsdale office because they combine their WIC appointments with shopping, errands, and other activities in town. After multiple outreach strategies and sustained efforts, the agency has not seen sufficient community utilization to justify continued operation of the mobile unit.

Based on these findings, I recommend that the agency sell the mobile unit for the following reasons:

- **Ongoing operating and maintenance costs.** Between September 2025 and June 2026, the agency spent $1,101.92 on maintenance and operating expenses. This amount does

not include more significant repairs completed prior to September 2025, including body work, backup camera repairs, and generator repairs, all of which added substantially to the total cost of ownership.

- **Loss of staff productivity.** Staff assigned to the mobile unit continue to work a standard 7.5-hour day; however, a significant portion of that time is spent preparing the unit, stocking supplies, traveling to and from remote clinic sites, setting up and breaking down the clinic, and restocking and cleaning the unit upon return. These activities reduce the time available for direct client services.
- **Limited community utilization.** Despite extensive marketing, community partnerships, and convenient monthly clinic schedules, residents have not consistently used the off-site services. Demand has remained too low to support continued operation.
- **Administrative burden.** The agency's Emergency Preparedness Coordinator is responsible for maintaining the mobile unit, scheduling preventive maintenance and repairs, reviewing vehicle logs, and training staff on its operation and safe driving. These responsibilities require a considerable investment of time that could be redirected toward other emergency preparedness priorities that provide greater value to the agency.

Mobile Unit / Off-Site Clinic Report

Reporting Period: September 2025 – June 2026

Advertising and Outreach Efforts

A multi-channel outreach strategy was used throughout the reporting period to promote mobile unit and off-site WIC clinic services.

Print and Mail Distribution

- 100 flyers were distributed at the Coldwater Food Pantry to reach community members utilizing food assistance services.
- Direct mailings were completed in August 2025 targeting selected SE and NW mail routes within the county.
- These mailings extended beyond Hillsdale County and reached additional surrounding households.

Direct Client Communication

- A mass message was sent to all Branch and Hillsdale County clients on 08/25/2025 promoting mobile clinic availability.
- Every client who calls to schedule an appointment is offered mobile/off-site clinic options by staff.

Community Partner Engagement

- Mobile clinic services are promoted at MACES meetings in Hillsdale.
- Monthly updates are provided at Hillsdale GSC meetings with community partners.
- Clinics are consistently listed on the BHSJ public calendar.

Media and Public Outreach

- Press release issued on 07/24/2025: *"BHSJ Mobile Clinic Expanding WIC Services to Waldron and Litchfield."*
- Monthly radio submissions provided to WCSR.
- Monthly social media promotion via Facebook, Instagram, and NextDoor, including scheduled posts.
- Facebook Live conducted by April Pratt showcasing the mobile unit.

Mobile Unit Clinic Activity and Utilization

The mobile unit operated on a bi-weekly rotating schedule between Litchfield and Waldron WIC clinic sites.

Clinic Activity Log

09/18/2025 – Litchfield WIC Clinic – 1 client served – 3 additional appointments no-showed
10/02/2025 – Waldron WIC Clinic – 1 client served
10/16/2025 – Litchfield WIC Clinic – 0 clients served
11/06/2025 – Waldron WIC Clinic – 0 clients served
11/20/2025 – Litchfield WIC Clinic – 0 clients served
12/04/2025 – Waldron WIC Clinic – 0 clients served
12/18/2025 – Litchfield WIC Clinic – 0 clients served
01/15/2026 – Litchfield WIC Clinic – 0 clients served
02/05/2026 – Waldron WIC Clinic – 0 clients served
02/19/2026 – Litchfield WIC Clinic – 0 clients served
03/05/2026 – Waldron WIC Clinic – 1 client served
03/19/2026 – Litchfield WIC Clinic – 0 clients served
04/02/2026 – Waldron WIC Clinic – 0 clients served
04/29/2026 – Litchfield WIC Clinic – 0 clients served
05/07/2026 – Waldron WIC Clinic – 1 client (visit started but not completed due to scheduling constraints on the clients end)
05/21/2026 – Litchfield WIC Clinic – 0 clients served
06/04/2026 – Waldron WIC Clinic – 0 clients served
06/18/2026 – Litchfield WIC Clinic – Cancelled due to strategic planning meeting

