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FIRST THREE-NON-PROFIT MERGER ON MAUI ANNOUNCED

- *Maui Youth & Family Services, Malama Family Recovery Center and Aloha House boards form strategic partnership*

MAKAWAO, MAUI, HAWAII – (July 25, 2008) -- The Boards of Directors of Maui Youth & Family Services (MYFS), Malama Family Recovery Center and Aloha House have agreed to pursue a strategic partnership with the goal of merging the three organizations into one organization by mid-2009.

Beginning in July of 2008, the three boards will begin to operate as one, overseeing all three organizations. Peter Cahill, a Maui attorney and current chair of the MYFS board, will become president of the three “interlocked” boards for the first year.

The purpose of the partnership is to create a seamless service array for Maui’s families in need of support. Malama Family Recovery Center serves pregnant women with substance abuse problems while MYFS serves children and adolescents through a variety of education, prevention, treatment and shelter/foster care services. Aloha House just celebrated its’ 30th anniversary of providing substance abuse treatment services for adults on Maui.

“We have witnessed a huge transformation in the charity world since the 2001 terrorist attacks in New York,” said Tim Murphy, CEO for MYFS. “Funding became much tighter and non-profits were expected to find ways to become efficient with less, while donors became more demanding. The result was that strategic partnerships became a logical way to increase innovation, while eliminating duplication of services.”

Long time competitors MYFS and Aloha House began working together this past 18 months in order to better serve the local community needs. “The work-loads for both organizations are huge,” adds Murphy. “We owe it to our customers to find ways to work together and provide higher quality services, while keeping costs down.”

After a few months of “talking story” together, Murphy and Jud Cunningham CEO of Aloha House applied for a grant from the Hawaii Community Foundation (HCF) to explore strategic partnership opportunities. MYFS was awarded \$30,000 by HCF and La Piana and Associates (a national firm specializing in not for profit mergers) was brought in to help facilitate the process.

(more)

“After six months of discussion with the three boards, our community partners, and with input from consumers and our staff, we found far more reasons to collaborate than to continue to compete,” said Murphy. “With regards to Aloha House and MYFS both of us provide services in the schools....both of us provide mental health services to adults...both of us provide treatment services for people struggling with addictions.”

Cunningham became the CEO of the partnership effective July 1, 2008. He has been CEO of Aloha House since 1995. “The economy is slipping and we need to find ways to ensure that the important services that these three agencies provide will continue, he said. “By combining some of our programs and blending our administrative costs we ought to be able to continue to provide these services and hopefully lower our overhead, so that more of our grant and fundraising dollars go into direct service.”

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