



MEMBER SERVICES



PUBLIC POLICY



STATEWIDE INITIATIVES

UNITED WAYS OF TEXAS 2007 ANNUAL REPORT

Making Texas a better place to live and do business through...

...EDUCATION

supporting the “bookends of education”- pre-k through post-secondary.

...INCOME

helping Texas families find financial freedom.

...HEALTH

making healthcare one of the state’s top priorities.

...DISASTER PREPAREDNESS & RECOVERY

preparing for the worst and hoping for the best.

Dear Members, Friends and Partners,

It brings me great joy to share with you our first-ever United Ways of Texas Annual Report. We hope to make this publication an integral part of how we communicate each year. I cannot think of a better year to start with than 2007; it was a terrific year! We have much to be proud of as an association of local United Way organizations.

Our members, as one might imagine, have gone above and beyond again this year, fighting a slow economy, but yet still bringing in the much-needed dollars that are used to solve critical challenges in their individual communities. United Way (UW) as a brand has long been thought of as a traditional fundraiser, but that understanding is quickly changing as our member United Ways are reaching deep into communities statewide to find solutions to meet the growing needs of Texas families. We are proud of the work they are doing in and around financial stability and asset-building. Several of our member United Ways played a crucial role in helping thousands of Texas families reap the benefits of Earned Income Tax Credit (EITC) programs this year. EITC dollars give many families the opportunity to take their first steps to financial freedom. Many of our members are continuing to engage in disaster response and readiness initiatives, ensuring safety to those living in their communities. Our Gulf Coast partners have especially taken control of these situations by providing both long-term and immediate care when disaster strikes their areas. Education, as always, is a key priority for many communities. Through Success by 6 and other UW-driven initiatives, our members are tackling the “bookends of education” with such tenacity. I am continually amazed by the work of our local United Way members and their passion for making Texas a better place to live and do business.

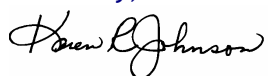
As if the great work of our members is not enough to fill our entire Annual Report, United Ways of Texas has also had a great year at the Capitol and in obtaining continued funding for several statewide initiatives. We are continually seeking improvements at the Capitol that impact our great state, initiating lasting change and bringing in countless dollars to cities across Texas.

Funding, funding, funding! We’re going after it and we’ll continue to do so in hopes of providing our members with continued opportunities to tackle specific community needs. We are grateful for the support of our current partners and are working steadily to ensure that those relationships will remain fruitful for years to come.

I would be remised if I did not thank our wonderful staff and board of directors for their continued perseverance and leadership over the past year. As a team we can achieve so much more than any one of us can do alone, and it is with this mindset that we work for the betterment of our great state. We are in the middle of an exciting 2008 and I look forward to this time next year when we can share another wildly successful year highlighting the strength of our members, our work at the Capitol and our statewide impact through a variety of different initiatives and projects.

Thank you each for your continued support and encouragement. We are grateful for all of your hard work!

Sincerely,



Karen Johnson
President/CEO, United Ways of Texas

2007 United Ways of Texas Board of Directors

Chair of the Board

Dr. Raymond Hawkins

President
Lonestar College

Secretary of the Board

Traci Wickett

President/CEO
United Way of Southern Cameron County

Treasurer

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Texas A&M International University

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Lana Calvery

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Chair-Elect of the Board

Judge Woody Gossom, Jr.

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CPO
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Board Member

Stephanie Cone

President/CEO
United Way of Brazoria County

Board Member

Alvin Henry

Alvin L. Henry & Associates

Board Member

Jim Hine

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TX Department of Aging and Disability Services

Board Member

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Legislative & Political Director
Texas AFL-CIO

Board Member

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Max Media of Texas

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Attorney
Mullin Hoard & Brown

Board Member

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Board Member

Bill O'Brien

VP Worldwide Mfg. (Retired)
IBM

Board Member

David Tessmer

Senior Vice President Advocacy & Community
Benefit
Texas Health Resources

Board Member

Ann Thompson

President/CPO
United Way of Central Texas

OUR HISTORY

Grandfathered by the solid foundations of two charitable organizations, United Ways of Texas is the product of collaboration as its best. In 1909, the Texas Conference on Charities and Corrections emerged with a deep understanding of statewide cooperation and its power to impact Texas communities. This alliance encouraged growth for the group, helping it evolve into the Texas Conference of Social Welfare in 1914, which set the groundwork for their future as the Texas Social Welfare Association in 1944. Alongside this group the Texas Community Chest Association also joined arms under the same premise in 1926, becoming the Texas United Defense Fund in 1951 and later the Texas United Fund in 1958.

