

REPRESENTATIVE JULIE COULOMBE  
ALASKA STATE LEGISLATURE

SESSION  
Alaska State Capitol  
Juneau, AK 99801  
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DISTRICT  
1500 W Benson Blvd.  
Anchorage, AK 99503  
Rep.Julie.Coulombe@akleg.gov

## HB 344 Sponsor Statement

### **"An Act establishing the opioid settlement fund."**

House Bill 344 establishes the Opioid Litigation Settlement Fund to improve the tracking and management of opioid settlement proceeds received by the State of Alaska.

In 2021 and 2022, lawsuits were filed across the country against multiple manufacturers, distributors, and pharmacy chains for their role in the marketing and distribution of prescription opioids. In 2023, national settlement agreements were reached, requiring companies to pay billions of dollars to states and communities across the country. As a participant, Alaska will receive settlement funds over the course of multiple years. The terms require that at least 85 percent of funds be used for opioid abatement efforts, including treatment, prevention, and recovery services.

The FY 2024 state audit found that these opioid settlement funds were incorrectly recorded in the state's financial statements. In part, this was attributed to the lack of a designated account for settlement funds. The audit recommended the legislature create a new account to record and manage opioid settlement proceeds.

HB 344 directly responds to this finding by establishing the Opioid Litigation Settlement Fund as a separate fund in the state treasury. Establishing this fund improves transparency, strengthens financial reporting, and ensures settlement proceeds can be clearly tracked as they are received and used for opioid abatement efforts.

Alaska continues to face significant challenges related to substance use and overdose. Settlement funds represent an important resource to support prevention, treatment, and recovery programs across the state. HB 344 provides the financial structure necessary to manage these resources and respond to the recommendations of the Legislative Audit.

**HOUSE BILL NO. 344**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE COULOMBE

Introduced: 2/23/26

Referred: Health and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the opioid litigation settlement fund."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 \* **Section 1.** AS 37.14 is amended by adding a new section to read:

4 **Article 12. Opioid Litigation Settlement Fund.**

5 **Sec. 37.14.900. Opioid litigation settlement fund established.** (a) The opioid  
6 litigation settlement fund is established as a separate fund in the state treasury. The  
7 legislature may appropriate to the fund settlement proceeds received by the state from  
8 manufacturers or distributors of opioids and income from the fund.

9 (b) The Department of Revenue may spend money in the fund for opioid  
10 remediation in compliance with settlement agreements between the state and  
11 manufacturers or distributors of opioids and to pay the costs to manage the fund.

12 (c) Money in the fund does not lapse.

13 (d) Nothing in this section creates a dedicated fund.

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**HB 344 Sectional Analysis**

Version A

3/9/2026

**“An Act establishing the opioid litigation settlement fund”**

**Section 1**

Adds a new section, **AS 37.14.900**, to establish the **Opioid Litigation Settlement Fund** as a separate fund within the state treasury.

**Subsection (a)**

Creates the opioid litigation settlement fund and allows the legislature to appropriate into the fund settlement proceeds received by the state from opioid manufacturers or distributors, and income earned from the fund.

**Subsection (b)**

Authorizes the Department of Revenue to spend money from the fund on opioid remediation activities consistent with the terms of opioid settlement agreements and administrative costs associated with managing the fund.

**Subsection (c)**

Provides that money in the fund does not lapse, allowing funds to remain available across fiscal years.

**Subsection (d)**

Clarifies that the bill does not create a dedicated fund.

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: HB 344  
 Fiscal Note Number: \_\_\_\_\_  
 () Publish Date: \_\_\_\_\_

Identifier: HB344-DOH-CDPHP-03-24-26  
 Title: OPIOID SETTLEMENT FUND  
 Sponsor: COULOMBE  
 Requester: (H) HSS

Department: Department of Health  
 Appropriation: Public Health  
 Allocation: Chronic Disease Prevention and Health Promotion  
 OMB Component Number: 2818

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2027 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>	<b>FY 2027</b>	<b>FY 2027</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>	<b>FY 2032</b>
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** Yes  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/27

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: Lindsey Kato, Director	Phone: (907)269-2042
Division: Public Health	Date: 03/24/2026
Approved By: Pam Halloran, Assistant Commissioner	Date: 03/26/26
Agency: Department of Health	

**FISCAL NOTE ANALYSIS**

**STATE OF ALASKA  
2026 LEGISLATIVE SESSION**

**BILL NO. HB344**

**Analysis**

HB 344 creates the Opioid Litigation Settlement Fund as a separate state treasury account. It enables deposit of settlement payments from opioid manufacturers/distributors and income generated by the fund. Funds can be appropriated by the legislature and used by the Department of Revenue for opioid remediation activities (e.g., prevention, treatment, education) and managing the fund. The bill clarifies the fund does not lapse and is not legally a dedicated fund.

Alaska stands to receive substantial federal/state litigation settlements related to opioid manufacturers. This bill ensures transparent receipt and effective allocation of those funds toward crisis response efforts. It will help strengthen the state's ability to respond to opioid epidemic by generating sustained funding for public health interventions, potentially reducing overdose rates and improving community outcomes.

This bill enables the Department of Revenue to establish and manage the funds similar to other funds established due to revenue from litigation and will support the coordinated opioid remediation strategies through the Department of Health. HB 344 establishes a fund for the Opioid Settlement but does not require any additional resources, therefore, this is a zero fiscal note.

