

Stuart Relay

From: Susan A [REDACTED]
Sent: Friday, May 9, 2025 6:40 PM
To: House State Affairs
Subject: Public Testimony Opposing HB 114 – "The Trojan Horse Bill"

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Public Testimony Opposing HB 114 – "The Trojan Horse Bill"

Submitted to the Alaska State Legislature

Chairpersons and members of the committee,

I submit this testimony in strong opposition to House Bill 114, not because of what it plainly states — but because of what it deceptively hides. This bill is a Trojan Horse that weaponizes Alaska's Permanent Fund Dividend (PFD) against the very people it was meant to support, criminalizes poverty, erodes constitutional protections, and entrenches systemic inequality.

I. The Trojan Horse: From Universal Dividend to Conditional Surveillance Tool

The Alaska Permanent Fund Dividend, enshrined in Alaska Stat. § 43.23, was intended as a universal, apolitical benefit, compensating every Alaskan for the extraction of public resources. HB 114 fundamentally alters this social contract, transforming the PFD into a conditional, punitive mechanism that:

- Denies payments to individuals with prior convictions or child support debts;
- Redirects those funds to cover state obligations such as incarceration and domestic violence programs — without due process or transparency;
- Mandates check stub disclosures that stigmatize individuals by listing the reasons for nonpayment — effectively institutionalizing public shaming.

These provisions violate both the intent and letter of Alaska's founding laws and are clearly ripe for constitutional challenge.

II. Violations of Constitutional Law

A. Equal Protection (Alaska Constitution, Article I, § 1; U.S. Constitution, 14th Amendment)

HB 114 creates unequal classes of citizens: those deemed "deserving" of the PFD and those who are not, based on past convictions or unpaid debts. This violates the Equal Protection Clause, as the state

cannot deny a public benefit without a compelling government interest and without narrowly tailored means (see *Shapiro v. Thompson*, 394 U.S. 618 (1969)).

- Denying a universal economic right based on past behavior is not narrowly tailored.
- Redirecting PFDs to pay for government services is not a constitutionally valid rationale for selective disenfranchisement.

B. Due Process (U.S. Const. Amend. V & XIV; Alaska Const. Art. I, § 7)

The bill allows seizure or redirection of dividends without adequate judicial hearing, appeal mechanisms, or individualized assessment, violating procedural due process.

- See *Goldberg v. Kelly*, 397 U.S. 254 (1970), which held that termination of a public benefit requires notice and hearing.
- Automatically redirecting funds based on incarceration or administrative debt determinations violates fair process protections.

C. Excessive Fines & Cruel Punishment (U.S. Const. Amend. VIII; Alaska Const. Art. I, § 12)

The denial of an annual income benefit as a form of extended punishment after a sentence has already been served constitutes an excessive and continuing financial penalty. This echoes the constitutional prohibition on double punishment and excessive fines (see *Timbs v. Indiana*, 586 U.S. 232 (2019)).

D. Right to Privacy and Protection from Stigma (Alaska Const. Art. I, § 22)

Alaska's Constitution offers stronger privacy rights than the federal Constitution, especially against state-mandated disclosure of personal information. Section 6 of HB 114, which requires PFD stubs to show reasons for reduction or nonpayment, constitutes an unlawful invasion of privacy and a forced stigmatization, violating:

- *Whalen v. Roe*, 429 U.S. 589 (1977), which found that individuals have a constitutional interest in avoiding disclosure of personal matters.

III. Criminalization of Poverty & Debt Peonage

HB 114 mirrors historic patterns of debt peonage, prohibited under federal anti-slavery laws (13th Amendment) and recognized in *Bearden v. Georgia*, 461 U.S. 660 (1983), which ruled that penalizing a person for inability to pay violates Equal Protection and Due Process.

The bill criminalizes people with outstanding debts (including child support, fines, or past incarceration) and redirects their share of public wealth to pay for state expenditures. This constitutes:

- A modern form of indentured servitude;
- An unconstitutional method of funding state programs by disproportionately taxing the poor.

IV. Policy Failures and Economic Injustice

The Permanent Fund exists because Alaska's oil wealth belongs to all its people. Yet under HB 114:

- Those already most harmed by incarceration, poverty, or disenfranchisement are targeted to subsidize the very system that oppresses them;
- The state avoids addressing its budgetary failures, oil company tax credits, and unsustainable spending by scapegoating the poor;
- Native communities, rural residents, and formerly incarcerated people — who already face structural inequality — are further dispossessed of what is rightly theirs.

This is economic injustice disguised as fiscal reform.

V. Conclusion

HB 114 is not a neutral budget bill. It is a Trojan Horse for:

- Rewriting the PFD into a punitive tool;
- Circumventing constitutional protections;
- Shifting budget burdens onto the backs of the poor;
- Institutionalizing surveillance, stigma, and disenfranchisement.

I urge the committee to reject this bill, and instead reaffirm the original vision of the Permanent Fund — one that protects the rights of all Alaskans equally, not conditionally.

Susan Allmeroth
Two Rivers

References

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Alaska Constitution. (1959). §§ I-1, I-7, I-12, I-22.
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Alaska Department of Revenue. (2023). PFD Eligibility and Payment. Retrieved from <https://pfd.alaska.gov>
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Stuart Relay

From: Lindsey Robinson [REDACTED]
Sent: Tuesday, March 18, 2025 5:18 PM
To: House State Affairs
Subject: HB114

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Hello,

I would like to provide my testimony against HB114. I am a business owner and mother of four children. We planned to invest our children's entire PFD's into a 529 account to save for their future education. I am extremely disappointed with the current budget proposed because it is not nearly enough to save for my children's future educational expenses. Public education should not be funded by Alaska residents PFD's. Thank you for your time.

Lindsey Robinson