TEXAS
Health and Human Services

Texas Department of State Health Services

Jennifer A. Shuford, M.D., M.P.H.
Commissioner

December 31, 2025

The Honorable Bryan Wilson
Burnet County
133 E. Jackson Street
Burnet, TX 78611-2200

Judge Wilson:

Please find enclosed documents for the 2026 pro rata distribution of proceeds from the Tobacco Settlement Permanent Trust Account. Please read this entire letter for important instructions that will assist you in the timely and accurate payment of proceeds to your political subdivision in 2026.

1. **Verification of Receipt Form for the 2026 Expenditure Statement**
   The Texas Department of State Health Services (DSHS) wants to ensure that every eligible political subdivision receives notification of the 2026 tobacco settlement distribution cycle, including the expenditure statement, instructions, and due date. So we can be certain you received this information packet and we have accurate contact information on file, **please** fill out and **submit** the enclosed Verification of Receipt Form or email DSHSTobacco@dshs.texas.gov the information requested on the form **by Saturday January 31, 2026**. If we do not hear from you, we will contact you with a friendly reminder to verify that you received the information packet.

2. **Vendor Payment Information**
   The DSHS will certify to the Texas Comptroller of Public Accounts (Comptroller) the percentage of the annual distribution to be paid to each political subdivision and the Comptroller's office will issue payment directly to each political subdivision by April 30, 2026. Certification by the DSHS to the Comptroller's office requires verification of your payment receipt method (either direct deposit or postal mail) and affiliated information.

   a. Direct Deposit
   - If you received payment by direct deposit in the past and would like to continue to do so, **please verify** the accuracy of the information on the enclosed printout; namely, **the payee number** (federal tax number with one digit added at the beginning and end by the Comptroller's office), **name, transit code, and the last 4 digits of your account number**.
   - If you need to correct information *or* if you would like to start receiving payment by direct deposit, contact us and we will email the authorization form to you.
   - If the information on the printout is correct, there is nothing else you need to do.

   b. Postal Mail
   - If you received payment by postal mail in the past and would like to continue to do so, **please verify** the accuracy of the information on the enclosed printout; namely, **the payee number** (federal tax number with one digit added at the beginning and end by the Comptroller's office), **name, and address**.
   - If you need to correct information, please mark up the printout with the correct information and email it to DSHSTobacco@dshs.texas.gov.
   - If the information on the printout is correct, there is nothing else you need to do.
   - If you would like to switch to receiving payment by direct deposit, please follow the instructions under 2.a. Direct Deposit.

3. **2026 Expenditure Statement for Counties**
   Please use the expenditure statement to report your calendar year 2025 unreimbursed health care expenditures to the DSHS. There are two options for submission.
   - **The preferred** option is to complete the portable document format (PDF) at dshs.texas.gov/tobaccosettlement/expendforms.aspx. Enter your 2025 expenditures in each applicable category of the form. The form will auto calculate categories and grand total. If you do not have Adobe Acrobat software, it is available at www.adobe.com/products/acrobat/readstep2.html.
   - Complete the expenditure statement included in the packet by entering expenditures in each applicable category. Calculate each category and the grand total.

The deadline for submitting your **completed and signed expenditure statement** will be **Tuesday March 31, 2026**. Please see the enclosed expenditure statement instructions for detailed submission deadline information and submission options.

The Tobacco Settlement Distribution Program web site, dshs.texas.gov/tobaccosettlement, contains additional information you may find helpful, including a list of frequently asked questions and program rules.

We look forward to your participation in the program and are here to answer questions. Please feel free to contact Amira Suton at DSHSTobacco@dshs.texas.gov.

Sincerely,

Jodi Garza

Jodi Garza
Director
Funds Coordination and Management Branch

Enclosures

County Auditor

2026 Vendor Payment Information for Counties

The **Uniform Statewide Accounting System** (USAS)
Texas Comptroller of Public Accounts

NO DIRECT DEPOSIT

PYADDR.17460004546.555 11/03/25

PAYEE NUMBER: 17460004546 TAXPAYER NUMBER: 17460004546

OWNERSHIP TYPE: GOVERNMENTAL ENTITY IAT IND:

ACTIVE MC CNT: 33 1099 MC LOOKUP: PF12 NEXT AVAILABLE MC: 007

MAIL CODE: 555 SIC CODE: 9999 SECURITY TYPE: 1 SECURING SOURCE: 537

STATUS: A TELEPHONE:

NAME: BURNET COUNTY ADDRESS IND: S

ADDRESS: TOBACCO SETTLEMENT

220 S PIERCE ST

CITY: BURNET STATE: TX ZIPCODE: 78611-2200 ZONE CODE: 027

Texas Department of State Health Services
Tobacco Settlement Distribution Program

Verification of Receipt Form

2026 Expenditure Statement

The Texas Department of State Health Services wants to be sure you received the 2026 Expenditure Statement for the Tobacco Settlement Distribution Program.

