BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL BY THE COMMISSIONER OF REVENUE

In the Matter of	)	
	)	
K.B	)	OAH No. 26-0020-CSS
	)	

DECISION AND ORDER

I. Introduction

K.B appeals a Modified Administrative Child Support Order issued by the Child Support Enforcement Division (Division) on August 2, 2025. The modification increased his monthly support obligation for his four children—M, L, C, and D.B—from $981 per month to $1,302 effective July 1, 2025. Mr. B requests a variance based on financial hardship.

The evidence shows that the wages initially used to calculate Mr. B' support obligation were slightly lower than his confirmed income. Under Civil Rule 90.3(a), his adjusted gross income of $44,329.90 supports a slightly higher monthly obligation of $1,330. Mr. B did not show clear and convincing evidence that manifest injustice would result if his obligation is not reduced. His request for a hardship variance is therefore denied. Mr. B' support obligation for M, L, C, and D is adjusted to $1,330 per month, effective July 1, 2025, and ongoing.

II. Facts

A. Procedural Facts

In June 2025 custodial parent E.B requested a modification review. The Division had previously issued a Modified Administrative Child Support Order on May 20, 2023, setting Mr. B' monthly support obligation for four children, based on primary custody, at $981 per month.[1] Mr. B did not provide the requested income information requested in the Notice of Petition for Modification issued by the Division.[2] Therefore, the Division based the calculation of Mr. B's income on his wages as reported by his employer to the Alaska Department of Labor and Workforce Development, the Alaska Permanent Fund Dividend

[1] Div. Ex. 1; Div. Ex 2.
[2] Div. Ex. 3.

(PFD), and Alaska Native Corporation dividend payments he receives. The Division determined Mr. B' adjusted annual income to be $43,403.69.[3]

The Division issued a Modified Administrative Child Support Order—Primary Custody on August 2, 2025, setting Mr. B' monthly support obligation at $1,302 for four children, effective July 1, 2025.[4] Mr. B appealed, citing credit card debt and high costs of living.[5]

A formal hearing in this matter was held before the Office of Administrative Hearings (OAH) over several days between January 28, 2026, and March 17, 2026. Mr. B appeared telephonically and represented himself. Ms. B also appeared telephonically and represented herself. The Division was represented by Child Support Specialist II, Mark Phang. All documents submitted prior to the close of the record on March 17, 2026, were admitted into the record.[6]

B. Material Facts[7]

K.B and E.B share several children, four of whom are currently under eighteen years old: fifteen-year-old M, thirteen-year-old L, nine-year-old C and seven-year-old D. The couple separated approximately five years ago but are not divorced.[8] They both live in Town A, within a few miles of each other.[9]

Mr. B works as a fuel delivery driver. He lives with a partner, with no other children in the home.[10] His is the sole income supporting the household.

Ms. B was recently hired in mid-January as a youth services project coordinator. She shares her home with the four minor children, as well as her elderly sister, three grandchildren, and two adult children, one of whom has a live-in partner. She is also the

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3 Div. Ex. 4.
4 *Id.*
5 Div. Ex. 5.
6 AS 44.64.060(d) requires an ALJ to issue a proposed decision within 120 days after the Division received Mr. B' request for a hearing. The 120-day deadline passed on January 21, 2025, prior to the first day of hearings due to a delay in the referral to OAH. The parties agreed to waive the 120-day deadline.
7 Material facts are based on the testimony presented at the hearing by Mr. B; Ms. B, Mr. Phang, as well as the submitted written record.
8 Testimony of E.B; *see also* testimony of K.B.
9 Testimony of K.B
10 *Id.*

sole wage earner in her household due to a lack of employment opportunities available for other family members.[11] The household receives public benefits for food assistance.[12]

III. Discussion

Child support orders may be modified upon a showing of "good cause and material change in circumstances."[13] If the newly calculated child support amount is more than a 15% change from the previous order, Civil Rule 90.3(h) assumes a "material change in circumstances" has been established.