The Texas Social Welfare Association and the Texas United Fund took their mission and vision of community collaboration to the next level in 1969 and formed Texas United Community Services. This organization would be the final piece that led to United Ways of Texas' formation in 1980. After almost a century of dedicated community service, United Ways of Texas continues to make Texas a better place to live and do business.



President and CEO
KAREN R. JOHNSON



Senior Vice President of Operations
ROXANNE SALDAÑA JONES



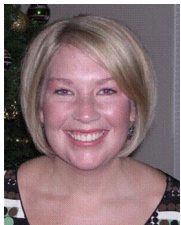
Senior Vice President of Public Policy
JASON SABO



Vice President of Finance and Administration
NANCY THORNTON



Vice President of Statewide Initiatives
MOLLY WOFFORD



Director of Project Communications
KATIE COX



Consultant
MELODY CHATELLE

OUR STAFF

ABOUT UNITED WAY



In the public's mind, United Way is the leading fundraising non-profit organization in the United States. With 1,400 United Ways nationwide, the movement raises over \$4.1 billion annually. In Texas, United Ways of Texas members raise almost \$250 million each year. This money alone, however, cannot solve Texas' greatest challenges.

Today, United Ways are building upon their greatest resource: the power of community collaboration to improve community conditions statewide. Local United Ways build productive relationships between philanthropists, the public sector, and leaders in both the for- and non-profit businesses communities to identify and implement solutions based on the needs in their communities.

Across Texas, local United Ways lead community-driven initiatives, including:

- Early childhood education coalitions to address barriers to school readiness for children under age 6, including immunizations
- Grassroots community engagement to improve high school graduation and college-readiness
- Local information and referral collaborations through the 2-1-1 dialing code
- Economic development efforts including Earned Income Tax Credit (EITC) awareness and Family Financial Stability and Asset Building initiatives.

WHO WE ARE

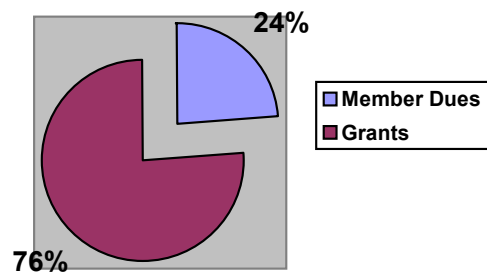
United Ways of Texas is the voluntary state association of Texas United Ways. With 70 United Way members, the association works to represent the public policy interests of our members, to provide members with capacity building and educational opportunities and to lead statewide initiatives designed to improve Texas communities.

WHERE WE ARE

United Ways of Texas is located in the heart of Texas' capital city, just southwest of the state's Capitol building. This choice of office location was certainly no coincidence; UWT's strong commitment to enriching statewide public policy work requires this level of access and convenience.

HOW WE OPERATE

As a traditional state association, a portion of our annual budget is reliant upon the dues of our 70 local United Way members. While membership dues are vitally important to the day-to-day operations of the office, this total only makes up 24% of UWT's annual revenue. The other 76% of United Ways of Texas' annual revenue is obtained through grants and partnerships with national foundations, state agencies, and other philanthropic organizations.



OUR MEMBERS

Like any association, United Ways of Texas (UWT) prides itself in its ability to provide top-notch services to its 70 member United Ways. UWT's extensive member services fall into three categories:

1. **Direct Member Services:** Direct Member Services include training and educational opportunities that UWT provides free of charge to each of its members. From local campaign training sessions with volunteers to strategic planning sessions with United Way boards, UWT staff are specially trained to equip their members with a variety of capacity-building and educational opportunities.