To confirm your receipt, please fill out and submit this form by January 31, 2026.

Received by:

_____

Name of County

So that we have your current information on file, please provide the following:

County Judge:

_____

Name of Judge

_____

County Judge Email, Phone and Address

County Auditor/Treasurer:

_____

Name of County Auditor or Treasury

_____

County Auditor or Treasury Email, Phone and Address

Submission Options: (select one)

- **Email** to DSHSTobacco@dshs.texas.gov
- **Fax** to 512-776-7774
- **USPS Mail** to AMIRA SUTON MC 7923
  TX DEPT OF STATE HEALTH SERVICES
  PO BOX 149347
  AUSTIN TX 78714-9347

For Questions:

- FAQs are available on the website: dshs.texas.gov/tobaccosettlement/faq.shtm
- Email questions to Amira Suton DSHSTobacco@dshs.texas.gov

TEXAS Health and Human Services | Texas Department of State Health Services

Tobacco Settlement Distribution Program Expenditure Statement for Counties Instructions

*Counties in Texas responsible for providing indigent health care to the general public and that **are not** **wholly located** within a hospital district are eligible for a pro rata share of the annual tobacco settlement distribution. Eligible counties that wish to be considered for a pro rata share must fill out all items on the Expenditure Statement for Counties and submit it to the Texas Department of State Health Services (DSHS) by the submission deadline (see below). Pro rata shares are expected to be distributed no later than April 30th of each year.*

*Counties in Texas that **are** **wholly located** within a hospital district are eligible for a pro rata share if they 1) have their own budget for expenditures related to jail health care services and/or 2) made payments not funded by taxes to a public health care facility that was sold or leased by the county and that included a contractual obligation on the part of the purchaser or lessee to provide health care services to the indigent population. In this case, do not submit this expenditure statement. Instead, you must submit these expenditures to your local hospital district for inclusion on the hospital district's expenditure statement. Once the hospital district receives the pro rata share, it should give the county the proportion that applies to the amount of expenditures reported by the county.*

Please submit **only the completed and signed expenditure statement**. If additional information is required to complete review of the expenditure statement, you will be contacted by DSHS staff. A portable document format (PDF) file of the expenditure statement may be downloaded from dshs.texas.gov/tobaccosettlement/expendforms.aspx. Google Chrome users are advised to first download the expenditure statement to your computer before filling it out in Adobe Acrobat.

The information submitted on the expenditure statement and any requested additional information may be subject to audit by the State of Texas after the annual distribution cycle is complete. If ineligible expenditures are identified through an audit following payment to the county, the ineligible amount may be deducted from a subsequent year's payment.

Please **use only one of the following four options** to submit your completed and signed expenditure statement and, if requested by DSHS staff, any additional information by the specified submission deadline. Submissions received by more than one option may delay processing. If you encounter any problems with the submission process, please let us know. DSHS staff will send an email acknowledgement once the completed and signed expenditure statement has been received.

Submission Deadline: March 31st if submitting by	1. Overnight Delivery by 5:00 p.m. CT to: AMIRA SUTON MC 7923 TX DEPT OF STATE HEALTH SERVICES 1100 W 49TH ST AUSTIN TX 78756
Submission Deadline: March 31st if submitting by	2. Email by 11:59 p.m. CT to DSHSTobacco@dshs.texas.gov. 3. Fax by 11:59 p.m. CT to 512-776-7774. 4. USPS Mail with postmark no later than 11:59 p.m. CT to: AMIRA SUTON MC 7923 TX DEPT OF STATE HEALTH SERVICES PO BOX 149347 AUSTIN TX 78714-9347

Do not include this page with your submission.

