



April 24, 2017

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To: Mr. Jonny Hipp, CEO of Nueces Hospital District  
Cc: Honorable Loyd Neal, Nueces County Judge  
Honorable Mike Pusley, Nueces County Commissioner, Pct. 1  
Honorable Joe Gonzalez, Nueces County Commissioner, Pct. 2  
Honorable John Marez, Nueces County Commissioner, Pct. 3  
Honorable Brent Chesney, Nueces County Commissioner, Pct. 4  
Tyner Little, Nueces County Governmental Affairs  
From: Donald Lee, Executive Director  
Re: **Tobacco Settlement Permanent Trust Account – Invitation to Nominate**

Nueces County Hospital District, in conjunction with the Nueces County Commissioners Court, is invited to nominate a candidate for appointment to the Tobacco Settlement Permanent Trust Account Administration Advisory Committee (Administration Committee) and the Tobacco Settlement Permanent Trust Account Investment Committee (Investment Committee). The pending appointments are to fill expired terms on the committee. The term will expire August 31, 2023.

Eligible to nominate candidates to the Administration Committee and the Investment Committee are the 10 entities that received the 3<sup>rd</sup> through 12<sup>th</sup> greatest distribution amounts from the Tobacco Settlement Trust in 2016. Nueces County Hospital District is one of these entities.

These are important committees. These committees work in concert to provide oversight and adopt rules regarding annual distributions from the earnings of the Tobacco Settlement Permanent Trust Account.

The 76<sup>th</sup> Texas Legislature created the Tobacco Settlement Permanent Trust Account as a cooperative project between the Texas Department of Health (now Department of State Health Services) and the State Comptroller of Public Accounts to provide county hospitals, hospital districts, and public hospitals payments from the Tobacco Settlement Permanent Trust Account.

The Administration Committee provides advice to the Department of State Health Services (DSHS) and the Executive Commissioner of the Texas Health and Human Services Commission (HHSC) regarding any proposed amendments to rules governing the annual distribution of tobacco settlement proceeds to political subdivisions. The Committee is also charged with annually reviewing the results of audited expenditure statements.

Mr. Jonny Hipp, CEO Nueces County Hospital District  
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The Investment Committee is responsible for overseeing the investment and management by the Texas Comptroller of over \$2 billion in tobacco settlement funds held in trust for Texas counties, hospital districts, and public hospitals. For Texas counties to receive distributions, the Committee must meet and conduct certain business each year.

The Urban Counties has three criteria of paramount importance when reviewing nominees for these appointments:

1. An absolute commitment to attend committee meetings;
2. The nominee to the *Administration Committee* should have experience with the operations and finances of public hospitals, hospital districts and counties in regards to health care expenditures; and
3. The nominee to the *Investment Committee* should have experience with institutional investing.

The following materials are requested to support the nomination - the nominee's resume, contact information, and, a copy of your nominating resolution. Please send these materials to us by **5 p.m. on Wednesday, May 31, 2017** via mail to our office, or email to Gabriela Villareal, [gabriela.villareal@cuc.org](mailto:gabriela.villareal@cuc.org). Appointments will be made in June 2017.

Thank you for your assistance and participation in this process. Please feel free to contact me if I can provide any additional assistance on this or any matter. I can be reached at 512.476.6174 or [donlee@cuc.org](mailto:donlee@cuc.org).



**Frequently Asked Questions on the  
Tobacco Settlement Permanent Trust Account Administration Advisory Committee  
2017**

**What is the Tobacco Settlement Permanent Trust Account Administration Advisory Committee?** The Tobacco Settlement Permanent Trust Account Administration Advisory Committee is a committee established by Section 12.131-12.139, Health and Safety Code of Texas, to provide advice to the Department of State Health Services (DSHS) and the Executive Commissioner of the Texas Health and Human Services Commission (HHSC) regarding any proposed amendments to rules governing the annual distribution of tobacco settlement proceeds to political subdivisions. The Committee is also charged with annually reviewing the results of audited expenditure statements.

**Who administers the annual distribution of funds?** DSHS administers the annual distribution of tobacco settlement permanent trust account funds pursuant to the settlement agreement, the Health and Safety Code, and DSHS rules.

**Does the Advisory Committee determine how much a county or hospital district will get?** No.

**How is the committee appointed?** The law provides for the committee to be appointed as follows:

- one member appointed by the executive commissioner to represent a public hospital or hospital district located in a county with a population of 50,000 or less or a public hospital owned or maintained by a municipality;
- one member appointed by the political subdivision that, in the year preceding the appointment; received the largest annual distribution paid from the account;
- one member appointed by the political subdivision that, in the year preceding the appointment; received the second largest annual distribution paid from the account;
- four members appointed by the Texas Conference of Urban Counties from nominations received from political subdivisions that in the year preceding appointment received the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, or 12<sup>th</sup>;
- one member appointed by the County Judges and Commissioners Association of Texas;
- one member appointed by the North and East Texas County Judges and Commissioners Association;
- one member appointed by the South Texas County Judges and Commissioners Association; and
- one member appointed by the West Texas County Judges and Commissioners Association.

**What is the term of office for committee members?** Committee members are appointed to staggered six-year terms. The term for the members being appointed by the Urban Counties in 2017 ends on August 31, 2023.

**Where does the advisory committee meet?** The meetings are held in Austin.

**How often does the Advisory Committee meet?** The Committee generally meets annually.

**Are Advisory Committee members reimbursed for their expenses to attend committee meetings?** No – not by the State nor by the Urban Counties. Committee members are responsible for their own expenses for transportation, lodging, meals, parking, and other incidentals. Some committee members that are officeholders or employees of recipient entities have their travel expenses paid for by the county where they hold office or the entity that employs them.

**Who is eligible for appointment to the Tobacco Settlement Advisory Committee?** There is no limitation. Nominees do not have to be a county employee or county official.

**Do committee members need to file a Personal Financial Statement?** No.