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Summary of Activity

- Total scheduled clinic dates: 18
- Total clients fully served: 3
- Incomplete visits: 1
- No-show appointments: 3
- Cancelled clinics: 1

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To: Board of Health

From: Heidi Hazel

Date: July 10, 2026

Re: Kindergarten Oral Health Assessment Fee

The Branch-Hillsdale-St. Joseph Community Health Agency provides Kindergarten Oral Health Assessments as part of its oral health services. Historically, no fee has been established for these assessments. Establishing a fee will allow the agency to enroll as a Medicaid provider and bill Medicaid for eligible services, helping offset program costs while maintaining access to care.

Proposed Fee:
It is recommended that the Board of Health establish a fee of $30.00 for a Kindergarten Oral Health Assessment.

The current Michigan Medicaid reimbursement rate for this service is $28.28. Setting the agency's fee at $30.00 allows for Medicaid reimbursement while providing a standard fee that can accommodate future reimbursement changes without requiring frequent revisions to the fee schedule.

Clients without Medicaid will continue to receive services in accordance with agency policies regarding payment, insurance, and any applicable grant-funded services.

Recommendation:
Approve the addition of a Kindergarten Oral Health Assessment fee of $30.00 to the Community Health Agency's approved fee schedule, effective upon Board approval.

Imms Fee Schedule- July 1, 2026

Vaccines	Company	Cost per dose	Cost + .3 Rounded Up	Admin Fee	New Cost Update: 7/25
DTaP (pediatric) Infanrix	GSK	$23.79	$31.00	$23.00	$54.00
DTaP-Hep B-IPV Pediarix	GSK	$79.00	$103.00	$23.00	$126.00
DTaP-IPV Kinrix, Quadracel	GSK	$57.02	$75.00	$23.00	$98.00
Hep A (adult) Havrix	GSK	$76.63	$100.00	$23.00	$123.00
Hep A(ped/adol Havrix Pediatric	GSK	$32.72	$43.00	$23.00	$66.00
Hep A-Hep B (Twinrix)	GSK	$121.32	$158.00	$23.00	$181.00
Hep B (adult) Engerix	GSK	$52.93	$69.00	$23.00	$92.00
Hep B (ped/adol) Engerix	GSK	$19.45	$26.00	$23.00	$49.00
MenB-4C (Bexsero)	GSK	$221.66	$289.00	$23.00	$312.00
Zoster RZV (Shingrix)	GSK	$242.42	$316.00	$23.00	$339.00
HPV9	Merck	$328.34	$427.00	$23.00	$450.00
MMR	Merck	$95.74	$125.00	$23.00	$148.00
MMRV (ProQuad)	Merck	$286.16	$373.00	$23.00	$396.00
RV5 (Rotateq)	Merck	$101.99	$133.00	$23.00	$156.00
Varicella (Varivax)	Merck	$191.36	$249.00	$23.00	$272.00
PCV20 (Prevnar20)	Pfizer	$295.51	$385.00	$23.00	$408.00
Pfizer Comirnaty 12Y+	Pfizer	$166.44	$217.00	$23.00	$240.00
Pfizer-BioNTech 5Y-12Y	Pfizer	$81.49	$106.00	$23.00	$129.00
Trumenba	Pfizer	$200.39	$261.00	$23.00	$284.00
Abrysvo	Pfizer	$315.88	$411.00	$23.00	$434.00
DTaP-Hib-IPV (Pentacel)	Sanofi	$121.47	$158.00	$23.00	$181.00
Hib (ActHib/Hiberix)	Sanofi	$13.15	$18.00	$23.00	$41.00
Fluzone High-Dose (IIv3-HD)	Sanofi	$61.47	$80.00	$23.00	$103.00
Fluzone (IIV3) -single dose	Sanofi	$19.92	$26.00	$23.00	$49.00
Fluzone (IIV3)-multi-dose	Sanofi	$18.54	$25.00	$23.00	$48.00
IPV (polio) IPOL	Sanofi	$43.98	$58.00	$23.00	$81.00
MCV4 (MenQuadfi)	Sanofi	$164.58	$214.00	$23.00	$237.00
Td PF (adol/adult) Tenivac	Sanofi	$35.60	$47.00	$23.00	$70.00
Tdap (adol/adult) Adacel	Sanofi	$48.34	$63.00	$23.00	$86.00
Beyfortus (Nirsevimab)	Sanofi	$595.06	$774.00	$23.00	$797.00
Vaxelis	Sanofi	$159.81	$208.00	$23.00	$231.00
PPD (Tubersol)	Sanofi	$12.60	$20.00	$0.00	$20.00
Moderna 12Y+	McKesson	$126.72	$165.00	$23.00	$188.00
Moderna Spikevax 6M-11Y	McKesson	$115.28	$150.00	$23.00	$173.00
Jynneos	McKesson	$280.80	$365.00	$23.00	$388.00