While UWT often makes visits to local communities statewide, UWT also provides training and educational opportunities through regional conferences and forums. These events allow UWT members to come together as a group to tackle specific topics and challenges.

To ensure an even-flow of communication between UWT office staff and their members, UWT produces monthly e-newsletters, quarterly newsletters and periodic e-updates to keep its members informed. A member survey completed in 2007 revealed a need to strengthen web communications to UWT members. UWT's 2008 web redesign will incorporate specific feedback from the member survey to ensure member satisfaction and usability.

2. **Public Policy:** Didn't know nonprofits can lobby? Well they can and they should, but UWT understands that the often limited capacity of its members does not allow them to spend weeks upon weeks at the Capitol, so UWT advocates on behalf of its members for a variety of issues impacting both Texas communities and nonprofits. With two registered lobbyists on staff and a lobbying consultant, UWT is able to maximize member dollars by advocating for systemic change that ultimately brings dollars and other needed resources back into Texas communities.

United Ways of Texas is the entity that mobilizes United Ways around issues that impact children and families locally and statewide. They are a critical link in affecting public policy efforts to meet the needs of individuals and families in communities across the state. In addition, United Ways of Texas provides educational, networking, best practice and resource opportunities.

Diana Phillips
President/CEO
North Texas Area United Way

While we have come to rely on UWT's outstanding public policy advocacy over the years, I'd like to add thanks for the work in the area of community advocacy for education. The resulting partnership of United Way of Tarrant County and the Fort Worth Chamber of Commerce's Stay in School project is proof positive that even limited financial support from UWT's grant from the Bill & Melinda Gates Foundation pays big dividends locally. Thank you for keeping us in the important loop.

Ann Rice
Executive VP and COO
UW of Greater Tarrant County

3. **Statewide Initiatives:** UWT has consistently sought dollars from both the private and public sectors to fund a variety of statewide initiatives that look to find solutions to specific challenges impacting Texas communities. It is always UWT's goal to stream outside dollars back into its member's communities and work hard to spread these resources as far and as effectively as possible in order to achieve a true statewide impact. Providing funding for initiative work to its members is a United Ways of Texas priority.

EDUCATION

United Ways of Texas (UWT) has been fortunate enough to work with a variety of national partners and foundations regarding the ever-important topic of education. For several years, United Ways of Texas has focused much of its efforts on the “bookends of education,” advocating for programmatic and policy-driven solutions to support a child’s education from pre-kindergarten through post-secondary. The economic implications of a public education system that fails to produce the workforce needed to sustain an advanced global economy are critical, thus UWT has engaged thought-leaders from both private and public sectors to solve these important issues. United Ways of Texas’ goal remains to bring these different groups together to address the concerns that will encourage the changes needed to make Texas communities better places to live and do business.

Pre-K Education

Pew Charitable Trusts, Pre-K Now

Passionately believing in the importance of early childhood education, UWT has consigned much of its efforts in education to expanding access to voluntary pre-k programs to all Texas children. UWT’s advocacy efforts have certainly not gone unnoticed, as they have had continued success at the Capitol advocating for expanded access group by group rather than taking an all or nothing approach. UWT is making great strides with each passing legislative session, first gaining free program access for children of active military personnel and then later for children in the foster care system, and now advocating for children of civil servants and children who were premature at birth.



State Center for Early Childhood Development (SCECD)

In partnership with the State Center for Early Childhood Development, UWT participated in a parent engagement initiative with several of its member United Ways informing parents and stakeholders about the Texas School Readiness Certification System, currently being developed and piloted by the Texas State Center for Early Childhood Development at the University of Texas Health Science Center. Information was disseminated through events and forums hosted by local United Ways along with a broadcast by the Texas Early Childhood Education Coalition (TECEC). This project directly informed hundreds of Texans across the state, many more receiving indirect benefits from the widespread distribution of information. The Parent Engagement Project initiated twenty-four forums/events, a satellite broadcast, along with extensive print and electronic media coverage.