# Fiscal Note

State of Alaska  
2026 Legislative Session

Bill Version: HB 344  
 Fiscal Note Number: \_\_\_\_\_  
 () Publish Date: \_\_\_\_\_

Identifier: HB344-DOR-TRS-3-27-26  
 Title: OPIOID SETTLEMENT FUND  
 Sponsor: COULOMBE  
 Requester: (H) HSS

Department: Department of Revenue  
 Appropriation: Taxation and Treasury  
 Allocation: Treasury Division  
 OMB Component Number: 121

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	(11.0)		(12.0)	(14.0)	(15.0)	(16.0)	(18.0)
1274 Other Temp (Other)	11.0		12.0	14.0	15.0	16.0	18.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2026) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2027) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** Yes  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No

If yes, by what date are the regulations to be adopted, amended or repealed? No

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: Pamela Leary, Director  
 Division: Treasury Division  
 Approved By: Janelle Earls, Acting Commissioner  
 Agency: Department of Revenue

Phone: (907)465-3751  
 Date: 03/27/2026 01:00 PM  
 Date: 03/27/26

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2026 LEGISLATIVE SESSION

BILL NO. HB344

### Analysis

This legislation amends AS 37.14 by adding a new section, AS 37.14.900, to create the Opioid Litigation Settlement Fund which is established as a separate fund in the state treasury. The legislature may appropriate to the fund settlement proceeds received by the state from manufacturers or distributors of opioids and income from the fund.

The bill identifies the Department of Revenue to spend money in the fund for opioid remediation in compliance with settlement agreements between the state and manufacturers or distributors of opioids and to pay the costs to manage the fund.

The Treasury structure allows it to efficiently manage numerous funds at low cost. Creating the new fund will not increase Treasury's budget because Treasury allocates all of its costs among all state funds and retirement investment funds it manages. As such, management from the Treasury will result in a slight reallocation of funding from other funds.

For purposes of developing the costs of managing the fund, the Treasury Division used the following assumptions which are likely to change in terms settlement proceeds, spending and investment returns:

- \$33 million current balance available, with an additional \$58 million coming in over the next 16 years, frontloaded at a rate of \$7 million per year for the first 6 years;
- 3 percent rate of return; and
- \$4 million appropriated annually for opioid remediation.

## HB 344: Establishing the Opioid Litigation Settlement Fund

# History & Overview

Representative Julie Coulombe



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# Nationwide Settlements

## Background

In response to the opioid epidemic, the state of Alaska joined the 2021 and 2022 nationwide lawsuits against various manufacturers and distributors.

The lawsuits alleged that companies:

- Misled doctors and patients about the risks of opioids
  - Failed to detect and report suspicious orders and diversion of prescription opioids
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# Nationwide Settlements

## Outcome

- Alaska will receive approximately \$1.8 million in settlement payments over multiple years
  - At least 85% of settlement funds must be used for opioid abatement efforts
    - Treatment and recovery services
    - Prevention programs
    - Community response efforts
  - The settlements also require changes in how defendants monitor opioid distribution.
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# Audit Finding 2024-001

## Key Findings

The Legislative Audit identified errors in opioid settlement funds reporting caused by:

- Lack of established procedures
- Absence of a separate fund to track settlement revenues

Recommendation:

Create a separate account to track and manage opioid settlement resources.

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# HB 344: Opioid Settlement Fund

## Legislative Intent and Goals

- Respond to the Legislative Audit recommendation
- Improve transparency and financial tracking
- Ensure settlement funds are used for opioid abatement efforts in Alaska

## Effect

- Settlement funds to be deposited into one account
  - Clear tracking of settlement payments
  - Use of funds for opioid remediation activities is consistent with settlement agreements
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# Questions

Representative Julie Coulombe

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## **Finding No. 2024-001**

**Type:** Basic Financial Statements  
**Impact:** Significant Deficiency

### **Condition:**

The FY 24 draft Annual Comprehensive Financial Report (ACFR) misreported general fund opioid settlement funds as unearned revenue.

### **Context:**

In 2021 and 2022, nationwide settlements were reached with various producers, distributors, and pharmacy chains involved in the production, distribution, and sale of opioids. The State of Alaska is a party to the nationwide litigation and settlements, and is expected to receive additional settlement monies, all of which are primarily restricted to be spent on opioid remediation activities.

### **Cause:**

The errors were caused by lack of sufficient oversight by Division of Finance (DOF) management and the absence of procedures and separate funds to record opioid settlement monies to ensure the monies were properly recorded for financial reporting purposes and were spent in compliance with the settlements.

### **Criteria:**

Per *Codification of Governmental Accounting and Financial Reporting Standards*, Section 1600, revenues are recognized in the accounting period in which they become susceptible to accrual; when they become both measurable and available to finance expenditures of the fiscal period.

Per *Codification of Governmental Accounting and Financial Reporting Standards*, Section 1800, amounts that can only be used for specific purposes pursuant to constraints imposed by laws or regulations of other governments should be reported as restricted fund balance.

### **Effect:**

Misreporting of opioid settlement income resulted in the following misstatements:

- Statement 1.13 general fund and Statement 1.02 governmental activities revenues understated \$23 million.
- Statement 1.11 general fund fund balance understated \$23 million and unearned revenue overstated \$23 million.
- Statement 1.01 governmental activities long-term liabilities: due or payable after one year overstated \$11 million, long-term liabilities: due or payable within one year overstated \$12 million, and net position restricted understated \$23 million.

The noted errors were corrected via audit adjustments and the activity was properly reported in the final FY 24 ACFR.

**Recommendation:**

The Office of Management and Budget (OMB) director should work with the legislature to create separate fund(s) to account, track, and manage opioid settlement resources. Additionally, the state accountant should improve procedures over classifying revenues.

**Views of Responsible Officials:**

Management agrees with this finding.