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Program: Immunization **Subject: Vaccine Pricing Method**	**Effective Date: 9/28/2023**

Purpose: To establish standards to ensure that private vaccine costs are evaluated and determined with consistent methodology.

- The immunization fee schedule will be updated once annually in the third quarter of the fiscal year unless a significant change requires further update to the schedule. The addition of a new vaccine or replacement of vaccine does not require a change to the entire schedule.
- It is the responsibility of the PHDP director (Personal Health & Disease Prevention Director) to order private vaccine and make any necessary updates to the immunization fee schedule. In the absence of the PHDP director, the immunization coordinator may be used as a back-up for vaccine ordering and pricing updates.
- Private vaccine costs will be calculated using the following formula.
    - Cost per dose + 30% + $23 = total vaccine cost
    - Cost per dose pricing is listed on the company and/or manufacturer website (GSK, Pfizer, Merck, Sanofi, etc.)
    - 30% accounts for any price fluctuation that may occur and no co-pay charge
    - A $23.00 administration fee supplements staff time and covers supplies, Band-Aids, needles, etc.
- Once the PHDP director has updated the immunization fee schedule the information will be distributed to the immunization coordinator for updates to the EMR, immunization staff, and administrative services for billing purposes.
- Immunization fee schedules can be found on the share CW in prevention: immunization: vaccine pricing.

Area Agency on Aging (IIIC) Branch-St. Joseph

Supporting Seniors, Promoting Independence

To: Board of Health, Finance Committee

From: Laura Sutter

Date: July 20, 2026

Re: IT/Data System Enhancement

Our division has been using a data system that was created by and is hosted with the ACLS Bureau. Only 2 AAA's in Michigan use it (IIIC/us and TriCounty Office on Aging/Region 6)… the other 14 regions pay for a completely separate system to track their Information & Assistance calls and Options Counseling data. The Bureau's system has proven to be cumbersome, not user-friendly and is becoming outdated. The state hasn't opted to improve it because only 2 AAA's use it…

Enter in MIOptions in Spring 2025.

In response to the ACLS Bureau's data needs & program components within the MIOptions program, a software developer (CIM) worked to build an "add-on" software function to their main program, COMPASS. The Add-On will host Information & Assistance and Options Counseling (I&A/OC) data.

We use COMPASS already. It's our client tracking data system for all of our case management programs at the AAA. This web-based system functions well, is widely used by AAA's in Michigan, and our entire team is in/out of COMPASS all day long.

The I&A/OC Add-On in COMPASS would streamline our data entry between all programs, fulfill grant reporting requirements and dramatically streamline our processes.

I recommend we move forward with the COMPASS Add-On to replace our existing system. The cost of this "Information Technology Enhancement" is built into our MIOptions program budget and will be paid out of unspent funds from FY2025.

I&A/OC Add-On Total: $37,500 (one-time fee)
Ongoing hosting, software maintenance, tech support: $200/month x 12mo = $2,400 per year

FY2026 Total: $37,900 (37,500 1x fee + 400 2mo host/tech fee)

FY2027 Total: $2,400 (200 per month host/tech fee)

Fund Balance Overview

Although the Agency reports a total fund balance of approximately $3.97 million, this does not represent discretionary funds available to support day-to-day operations. The Agency's fund balance is categorized into three classifications: Non-spendable, Assigned, and Unassigned. The vast majority of these resources cannot be used for general operating purposes.