Community Advocacy for Education

Bill & Melinda Gates Foundation

Since 2006, United Ways of Texas has been a grantee of the Bill & Melinda Gates Foundation. What started in 2006 as a simple project involving ten partners has blossomed into the Community Advocacy for Education initiative, a community engagement project which achieved dramatic milestones in only the first year of its two year grant cycle. UWT is partnering with seven (7) local United Ways and seven (7) other community-based organizations. UW of Southern Cameron County, UW of Metropolitan Dallas, UW of El Paso County, UW of Greater Tarrant County, UW of Greater Houston, UW of Laredo and United Way of South Texas have invested a great amount of time into this project bringing forth excellent outcomes and developing several replicable models that UWT hopes will be taken to scale with future funding. Discussing high school graduation rates with business, legislative and nonprofit stakeholders has allowed each of these communities to refocus their educational efforts on preparing students for college, work and life in Texas’ current global economy.



INCOME

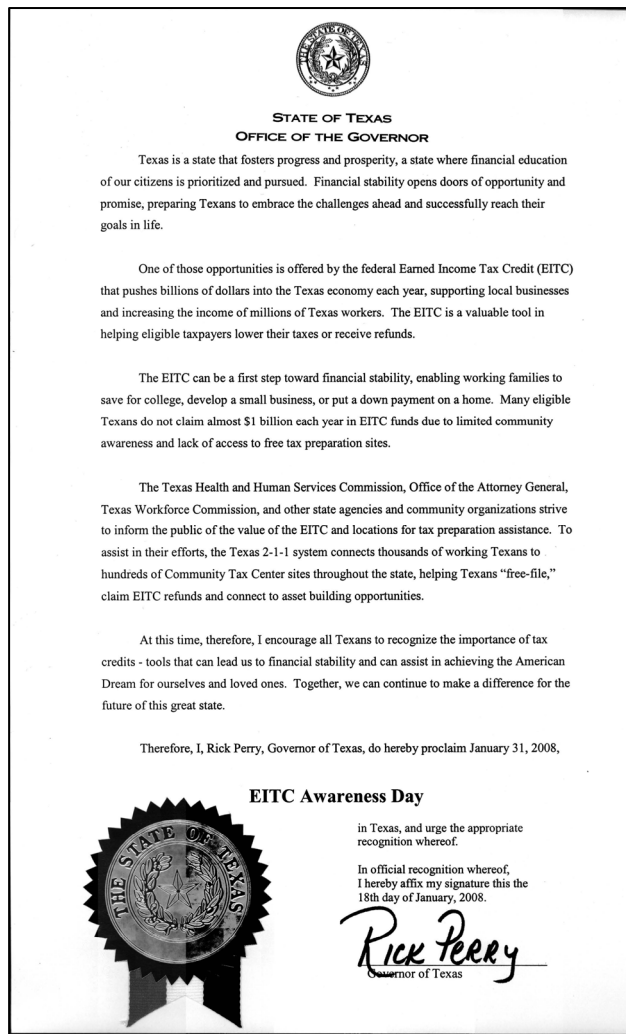
EARNED INCOME TAX CREDIT (EITC) / VOLUNTEER INCOME TAX ASSISTANCE (VITA)

Asset building is becoming an increasingly important issue for Texas communities, and EITC and VITA have been essential components of United Ways of Texas' comprehensive financial stability strategy for Texas over the past several years.

In 2006, UWT worked with the Internal Revenue Service and Bank of America to organize an EITC day in Houston, bringing in volunteers from across the state to process hundreds of tax returns for survivors of Hurricanes Katrina and Rita.

Through grants from United Way of America and Bank of America in 2007, UWT has led a statewide initiative to increase the capacity of local EITC/VITA programs, particularly outside of the larger metropolitan areas. To date, participating communities have included Uvalde, Dalhart, Laredo, Longview, Corsicana and Corpus Christi. Local United Ways in many other communities are also involved in EITC/VITA outreach efforts.

In total, UWT and its partners were able to reinvest \$115,239,469 into Texas communities through EITC/VITA programs. This large amount was no doubt influential in helping thousands of families take their first steps to financial freedom.



EARNED INCOME TAX CREDIT AWARENESS DAY Governor's Proclamation January 31, 2008

Additionally, as a result of United Ways of Texas' efforts in 2007, Governor Rick Perry declared January 31, 2008 'Earned Income Tax Credit Awareness Day' in Texas. UWT's member United Ways launched a statewide media campaign that ultimately increased their local EITC/VITA capacity.

