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

In the Matter of	)	
	)	
E. X.	)	OAH No. 26-0446-CSS
	)	

DECISION AND ORDER

I. Introduction

Mr. X. appeals a Modified Administrative Child Support Order issued by the Child Support Enforcement Division (Division) on May 13, 2026. The Order raised his monthly support obligation for L., the daughter he shares with Ms. U. C., from $300 to $1,408. On appeal, Mr. X. asserts that the calculation did not include deductions to which he is entitled. Additionally, he requests a variance due to financial hardship as the obligation as set would jeopardize the wellbeing of his younger children.

Mr. X. submitted current paystubs confirming payments for health insurance, union dues, and retirement contributions, which were then included in an updated recalculation by the Division. He also established by clear and convincing evidence that manifest injustice would result if his obligation was not reduced by way of a hardship variance. Based on the evidence and after careful consideration, Mr. X.'s support obligation for L. is set at $450 per month beginning February 1, 2026.

II. Facts

A. Relevant factual background[1]

L. is 10 years old and predominantly lives in City A with her mother, Ms. C., and three half-siblings, ages 6, 4 and 19 months.[2] The father of the three younger children lives in a separate home. Mr. X. lives in City B and shares a home with his wife and their three children, ages 8, 3 and 18 months.

B. Household Financial Profiles

Ms. C. is employed as a Medical Assistant at the local clinic in City A, earning a reported $1,600 biweekly, or approximately $3,466 monthly.[3] Her monthly household

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[1] Facts are based on the record, including the testimony of both Mr. X. and Ms. C..

[2] At the time of the hearing Mr. X. testified that he had recently submitted a request to the Superior Court for a custody order granting him 50/50 custody of L..

[3] $800 per week x 52 weeks in a year/12 months = $3,467 per month.

expenses include $725 for rent, an average of $2,440 for food and utilities, $502 for a car payment, $150 for gas, $105 for car insurance, $100 for entertainment and personal care. She also has $1500 in personal credit card debt, towards which she pays $150 monthly. Were Ms. C. relying on her wages and the current support obligation of $300 monthly paid by Mr. X., she would end each month with a deficit of approximately $406. However, she testified that she receives significant financial assistance from her parents and sister, and, with limited consistency, financial payments from the father of her younger three children. Additionally, Ms. C. testified she recently received a pay raise of $2/hour, which will result in a monthly gross income of $4,008.[4] Subtracting the expenses as listed above results in a net positive $136 at the end of each month without factoring in family help or payments from the father of the younger children.

Mr. X. is employed by the Employer A. His usual schedule is two weeks on the ferry, then two weeks off. When available he takes overtime shifts, which results in his working six weeks straight. To most accurately calculate Mr. X.'s support obligation for L., the Division calculated his support obligation two different ways.

First, the Division relied on his current paystubs, resulting in a total gross income of $105,285.65 from wages and the Permanent Fund Dividend (PFD).[5] After deducting allowable monthly deductions to include retirement contributions, union dues, and health insurance costs, his adjusted annual income totaled $76,458.17, resulting in a monthly support obligation of $1,274 for his daughter based on primary custody.[6] The Division also calculated his support obligation based on an average of the last three years of employment in consideration of income fluctuations; this resulted in a gross income of $108,149.30 of wages augmented by the PFD, an adjusted annual income of $78,362.78 after deductions, and a monthly support obligation for L. of $1,306.[7] The support calculations differ by $32. Going forward, the calculation relied upon in this proposed decision will be the latter, as this is an ongoing support order and it is appropriate to consider future income fluctuations inherent with his job.

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4 $1850 biweekly (C. testimony) = $925 per week x 52 weeks in a year/12 months = $4,008.

5 Ex. 11

6 *Id.*

7 Ex. 12.

Mr. X.'s gross monthly wages average $8,319,[8] and the household has the following monthly expenses: $2,200 for the mortgage, $1,200 for food, $1,000 for utilities/internet/cell phones, $1,063 in combined car payments for two vehicles, $400 in gasoline, $67 in vehicle maintenance, $730 in health/car insurance, $400 for entertainment and personal care, $200 in medical expenses for additional services for his younger children with significant medical issues, and $1,700 for daycare for the two youngest children ($900/$800 respectively). The monthly expenses total approximately $8,960, leaving the X. household in the red each month by about $640. This does not include the monthly child support obligation for L., nor the $372 minimum payment per month they put towards their consumer debt.

When asked how the family maintains solvency despite the debts eclipsing his income, Mr. X. explained that he accepts overtime shifts when possible, although his being gone for six consecutive weeks puts a significant strain on the family. Additionally, he and his wife have just recently enrolled their 18-month-old in part-time day care on a trial basis; this has not previously been a consistent expense.[9] Furthermore, during his weeks off he finds low-cost or free entertainment activities for the children, including hiking other outdoor activities. The family is hopeful that the start-up magnet business they are operating out of the home will become profitable.

III. Procedural History

A telephonic hearing was held in this matter over several dates, June 15 and 29, July 14 and August 12, 2026. Mr. X. participated and represented himself, as did custodial parent U. C.. The Division was represented by Child Support Specialist Shawn Pattison.