Non-spendable Fund Balance ($146,656), or approximately 3% of the Agency's total fund balance, consists of prepaid expenses and other assets that are not in a spendable form. Because these amounts represent payments already made for future goods or services rather than available cash, they cannot be appropriated to fund Agency operations.

Assigned Fund Balance ($3,597,456), or approximately 91% of the Agency's total fund balance, consists of resources that have been designated or restricted for specific programs, grant requirements, capital projects, or other authorized purposes. These funds are committed to their intended purposes and cannot be redirected to support general Agency operations.

Unassigned Fund Balance ($223,549), representing approximately 6% of the Agency's total fund balance, is the only portion available for general operating purposes. For an organization with an annual operating budget of nearly $9.5 million, this amount represents only about 2.4% of annual operating expenditures, providing very limited financial flexibility to address unexpected costs or emergencies.

The Agency's fund balance is summarized below:

Classification	Amount
Non-spendable	$146,656
Assigned	$3,597,456
Unassigned	$223,549
Total Fund Balance	$3,967,661

Assigned Fund Balance $3,597,456

The following sections summarize the purpose and restrictions associated with each category of Assigned Fund Balance.

Branch County Community Foundation ($309,956)
These funds were awarded to the Agency as a grant from the Branch County Community Foundation following the closure of the Agency's health plan. The grant represents the remaining assets from the health plan and is restricted for use "for the purpose of serving the health care needs of low-income or medically underserved residents of Branch, Hillsdale, and St. Joseph Counties." As a result, these funds may only be used for activities that meet the grant's stated purpose.

Dental Outreach and Education ($468,837)
These funds were received through the Agency's partnership with My Community Dental Centers (MCDC) and are restricted to dental outreach and education activities. Due to changes in the federal program, modifications to federal matching requirements, and revisions to the Agency's agreements with MCDC, the Agency no longer receives these outreach and education funds. The existing fund balance will gradually be utilized to supplement eligible WIC program activities, as dental outreach and education are provided during routine WIC appointments.

Area Agency on Aging ($35,781)
The Area Agency on Aging (AAA3C) accumulated these funds through unspent grant dollars that were carried forward from prior years. These funds are restricted and may only be used to support Area Agency on Aging programs and activities.

Medicaid Cost-Based Reimbursement ($1,476,876)
Medicaid Cost-Based Reimbursement (MCBR) funds are restricted to supporting the programs in which they were earned and are subject to strict federal and state matching requirements. These funds may only be used to support eligible services, including immunizations, vaccine quality assurance, lead case management, vision screening, and hearing screening, and only to the extent sufficient matching funds are available within those programs.

Community Stabilization Funding ($676,064)
Community Stabilization Funding was first received in fiscal year 2019-2020 and is restricted to supporting Essential Local Public Health Services, including immunizations, vision screening, hearing screening, sexually transmitted infection services, infectious disease control, food protection, onsite sewage, and drinking water programs. These funds may not be used to supplant local appropriations and must supplement existing funding for these essential public health services.

Capital Improvement and Maintenance Accounts ($162,499)
These funds have been designated for capital improvements and major building maintenance projects. They are restricted for use on capital expenditures related to the Agency's Three Rivers and Hillsdale facilities. In recent years, many capital improvement needs have been funded through infrastructure grants, allowing these reserved funds to remain largely intact.

Accrued Vacation and Sick Leave ($467,443)
These funds are reserved to cover the Agency's liability for employees' accumulated vacation and sick leave benefits. Maintaining this reserve ensures the Agency has sufficient resources to meet its financial obligations for earned leave payouts as employees separate from employment or otherwise become eligible for payment.

Local Appropriations ($795,657)

Local appropriations are the Agency's most valuable source of funding because they are the only revenue source that is completely unrestricted. Unlike grants, reimbursements, and other funding sources that are limited by federal, state, or contractual requirements, local appropriations may be used wherever the need is greatest. At the current funding level, local appropriations account for only 8.4% of the Agency's FY 2026-2027 original budget, yet they provide the flexibility necessary to operate the Agency effectively.