United Ways of Texas plans to continue its efforts to increase the breadth and depth of EITC/VITA outreach across the state with the help of its dedicated partners and members.

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TEXAS IMMUNIZATION COALITION

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United Ways of Texas (UWT) believes that the first step to making Texas a better place to live and do business is by taking care of those who make up our great state. Both physical and mental health are critical to the development and success of Texas citizens. Now more than ever, Texas - especially the Texas Gulf Coast - must be prepared for natural and manmade disasters. Hurricanes Katrina and Rita highlighted flaws in local, state and federal emergency preparedness. Texas can take small, but important steps to better prepare for coming disasters. For example, the Texas immunization registry must be expanded to include adults. A lifespan immunization registry will help give health professionals the information they need to target scarce resources in the event of an emergency.

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In partnership with other health care entities throughout the state, United Ways of Texas was able to coordinate the work of Texas' first coalition dedicated specifically to improving the Texas Immunization Registry. The Houston/Harris County Immunization Registry, Texas Children's Hospital, and the Texas Pediatric Society committed \$10,000 to this effort and through their dedicated work were able to solicit additional partners like Saint Luke's Episcopal Health Charities to help UWT and the Texas Immunization Coalition reach its 2007 fundraising goal of \$25,000.

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The Coalition advocated on behalf of these recent realities to emphasize that immunization registry reform makes good economic sense. UWT was able to garner support from the business community and others who understand that preparedness saves lives and money. Houston alone saved millions of dollars in the wake of Hurricane Katrina thanks to a fast and secure transfer of adult immunization records from the Louisiana registry. With its current information systems, Texas could not make a similar data transfer in the event of a disaster. UWT felt it was important for the public to understand the seriousness of the need for immunization registry reform.

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UWT received \$7,500 to continue to educate the public through media events, opinion editorials, and community forums of the importance of easily accessible immunization data.

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DISASTER PREPAREDNESS & RECOVERY

Working with its well-respected and effective partner organizations, United Ways of Texas (UWT) is well positioned, more so than any other organization at the state level, to convene key partners and other entities in order to create and advance solutions in the long-term recovery arena, most especially in the Gulf Coast area.

UWT has taken the first steps by regularly convening a group of state agencies, nonprofits and government entities relevant to disaster work. The group has met several times and discussed issues such as disaster preparedness, volunteer liability policies, etc. Extensive time has been spent in laying the fundamental groundwork critical to the long-term success of any crisis response initiative, including identifying those organizations actively working in this area, and making direct contact with representatives of such organizations. These groups include, but are not limited to, the:

- Texas Interagency Interfaith Disaster Response
- American Red Cross of Central Texas
- Salvation Army Katrina AID Today
- Numerous faith-based organizations
- Various key state agencies such as the Texas Health and Human Services Commission (HHSC) and the Texas Department of State Health Services (TDSHS)
- Church World Service

One of the most successful and innovative components to date of the UWT crisis response/long-term state recovery initiative has been getting key players together for the first time in collaboration with representatives of the Texas Health and Human Services Commission (HHSC) and the Texas State Department of Health Services (DSHS). On September 28, 2007 nearly 50 representatives in total from the following organizations joined together in Austin, Texas to hear from top state agency officials:

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| ❖ American Red Cross of Central Texas | ❖ Texas Baptist Christian Life Commission |
| ❖ Catholic Charities Central Texas | ❖ Texas Baptist Men |
| ❖ Church World Service | ❖ Texas Conference of Churches |
| ❖ Corporation for National and Community Service | ❖ Texas Housing Foundation/Community Resource Centers of Texas, Inc. |
| ❖ FEMA | ❖ Texas Interagency Interfaith Disaster Response |
| ❖ Lutheran Disaster Relief | ❖ Texas VOAD |
| ❖ National Association of Social Workers - Texas Chapter | ❖ United Methodist Committee on Relief - Southwest Texas Conference |
| ❖ OneStar Foundation | |
| ❖ Salvation Army Katrina AID Today | |
| ❖ Texas Association of Volunteer Centers | |

