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# Three local Jewish human services agencies exploring merger, other collaboration

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- JVS Human Services, Jewish Family Service of Metro Detroit and Kadima Mental Health Services in talks
- Have some degree of overlap, common roots and past history of collaboration
- Funder interest, financial pressures, desire for more impacts driving talks

Three Oakland County-based Jewish human services agencies are in talks to explore a merger or some other type of collaboration.

JVS Human Services, Jewish Family Service of Metro Detroit and Kadima Mental Health Services have been meeting for the past couple of months.

Their conversations were spurred by the Jewish Federation of Metropolitan Detroit, which convened agencies it funds in 2018-19 to see if there were opportunities to gain efficiencies through collaboration, JVS President and CEO Leah Rosenbaum said.

Questions like this have to be asked in the interests of best meeting mission, she said.



"Is it scary? Yes. But we have to look at it to always make sure if there's a way to be more cost efficient (and put) ... more money toward mission."

The three agencies immediately saw they had some programmatic overlap, said Rosenbaum. For example, JVS and Jewish Family Service both serve older adults, and Kadima and JVS both serve people with disabilities.

All three "are also very dependent on government funding, which really is not meeting the needs of the people we serve," she said.



Leah Rosenbaum

John Hardwick

So the question became whether the three could operate more efficiently through some type of collaboration, said Rosenbaum, who will retire Friday after a 40-year career at the agency and hand the reins to newly named CEO Paul Blatt.

"We have no idea what that's going to look like, but we did we want to lean in further," Rosenbaum said.

Options could range from combining operating areas like accounting or information technology, a full merger, or deciding nothing makes sense, she said. And they could include two of the three agencies or all three.

"We're looking at all options," she said.

Southfield-based JVS Human Services provided job assistance and programs for seniors and people with disabilities to over 10,000 people in the region in 2018.



It reported total revenue of \$21.6 million, an operating excess of just over \$632,000 and net assets/fund balances totaling just under \$14.5 million for fiscal 2018 ended June 30.

This year it's operating on a \$24.5 million budget, with just over 400 employees.

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Southfield-based Kadima has worked with JVS and Jewish Family Services for decades in one form or another, said

Executive Director Eric Adelman.

It's teamed up with Jewish Family Services to provide mental health services for seniors. And it's done joint employment programs with JVS, he said.

All three originally formed to support the Jewish community but evolved to become nonsectarian, offering services to anyone in need. They all face some of the same operational challenges, like difficulties with hiring and retaining direct care professionals, Adelman said.

However, "we want to make sure (we're) not just smooshing silos together but really driving for improved care for people in need," he said.



Kadima, which operated at a loss every year between 2015 and 2018, according to its 990 filings, narrowed its operating loss in fiscal 2018 to \$143,471 (from a loss of \$811,365 the year before).

It reported total revenue of just over \$5 million and \$7.3 million in net assets/fund balances for 2018.

Adelman said the agency has seen increased pressure on its Medicaid community mental health funding streams in recent years. It is still completing its 2019 financials, but he is projecting it finished the year in the black.

Ensuring financial sustainability so services for vulnerable populations can continue in the years ahead is one part of the reason Kadima is in talks with JVS and Jewish Family Services, he said.

But "the three of us (also) believe strongly that we need to provide better outcomes for the people we serve."

Kadima provides direct services for about 150 people with severe mental health issues each year through its 25 group homes in the region, group therapy, health outcomes measurement and recreational programs. It employs 92 people and is operating on a \$5 million budget this year, Adelman said.



Conversations focused on collaboration between nonprofits are not easy to have, but they are important, he said.

"In this case, we think the leaders of the organizations are aligned about what's important and will be able to have honest conversations to make sure the decisions we make are in the interests of the people we serve."

If there's something Jewish Family Service can do to better serve the communities it serves, "it's

(our) responsibility to pursue that," said CEO Perry Ohren.



Jewish Family Service of Metro Detroit

Perry Ohren

The three agencies believe there are potential efficiencies to be gained from collaborating differently, better or more, he said.

"We're not sure what that will look like ... (but) if there can be greater efficiencies, that's what we want to do" for the people we serve, Ohren said.

Jewish Family Service provides safety net services, services to help older adults age in place and mental health and wellness services to about 15,000 people each year.

In its audited financials for fiscal 2019 ended May 3, Jewish Family Service reported total revenue of \$12.8 million, down from \$13.6 million in 2018.

Expenses totaled \$12.06 million, compared to \$11.62 million the year before. It ended 2019 with an operating excess of \$747,079. It ended the year with net assets of just over \$12 million.

This year it's operating on a budget of about \$13 million, with 120 employees, Ohren said.