

May 18, 2009

Mr. John Van Camp
President/CEO
Southwest Counseling Solutions
1700 Waterman
Detroit, MI. 48216

Dear Mr. Van Camp:

Governor Granholm two weeks ago issued a mandated \$10 million dollars in State General Fund reductions to the Community Mental Health system as part of Executive Order #2009-22. On Friday, May 15th, Mike Head Director of Mental Health and Substance Abuse Administration for the Michigan Department of Community Health announced his plan to implement the reduction through a so-called funding equity model.

Based on his plan, the Michigan Department of Community Health will reduce the State General Funding to Detroit-Wayne by nearly \$4.4 million dollars, or over 15 percent. This is significantly higher than the projected 12.5 percent indicated by the Executive Order. The reduction is effective July 1st.

Given the magnitude of this reduction, the Agency has no choice but to pass it along to programs that are funded completely or in part with State General Fund dollars.

Your organization has the following programs that will be impacted:

- Southwest Partnership. Based on the FY 2008-2009 funding of \$338,661.00 this program is being reduced by \$42,333.00.
- Family Resource Center. Based on the FY 2008-2009 funding of \$95,000.00, this program is being reduced by \$11,875.00.
- PATH Match Supplement. Based on the FY 2008-2009 funding of \$98,879.00, this program is being reduced by \$12,360.00.
- System of Care Development. Based on the FY 2008-2009 funding of \$50,000.00, this program is being reduced by \$50,000.00.

- Wraparound. Based on the FY 2008-2009 funding of \$711,750.00, this program is being reduced by \$10,000.00.
- Housing Resource Center. Based on the FY 2008-2009 funding of \$1,400,000.00, this program is being reduced by \$52,500.00.
- Infant Mental Health. Based on the FY 2008-2009 funding of \$530,000.00 this program is being reduced by \$65,000.00.
- Multi-cultural/Services. Based on the FY 2008-2009 Supplemental Funding of \$4,201.00, this program is being reduced by \$525.00.

Again, these reductions are effective July 1st.

As you know, the Agency and the Board of Directors have opposed so-called funding equity proposals because their main effect is to unfairly decrease Detroit-Wayne County funding for consumers to distribute to other systems. Additional background is attached.

The Agency will continue to work together with you to serve our 60,000 consumers. These are difficult days for our State and our residents. At the very time that citizens need more from the public safety net services like Community Mental Health, funding is more limited. Our collaboration is more vital than ever to ensure that consumers have the services they need.

Sincerely,

Veda Sharp

Veda A. Sharp, LMSW
Acting Executive Director

cc: Edith Killins, Director Health & Human Services
Michael Garrett, Director Management and Budget
Eric Daniel, Principal Attorney
Management Executive Leadership Team