DOLLARS INVESTED IN TEXAS COMMUNITIES

EDUCATION, INCOME, HEALTH, DISASTER PREPAREDNESS & RECOVERY

INITIATIVE	PARTNERS	DOLLARS BACK INTO YOUR COMMUNITIES
1. Earned Income Tax Credit	Bank of America, Governor's Office	\$115,239,469
2. Military Pre-K	Pew Charitable Trusts/Pre-K Now	\$17,065,308
3. Long-term ROI Military Pre-K	Pew Charitable Trusts/Pre-K Now	\$55,929,103
4. College-Readiness	Bill & Melinda Gates Foundation	\$350,000
5. Disaster Preparedness & Recovery	United Way of America	\$100,000
6. Texas Immunization Coalition	Houston Immunization Registry, Texas Children's Hospital, Texas Pediatric Society, St. Luke's Hospital	\$25,000
7. Pre-K Parent Engagement	State Center for Early Childhood Development	\$20,000
TOTAL		\$138,392,690

1. Earned Income Tax Credit refunds (TY 2007) brought \$115,239,469 back into Texas communities. Local UWs were essential to the promotion and coordination of voluntary tax preparation sites that were responsible for all refunds.
2. UWT's amendment to the state's voluntary pre-k bill brought \$17,065,308 back into Texas communities. This figure is based on a 2005 study from the Texas Education Agency finding that the cost per student total operating expenditure for pre-k programming equaled \$7,229. Using a conservative estimate of actual costs, UWT assumed that for every child of active military personnel the state would spend roughly \$3,614 in total operating expenditures. With this bill impacting over 4,700 Texas children, UWT can assume that at least \$17,065,308 were reinvested into Texas communities statewide.
3. Texas A&M's Bush School of Government and Public Service, in a cost-benefit analysis of Texas' pre-k spending found that for every dollar spent the state would receive a return of \$3.31. At this rate of return on the state's initial investment for pre-k funding for children of active military personnel, an additional \$55,929,103 would be reinvested into Texas communities.
4. Through a grant provided by the Bill & Melinda Gates Foundation, UWT was able to distribute over \$350,000 back into United Way member communities in Brownsville, Dallas, El Paso, Fort Worth, Houston, Laredo, and McAllen.
5. United Way of America provided UWT a grant in the amount of \$100,000 that was directly reinvested into United Way communities statewide to improve disaster preparedness and recovery efforts.
6. Throughout UWT's involvement with the Texas Immunization Coalition, UWT was able to garner \$25,000 of monetary support for its efforts to improve Texas' immunization registry, to improve Texas' immunization rates, and to better prepare Texas for natural disasters and bio-terrorism.
7. UWT's successful parent engagement project, conducted with the monetary support of the State Center of Early Childhood Development reinvested \$20,000 into United Way member communities in 2007.

OUR PARTNERS

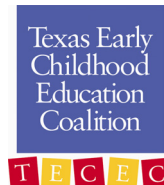
UWT Values Collaboration

UWT's revenue strategy is very different from that of a local United Way. UWT does not collect any funds through workplace campaigns. As an association, 24% of its revenue is derived from member dues from local United Ways and the remaining 76% is developed in statewide initiatives supported through funding partnerships with private foundations. UWT conducts these initiatives in partnership with a variety of other statewide organizations such as faith-based groups, business associations, institutions of higher education, etc.

EDUCATION United Ways of Texas supports the 'bookends' of education through a variety of partnerships with different foundations and organizations. Expansion for high-quality early childhood education and improving high school graduation and college readiness rates are both crucial to sustainability of Texas residents.

BILL & MELINDA
GATES foundation

pre[k]now



HEALTH & WELLNESS Both physical and mental health are the cornerstone of Texas becoming a better place to live and do business. Without wellness of both mind and body, Texans face many limitations in achieving overall success.



FINANCIAL STABILITY Helping people receive the financial freedom that we all deserve, United Ways of Texas partners with Bank of America and United Way of America to provide financial stability training as well as support Earned Income Tax Credit initiatives throughout the state.



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