Mr. B' child support was previously set at $981 per month, so a support calculation that changes his support obligation by $147.15 or more would be sufficient to modify his child support obligation.[14] When the newly calculated amount is less than a 15% change, the Division still may grant the modification if three or more years have elapsed since the prior support order was issued.[15]

As the person who filed the appeal in this case, Mr. B bears the burden of proof. In order to receive a variance based on financial hardship, he must show clear and convincing evidence that manifest injustice would result if the support award were not varied.[16]

A. Rule 90.3 Calculation

A parent is obligated both by statute and at common law to support his or her children.[17] Civil Rule 90.3 provides that a parent's child support obligation is calculated based on his or her "total income from all sources" minus applicable deductions.[18] The relevant time period is the period for which the support is being paid.[19]

There is no dispute regarding the calculation of Mr. B' monthly support obligation.[20] The Division compared Mr. B' paystub wage information with his employer-reported wages and confirmed they matched, yielding wage income of $51,148.58.[21] Augmented by a PFD

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11 Testimony of E.B.
12 Testimony of E.B.
13 AS 25.27.190(e).
14 $981 x 15% = $147.15.
15 15 AAC 125.321(b)(2)(C).
16 Civil Rule 90.3(c).
17 *Matthews v. Matthews*, 739 P.2d 1298, 1299 (Alaska 1987); AS 25.20.030.
18 *See also* 15 AAC 125.020, 15 AAC 125.030.
19 15 AAC 125.050(a); Civil Rule 90.3, Commentary III.E. Because Mr. B' income did not change by 15% between 2025 and 2026, the child support calculation is based on his 2025 income rather than his 2026 income.
20 All parties agreed with the Division's revised calculated support obligation.
21 Div. Ex. 11; *see also* testimony of Mark Phang.

of $1,000, and annual dividend payments from Alaska Native Corporation A in the amount of $569.20, his gross annual income totals 52,717.78.[22] After subtracting allowable monthly deductions of $698.99— $351.61 for federal income tax; $326.07 for social security and Medicare; and $21.31 for unemployment insurance—his adjusted annual income is $44,329.90.[23] Applying the 36% primary custody formula results in a monthly child support obligation owed by Mr. B of $15,958.76 annually or $1,330 monthly.[24] The corrected monthly obligation of $1,330 represents an increase of $349—well above 15%—so a material change in circumstances is presumed and a modification is warranted.

B. Financial Hardship Variance

Mr. B' argument on appeal is that paying $1,330 per month in child support is a financial hardship given the high cost of food in Town A, the credit card debt he has incurred transporting his children to medical appointments in Anchorage, and his household's ineligibility for public assistance.[25] He requests a variance of his ongoing obligation.

An obligor-parent may obtain a reduction in the ongoing support amount, but only if he or she shows "good cause" for the reduction.[26] To establish good cause, the parent must show by clear and convincing evidence that manifest injustice would result if the support award were not varied. This is a high standard, and reductions based on hardship are reserved for cases involving unusual circumstances. In making this determination, it is appropriate to consider all relevant evidence, including the circumstances of the custodial parent.[27]

Mr. B and his partner live alone. His monthly income after the current garnishment—which includes $1,302 in support, $125 in arrears, and $11.64 in interest—is approximately $2,145 in wages, plus $130 per month from his PFD and Bristol Bay Native Corporation dividends, for a total monthly income of approximately $2,275.[28] His normal monthly household expenses total approximately $1,617, including $400 per month for

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22 Div. Ex. 11.
23 *Id.*
24 *Id.*
25 Div. Ex. 5; *see also* testimony of K.B.
26 Civil Rule 90.3(c).
27 Civil Rule 90.3(c)(1); Civil Rule 90.3, Commentary VI.B.
28 K.B paystub 02/18/26; the child support garnishment amount = $1302 (monthly obligation) + $125 (arrears) + $11.64 = $1438.64 per month testimony of Mark Phang.

food, $80 for heating, $30 for electricity, $95 for internet, $132 for cellular service, $40 for entertainment, $90 for tobacco, a $250 per month credit card payment, and a signature loan payment of $500 per month.[29] He has no housing costs and currently has no vehicle costs.[30] After all monthly expenses are covered, including the debt payments, Mr. B ends each month approximately $658 in the black.[31] Debt payments are not ordinarily considered when reviewing a financial hardship variance without the presence exceptional circumstances.[32] Allowing Mr. B to count the credit card debt associated with his children's medical appointments, but discounting the signature loan payment, he is in the black $1,158 at the end of each month.[33]

