

February 20, 2019

Dear Mayor Hemminger, Council Members and Mr. Jones and Town Staff:

Thank you for allowing us to make this progress report on Club Nova. I'm Rosemary Waldorf, co-chair of the Club Nova Capital Campaign, and with me are Board President Gretchen Davis and Executive Director Karen Dunn. We are deeply appreciative of the critical support that our local governments provide, through annual support of our programs, strong partnerships with our law enforcement and courts, and of course your moral support.

A Quick Overview

Club Nova operates as an accredited Clubhouse Model of Psychiatric Rehabilitation. We work with individuals living with severe and persistent mental illness (SMI), predominantly schizophrenia, depression and bipolar disorder. Serious mental illness often strikes a young person, affecting school, work, family and social life. Mental illness can cause isolation, suicide risk, loss of income, poor health, hospitalizations, homelessness, incarceration, crisis and poverty.

One in 25 adults lives with SMI. With a population of approximately 140,000 citizens in Orange County, we estimate that as many as 5,000 are living with a mental illness. We see this need daily in UNC Health Care's Emergency Department; often half the beds are occupied by persons experiencing a mental health crisis.

Research demonstrates that the Clubhouse Model, along with quality psychiatric care, is a cost-effective, comprehensive program. We help our members return to employment and education, maintain homes, obtain health care, avert crises and build meaningful relationships.

We have numbers that testify to Club Nova's effectiveness:

Re-Hospitalization:

- 40% of those living with mental illness in the US are re-hospitalized within a year;
- 12% is Club Nova's rate of re-hospitalization.

Homelessness:

- 25% of the nation's homeless people live with mental illness; less than 2% of Club Nova members are homeless (one member is now in Community House)

Incarceration:

- 64% of those in local jails throughout the US live with mental illness;
- 0% of Club Nova members have been incarcerated in the last 5 years.
- A recent study of NC prison inmates found that 70% have mental health problems. Our jails have become warehouses for people living with severe and persistent mental illness.

Employment:

- 80% of those living with mental illness in the US are unemployed;
- 32% of our members are able to secure employment.

Cost-effectiveness:

We can demonstrate that we save the community \$2 million/year by keeping people out of jails and psychiatric hospitals and homeless shelters, yet we operate on an annual budget of around

\$950,000. **We can serve a member for an entire year for less than the cost of one week of psychiatric hospitalization, which is around \$7,000.**

We also support families of members and relieve our court system.

Our Future

We intend to construct a 12,000 SF facility to replace our crowded and inadequate 100-year-old clubhouse. This new facility will enable us to:

- Serve **150** members per day, rather than **45**
- Serve **300** members per year, rather than **120**
- Serve **900** family members per year, rather than **360**
- Serve **300+** students per year, rather than **50-100**

We are working with the UNC Emergency Department to reduce chronic use of the ER by people living with severe mental illness. Our goal is to divert appropriate individuals to Club Nova after they are discharged.

We are in the third year of a capital campaign to raise the \$4.5 million needed to design, build and equip our new building.

To date we have raised \$2 million in cash and pledges. We have a pledge for a \$500,000 capital grant from our MCO, Cardinal Innovations Healthcare, IF we raise 80% of our goal by the end of this year. This is a stiff challenge but we are working hard to meet this goal.

We are asking all our local government partners to support our capital campaign by granting us money to cover \$260,000 of our estimated \$300,000 in transition costs. We are asking Orange County for \$125,000, Chapel Hill for \$75,000, Carrboro for \$50,000 and Hillsborough for \$10,000. This is a unique, one-time request in Club Nova's history. We are asking for the amounts above to be allocated across two fiscal years. We anticipate that our transition period (construction) will stretch across two years. Transition assistance would not be a capital grant but would count toward the Cardinal challenge grant.

Attached is a budget for transition cost from demolition to moving into the new building.

As you weigh your decision, we ask you to consider that every year we provide a lifeline to around 120 people that our society has neglected, and in doing so we save the community \$2 million a year.

Thank you again for your time, your consideration and your unwavering support in the past.

Sincerely,

Rosemary Waldorf and Eleanor Kinnaird, Campaign Co-Chairs

Gretchen Davis, for the entire Club Nova Board of Directors

Karen Dunn, for all Club Nova Members and Staff