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## Nexus Recovery Center shifted its philanthropic strategy. Here's why



Image: Shana Anderson

Nexus Recovery Center wasn't philanthropically focused before the pandemic but shifted its approach after seeing government funding drop and health care cost rise.

SHANA ANDERSON



By **Plamedie Ifasso** – Staff Writer, Dallas Business Journal  
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Like many nonprofit organizations during the pandemic, Nexus Recovery Center was caught in a catch-22.

The recovery center founded in 1971 provides substance-use disorder treatment to women and is one of seven treatment-based facilities in the state that allows women to bring up to three children onsite and offers therapy for children on its campus.

Pre-pandemic, Nexus operated on a government allocation budget and wasn't focused on growing philanthropically. The organization serves women earning below the poverty line and receives states funding based on client services. If the state allocated \$200 per day per client, that's exactly what the center previously budgeted for.

During the pandemic like every entity in the country, the center's philanthropic and **government funding dropped**. But at the same time, health care costs skyrocketed.

Nexus as a licensed health care facility abided by Dallas County Health Department Covid-19 regulations and had to put its campus on quarantine shutdown if a client or staff member got the virus. Putting its campus on quarantine meant the nonprofit couldn't admit or exit a client.

"If we can't admit and exit someone while we're on quarantine, that means we can't bill for that person," Nexus Chief Philanthropy Officer Cameron Hernholm said. "If they've already gone through their government funded insurance money, then Nexus was essentially providing room and board without having a new client come in to bill for and having clients stay that we weren't getting reimbursement for."

Now, the organization averages about \$300 per woman for a full day of treatment, and the state covers approximately \$200 of that cost. To ensure clients continue to receive necessary treatment-services, Nexus shifted to an aggressive fundraising strategy.

The recovery center grew its **philanthropic investments** by 52% from 2020 to 2021, 48% from 2021 to 2022 and saw a 25% increase from 2022 to 2023. Its operational philanthropic goal for 2023 was \$3.7 million, and Nexus will end its fiscal year ahead of goal.

Nexus also launched its approximately \$86 million Recovery Rising Campaign. The five-phase campaign will rebuild the nonprofit's entire campus except two buildings that will undergo major renovations. None of the buildings in the 11-acre site will be taken down until the new facilities are up, allowing the organization to continue to care for clients throughout the campus improvement project.

Each phase of the fundraising campaign also budgets for reserves and **operational capacity building**.

Phase one aims to raise \$10 million and will fund a new medical building. The new medical facility will allow the center to increase its detox dormitories from 12 to 16 and expand admission staff to allow the nonprofit to operate seven days a week. Construction is estimated to be about \$7 million, and the remainder will be split for reserves and operational capacity building.

"Prior to the pandemic, Nexus only had around 30 days worth of reserves, which is tragic especially if God forbid we were ever to have another pandemic," Hernholm said. "Part of that strategic plan and what we built into the Recovery Rising campaign is building out our reserves to where we can have at minimum three months but ideally six months worth of operational cash for service. We currently run a little over a million a month."

Nexus is in the silent phase of its fundraising campaign and has a goal of raising \$8.75 million by the end of its fiscal year. So far, it's raised over \$8.35 million.

Kristy and Raymond Faus, longtime annual donors, invested \$500,000 into the fundraising effort and will chair the campaign.



Kristy and Raymond Faus will chair the organization's \$86 million Recovery Rising Campaign  
SHANA ANDERSON

The Faus have donated to the recovery center for about 15 years but ramped up their giving and involvement in the organization in the past six years.

About seven years ago when the Faus welcomed their first grandchild, Kristy decided to step away from the cotton company she and Raymond started 22 years ago. She retired and tried to be what she considered grandmotherly for about six weeks before realizing she missed working.

Instead of putting her energy back into the cotton business, she shifted her focus to volunteering.

Kristy has served on the nonprofit's board for six years and chaired its development and marketing committee from fiscal year 2021 to 2023. As Nexus realized it didn't have the philanthropic investments it needed to make up for the drop in government assistance, Kristy helped devise the nonprofit's 50 for 50 campaign, a 50th anniversary fundraiser aiming to raise \$50,000 from 50 or more donors in 2021.

The campaign shifted the way donors saw Nexus and built a pipeline for funders to understand the impact of their gifts.

"What we saw with 50 for 50 was (how having) an initiative that we could really build a story around was important in fundraising," Kristy said. "Everyone needs to connect to the mission in some way, and not everybody can connect to substance use disorder, although they probably know someone that has it. But they can connect to the other parts of what Nexus does."

Although the pandemic has educated some donors, many funders still need to understand the importance of unrestricting their dollars to allow investments to go

where it's needed, Hernholm and Kristy both said.

The center needed dollars to go towards operations during the height of the pandemic especially as it competed with medical providers offering \$90,000 salaries with a starting bonus of \$10,000. The organization raised **base hourly wages** for its direct care and support teams to \$15 in 2021 and increased salaries for its professionalized clinical staff in 2022.

The nonprofit raised its hourly base wage again in 2023 to \$17.83 and plans to increase it to \$18.24 in 2024. To further invest in its workforce and compete with other health care institutions, Nexus also budgeted a 5% cost of living wage for all its current employees in 2023 and plans to do so again in 2024.

When donating to a nonprofit like Nexus, funders also need to understand the importance of investing in infrastructure.

“There is still a mindset of, ‘well, at least you have something, and at least you’re providing a roof and water;’ Hernholm said. “Our mission isn’t just providing food and shelter and have someone become sober. Our mission is to transform their lives. It’s hard to sell recovery and changing your life if you can’t see a better opportunity.”

**T H E L I S T**

## North Texas Women-Owned Businesses

2021 Local revenue

Rank	Prior Rank	Company
1	1	RE/MAX DFW Associates
2	2	Argent Associates Inc.
3	3	BuzzBallz, LLC/Southern Champion
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