IV. Discussion

[8] See Ex. 12; total gross income of $108,149/52 weeks in a year x 4= $8,319/month. Mr. X. testified that his wife has begun operating a magnet business out of the home. However, the profits are negligible as the business is very new, and profits have gone towards the start up costs.

[9] Mr. X. testified that his wife is a stay-at-home parent, caring for the children. If the youngest remains in day care, she will ideally have time to work on magnet orders.

A. Child support modification under Civil Rule 90.3(a)

A parent is obligated by both statute and at common law to support his or her children.[10] Civil Rule 90.3(a)(1) calculates an obligor's child support based on his or her total income from all sources minus mandatory deductions such as support for prior children, federal income taxes, and Social Security and Medicare withholdings.[11] Income includes any benefits that would have been available to the family unit should it have remained intact.[12]

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. When newly calculated income is less than a 15% change, the Division may still grant the modification if three or more years have elapsed since the prior support order was issued.[14] Both conditions are satisfied here: Mr. X.'s prior support obligation was $300 per month, so a change of $45 or more is sufficient to modify his child support obligation, and more than three years have elapsed since the prior order issued in 2021.[15]

B. Variance under Civil Rule 90.3(c)

A review of the Division's initial calculation of Mr. X.'s support obligation for L. indicates that requisite deductions had not been included. However, after current paystubs were submitted by Mr. X. listing payment for union dues, health insurance and retirement contributions, the Division correctly recalculated both his gross and adjusted annual incomes, resulting in a monthly support obligation for L. of $1,306 based on primary custody.[16] Mr. X.'s argument on appeal is that he is unable to pay the support obligation as calculated as well as adequately provide for his wife and their three younger children. Therefore, 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 that "good cause" exists for the reduction.[17] To establish good cause, the parent

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10 *Matthews v. Matthews*, 739 P.2d 1298, 1299 (Alaska 1987); AS 25.20.030.
11 Civil Rule 90.3(a); *see also Kowalski v. Kowalski*, 806 P.2d 1368, 1370 (Alaska 1991).
12 *See* Civil Rule 90.3 Commentary, III Defining Income.
13 AS 25.27.190(e).
14 15 AAC 125.321(b)(2)(C).
15 $300 x 15% = $45
16 Ex. 7,8,9,10, 11 and 12.
17 *See Willis v. State, Dep't of Revenue, Child Support Enforcement Div.*, 992 P.2d 581 (Alaska 1999).

must show by clear and convincing evidence that manifest injustice would result if the support award were not varied.[18] 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 and child.

Ms. C.'s household clearly has limited financial resources. Her budget is restricted, few expenses can be eliminated, she lives in subsidized housing, and her wages barely cover her basic household expenses. However, to date she has only sought an enforceable child support order against Mr. X. for the support of L.. She has not applied for an order compelling appropriate, consistent support from the father of her three younger children, who works seasonally as a fisherman. During the off season he is employed as a lifeguard at the local pool. Ms. C. testified that he assists when financially able, but she did not want to seek a child support enforcement order against him, as it would "put a burden on their relationship." She did acknowledge, however, that she was going to seek such an order in "the near future."

"Helping when he is able" is not the equivalent of this man fulfilling his legal obligation to support his children. Additionally, her testimony that she is hesitant to seek such an order as it may negatively impact their relationship is not justification for ostensibly shifting the burden of providing for her subsequent children to Mr. X..

Mr. X.'s household is also in difficult financial straits, with few expenses that can be eliminated. He is already taking overtime shifts with his current employer, so taking an additional job is not an option. If his support obligation of $1,306 for L. remains as set, Mr. X. will continue to end each month in a deficit, and risk falling behind on the mortgage. Losing his home will almost certainly jeopardize his employment and thus, his ability to support L. and subsequent three children with any amount of support.

An increase in the child support obligation of $300 as set in 2021 is appropriate, as the rising costs of necessities means caring for L. has undisputedly become more expensive. However, this reality must be balanced against the financial difficulties faced by the X. family as well, and the overarching objective of maintaining the financial solvency of both households and the wellbeing of all the children affected. Therefore, Mr. X.'s monthly support obligation is increased to $450 which will be difficult for him to meet - but not impossible - with exceptional

[18] Civil Rule 90.3(c).

budgeting, perhaps an overtime shift, an uptick in magnet profits, or a combination of all possibilities.

V. Conclusion

Through evidence presented at the hearing Mr. X. met his high burden of proving that his monthly support obligation as calculated under Civil Rule 90.3(a) exceeds his ability to pay and would be manifestly unjust. His request for a variance of that obligation is granted under Civil Rule 90.3(c). Beginning February 1, 2026, and ongoing, Mr. X.'s monthly support obligation for L. is increased from $300 to $450 per month based on a primary custody calculation.

VI. Child Support Order

1. E. X. is liable for child support in the amount of $450 per month for one child effective February 1, 2026, and ongoing.
2. All other terms of the Modified Administrative Child Support Order issued by the Child Support Enforcement Division (Division) on May 13, 2026, remain in full force and effect.

Dated: September 1, 2026

SIGNED
Danika B. Swanson
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 22nd day of September, 2026.

By: SIGNED
Signature
Janelle L. Earls
Name
Acting Commissioner
Title