Ms. B testified about her household as well. She earns $21 per hour working approximately 35 hours a week, for net monthly wages of approximately $2,514.[34] Her household also receives $2,374 monthly in food stamps, and approximately $858 per month from her PFD and the Native Corporation dividends for herself and her minor children.[35]

Her monthly household expenses total approximately $2,666 without her credit card debt and $3,086.23 including it—with $450 for food beyond food stamps, $500 for heating, $150 for electricity, $80 for water, $20 for trash pickup, $90 for internet, $174 for cable, $280 for cellular service, $342 for a vehicle payment, $250 on gas, $150 for vehicle maintenance, $180 per month on tobacco, $220.23 for a credit card payment and $200 for PayPal credit.[36] She has no housing expenses.[37] At the end of the month, her household runs in the black approximately $706, or $286 when debt payments are included.

On appeal, Mr. B argues in support of his request for a variance that the cost of food is high in Town A and, unlike Ms. B, he receives no public assistance. However, this argument lacks merit. Ms. B receives food stamp benefits, but she is also supporting a

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29 K.B Hearing Expense Worksheet; *see also* testimony of K.B.

30 Testimony of K.B.

31 $2,145 monthly wages + $130(PFD + Dividend) = $2,275 income - $1,617 (expenses including credit card debt and a signature loan) = $658.

32 Civil Rule 90.3, Commentary VI. B4.

33 $2,145 monthly wages + $130(PFD + Dividend) = $2,275 income -$1,117 ($1,617-$500 loan payment = $1,117) = $1158.

34 E.B paystub 02/12/28. She just started the position and only one paycheck stub reflecting her full amount of hours was available at the time the case was heard.

35 Testimony of Mark Phang; *see also* testimony of E.B.

36 E.B Hearing Expense Worksheet; *see also* testimony of E.B.

37 *Id.*

household of twelve individuals, including seven minor children. The record indicates that she spends approximately the same amount on food above the food stamp benefits as Mr. B does. Therefore, both parties are equally affected by the high food costs in remote Alaska.

Weighing the financial circumstances of the two households, Mr. B's home is slightly more financially stable. With careful budgeting his household remains in the black at the end of the month even after deducting credit card payments associated with his children's medical appointments. While Ms. B's household also generally avoids ending the month in the red, it is by a much closer margin. Their shared children—M, L, C, and D—are in such a position that receiving less support could substantially impact their wellbeing.

Mr. B has not shown by clear and convincing evidence that a variance is warranted due to financial hardship. He and his partner would undoubtably be more financially comfortable if his child support obligation was reduced, but there is no evidence that he will be unable to meet his household's expenses even with the increased support obligation of $1,330 per month. Therefore, a financial hardship variance is not warranted.

IV. Conclusion

Mr. B has not shown by clear and convincing evidence that manifest injustice would result if his support obligation as calculated under Civil Rule 90.3(a) is not reduced. Based on updated income information provided at the hearing, the Modified Administrative Child Support Order that the Division issued on August 2, 2025, is adjusted slightly, setting Mr. B's support obligation for M, L, C, and D at $1,330 per month effective July 1, 2025, and ongoing based on primary custody.

V. Child Support Order

1. K.B is liable for child support in the amount of $1,330 per month for four children effective July 1, 2025, and ongoing based on a primary custody calculation.

2. All other terms of the Modified Administrative Child Support and Medical Support Order dated August 2, 2025, remain in full force and effect.

Dated: March 25, 2026

Signed

Beth Goldstein
Administrative Law Judge

Adoption

This Order is issued under the authority of AS 43.05.010 and AS 44.17.010. The undersigned, on behalf of the Commissioner of Revenue and in accordance with AS 44.64.060, adopts this Decision and Order as the final administrative determination in this matter.

Under AS 25.27.062 and AS 25.27.250, the obligor's income and property are subject to withholding. Without further notice, a withholding order may be served on any person, political subdivision, department of the State, or other entity.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with AS 25.27.210 within 30 days after the date of this decision.

DATED this 10th day of April, 2026.

By: *Signed*
Janelle L. Earls
Acting Commissioner

[This document has been modified to conform to the technical standards for publication. Names may have been changed to protect privacy.]