For questions:

Frequently Asked Questions at dshs.texas.gov/tobaccosettlement/faq.shtm
Email Amira Suton at DSHSTobacco@dshs.texas.gov

2026 Expenditure Statement for Counties

Name of County:	
Contact Person Primary contact for questions regarding the information reported on this expenditure statement.	
Name:	
Title:	
Mailing Address:	
Phone Number:	
Email:	

Provide **calendar year 2025** unreimbursed health care expenditures for your county within the categories defined below. According to 25 Tex. Admin. Code § 102.3, **unreimbursed health care expenditures** are defined as actual expenditures made by the county, which are directly attributable to the provision of health care services to the general public, either directly or by contract or agreement with a third-party provider, and for which no reimbursement is made by or expected from any third-party source or fund. Furthermore, an additional 15% is added to the total to account for general administrative and overhead costs not directly related to the provision of health care.

In addition to payments made from the county's customary operating accounts, unreimbursed expenditures can include 1) payments made from a trust fund or reserve account intended for the provision of health care services and 2) payments made in the prior calendar year using the pro rata shares from past tobacco settlement distributions. Unreimbursed expenditures cannot include contractual allowances or discounts for health care services required under a third party payer agreement.

Any unreimbursed expenditures claimed on the 2025 prior calendar year expenditure statement that were later reimbursed by monies other than tobacco settlement funds, should be subtracted from the amount of unreimbursed expenditures reported on the current year expenditure statement.

Category A. Unreimbursed County Expenditures for Indigent Health Care Services	
These expenditures must be for unreimbursed health care services provided to the indigent population.	
Category B. Unreimbursed County Expenditures for Jail Health Care Services	
These expenditures must be for unreimbursed health care services provided to adults or juveniles in the detained or incarcerated population.	
Category C. Unreimbursed County Expenditures for General Public Health Care Services These expenditures must be for unreimbursed health care services such as a hospital district may provide. These are typically diagnostic and treatment services for individuals. Expenditures for environmental services (e.g. mosquito control, water testing, and septic tank inspection) and population-based services not involving direct contact with an individual health care recipient (e.g. restaurant inspections) must be excluded.	
1) Health care clinic, laboratory, and case management services.	
2) Dental care services.	
3) Outreach and prevention efforts related to tobacco use, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature.	
4) Other health care outreach and prevention efforts, including but not limited to media campaigns, education, counseling, and production and distribution of promotional literature. Typical target areas for these efforts include health hazards affecting the general public.	
5) Medical transportation.	
6) Behavioral or psychiatric health care services.	
7) Capital expenditures for health care services.	

Category C. continued	Name of County:
8) Overhead costs for a health care facility. Limited to non-labor expenditures required to operate a health care facility (e.g. utilities, internet service, building insurance).	
9) Emergency medical services.	
10) Medical supplies or equipment used for the provision of health care services to the general public.	
11) Other services provided by the county that are also within the scope of services that hospital districts are authorized by law to provide. These will typically be diagnostic and treatment services. **Please describe services below:**	
12) Intergovernmental transfer (IGT) payment(s) made by the county to a hospital(s) in its jurisdiction in exchange for indigent health care services. **Name of Hospital(s) below:**	
13) If the county sold or leased its public health care facility(ies) and included a contractual obligation on the part of the purchaser or lessee to provide health care services to the indigent population, the county may claim one or both of the following: **a)** Unreimbursed payments not funded by taxes made by the county to said public health care facility(ies). Payments may be for ongoing operations, indigent care obligations, or other statutorily authorized expenditures. **b)** The value of health care services for indigent residents performed by said public health care facility(ies) as if they had been reimbursed at the Medicaid rate. **Name of Public Health Care Facility(ies) below:**	

14) If the county made unreimbursed payments to a public hospital (see exception below) owned by the county and that is not located within a hospital district, enter the information below. The payments must be directly attributable to the provision of health care services to the general public.
Exception: Do not include payments to non-hospital health care facilities (e.g. clinics). Report those expenditures on line 1 in category C.

Public Hospital Name	City Where Located	2025 Prior Year Payments
Total		
Subtotal, All Category C Expenditures		

Total Expenditures to be claimed: (are calculated by multiplying the sum of Cat. A+B+C by 1.15).

Total Expenditures to be claimed: (Cat. A+B+C)		**x 1.15 =**	0.00

This is to certify that the above unreimbursed expenditures are eligible for pro rata payment in accordance with the Agreement Regarding Disposition of Settlement Proceeds between the State of Texas and American Tobacco Company, et al.

Printed Name and Title of County's Authorized Representative:	**Email Address and Telephone Number:**
Signature of Authorized Representative:	**Date:**