While local appropriations represent a relatively small percentage of the Agency's total budget, they are the funding source that makes all other funding possible. Without adequate local support, the Agency would be unable to meet required grant match obligations, respond to emerging public health needs, maintain facilities and infrastructure, or cover costs that are necessary to operate the Agency but are not allowable under grant funding.

Local Maintenance of Effort Requirement
Michigan's Public Health Code establishes a shared responsibility between the State and local governments for funding public health services. To demonstrate this local commitment, the State established a Maintenance of Effort (MOE) requirement beginning in FY 1992-1993. The Agency must contribute at least $664,834 in local funding each year to remain eligible for state public health funding.

Failure to meet this minimum local contribution would place millions of dollars in state grant funding at risk. Local appropriations therefore serve not only as operating revenue but also as the investment that allows the Agency to leverage substantially greater amounts of state and federal funding for the benefit of our communities.

Why Local Appropriations Are Used Last
The Agency budgets to fully utilize every available funding source. Because many grants require that unspent funds be returned to the funding agency, the Agency strategically prioritizes expenditures to maximize every available dollar.

Funding is generally applied in the following order:

1. Fee revenue
2. Grant funds that must be spent or will otherwise be forfeited.
3. Restricted grant funds, consistent with each grant's allowable uses, matching requirements, and expenditure deadlines.
4. Local appropriations, which are preserved whenever possible because they are the only funding source capable of filling gaps left by restricted funding.

This approach is not intended to avoid spending local dollars. Rather, it ensures that local appropriations remain available for expenses that cannot legally be paid from any other source, including grant shortfalls, emerging public health priorities, required matching funds, technology, facility maintenance, equipment, and other operational costs necessary to keep the Agency functioning.

The Challenge of Managing Restricted Funding
Managing the Agency's budget is extraordinarily complex. The Agency administers dozens of grants and funding sources, each with unique spending restrictions, reporting requirements, matching obligations, and expenditure timelines. Most employees are funded by multiple programs and must carefully track the actual time they spend working within each grant.

Even small differences between projected and actual staff time can have significant financial consequences. If staff spend more time than anticipated responding to client needs in one program, grant funding may be exhausted, requiring local appropriations to cover those costs. At the same time, another grant may end the year with unspent dollars that cannot simply be transferred to another program and instead must be returned to the funding agency.

This balancing act requires continuous monitoring throughout the year and illustrates why unrestricted local funding is indispensable. Local appropriations provide the flexibility needed to absorb these unavoidable fluctuations while allowing the Agency to continue delivering essential public health services without interruption.

Financial Stewardship
The Agency is committed to being a responsible steward of the public funds entrusted to it. Every effort is made to maximize restricted grant funding before utilizing local appropriations, ensuring taxpayers receive the greatest possible return on their local investment.

For FY 2026-2027, the Agency's operating budget totals $9,491,661. To satisfy the State's Maintenance of Effort requirement while remaining within available local funding, the Agency must spend at least $664,834, but no more than the $795,657 in local appropriations it expects to receive. This leaves a margin of only $130,823, or approximately 1.4% of the Agency's total operating budget. Given that personnel costs comprise the majority of Agency expenditures and staffing needs continually shift in response to community demand, maintaining expenditures within such a narrow range requires careful financial management throughout the year.

Although the Agency's audited fund balance may appear substantial, it is not an accumulation of excess unrestricted cash. Approximately 91% of the fund balance has been assigned or restricted for specific purposes, leaving only $223,549 in unrestricted reserves—approximately 2.4% of annual operating expenditures. Local appropriations remain the Agency's only truly flexible funding source and are essential to meeting grant match requirements, responding to emerging public health needs, maintaining facilities and technology, and covering operational costs that cannot legally be paid with restricted funds.

The Agency's fund balance should be evaluated not only by its total amount, but also by the restrictions placed upon those resources. While the overall fund balance provides financial stability, most of those resources are legally or administratively committed to specific purposes. The limited unrestricted balance underscores the importance of careful budgeting and ongoing monitoring throughout the fiscal year.