

ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE

February 5, 2025

1:30 p.m.

MEMBERS PRESENT

Senator Matt Claman, Chair
Senator Jesse Kiehl, Vice Chair
Senator Gary Stevens
Senator Robert Myers

MEMBERS ABSENT

Senator Löki Tobin

COMMITTEE CALENDAR

SENATE BILL NO. 12

"An Act relating to permanent fund dividends for individuals owing child support; and relating to applications and qualifications for permanent fund dividends for individuals owing child support."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 12

SHORT TITLE: PFD/CHILD SUPPORT

SPONSOR(S): SENATOR(S) DUNBAR

01/10/25	(S)	PREFILE RELEASED 1/10/25
01/22/25	(S)	READ THE FIRST TIME - REFERRALS
01/22/25	(S)	JUD, FIN
02/05/25	(S)	JUD AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

SENATOR FORREST DUNBAR, District J
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of SB 12.

SETH TIGARIAN, Staff
Senator Forrest Dunbar

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for SB 12.

GENEVIEVE WOJTUSIK, Director
Permanent Fund Dividend Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Answered questions on SB 12.

CHRIS TRAN, Director
Child Support Enforcement Division
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: Answered questions on SB 12.

CHELSEA GREGERSEN
Deputy Director
Alaska Legal Services Corporation
Palmer, Alaska

POSITION STATEMENT: Testified by invitation in support of SB 12.

LINDSAY KOTALIK, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 12.

LAURA NORTON-CRUZ, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation in support of SB 12.

ACTION NARRATIVE

[1:30:36 PM](#)

CHAIR CLAMAN called the Senate Judiciary Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Myers, Stevens, and Chair Claman. Senator Kiehl arrived immediately thereafter.

SB 12-PFD/CHILD SUPPORT

[1:31:23 PM](#)

CHAIR CLAMAN announced the consideration of SENATE BILL NO. 12 "An Act relating to permanent fund dividends for individuals owing child support; and relating to applications and qualifications for permanent fund dividends for individuals owing child support."

CHAIR CLAMAN said this is the first hearing of SB 12 in the Senate Judiciary Committee.

[1:31:52 PM](#)

SENATOR FORREST DUNBAR, District J, Alaska State Legislature, Juneau, Alaska, speaking as sponsor, stated that SB 12 would allow individuals owed child support to apply for permanent fund dividends (PFDs) on behalf of non-filing parents. He explained that the bill is intended to address situations in which parents, whether intentionally or unintentionally, fail to apply for their PFDs, thereby depriving their children of financial support. He clarified that while the State already has the authority to garnish PFDs, SB 12 focuses on cases where a parent is legally eligible for a PFD but does not submit an application. He stated that he worked with relevant agencies to develop a system enabling those owed child support to apply for these unclaimed PFDs in order to collect what is owed.

[1:32:32 PM](#)

SENATOR KIEHL joined the meeting.

[1:33:45 PM](#)

SETH TIGARIAN, Staff, Senator Forrest Dunbar, Alaska State Legislature, Juneau, Alaska, paraphrased the sectional analysis for SB 12 as follows:

[Original punctuation provided.]

SECTIONAL ANALYSIS

SB 12: PFD CHILD SUPPORT

Section 1: States that a Permanent Fund Dividend (PFD) garnished for child support counts as a child support payment.

Section 2: Requires the Child Support Services Division to send the Department of Revenue a list of residents behind on child support by March 31 each year.

Section 3: Adds rules about applying for a PFD:

- Custodial parents may apply for a PFD on behalf of someone who owes them child support if that person has not filed.

- Requires the state to submit a PFD application for someone behind on child support if no one else has done so by the deadline. The state will distribute the funds to the person owed support.

Section 4: States that signatures are not required for PFD applications filed by the state.

Section 5: Provides additional details about filing and eligibility:

- It lets people applying for someone else's PFD provide proof that the person is still an Alaska resident.
- Assumes that someone who previously qualified for a PFD is still eligible unless proven otherwise.

Section 6: Prohibits donations from PFDs distributed for child support.

Section 7: Ensures that PFDs claimed for child support cannot be garnished for other debts.

Sections 8-13: States that certain agencies may not claim PFDs distributed under these rules.

Section 14: Applies these rules to PFDs for the 2025 qualifying year and beyond.

[1:36:15 PM](#)

SENATOR STEVENS asked whether other agencies can garnish the PFD.

MR. TIGARIAN replied yes. He said the Department of Health (DOH), the universities, and a couple of other agencies can garnish the PFD.

[1:36:32 PM](#)

SENATOR DUNBAR expressed his belief that SB 12 contains an all-encompassing list of those agencies. He noted that garnishment has a priority and child support is top priority. He said that he would look into whether there are any additional departments, other than those listed, that could garnish the PFD.

[1:37:16 PM](#)

SENATOR MYERS said if he owed child support and filed his own PFD, the State would garnish it. He asked whether, under current statute, an individual in that situation would be blocked from participating in PickClickGive.

SENATOR DUNBAR responded that he was unsure but believed that if the PFD were subject to one hundred percent garnishment for child support, participation in PickClickGive would likely be blocked. He deferred to DOR for their insight.

[1:38:10 PM](#)

CHAIR CLAMAN directed the question to DOR.

[1:38:24 PM](#)

GENEVIEVE WOJTUSIK, Director, Permanent Fund Dividend Division, Department of Revenue, Juneau, Alaska, replied that while there is a priority order, participation in PickClickGive is possible. She explained that garnishments are applied before charitable contributions. Therefore, donations may occur if sufficient funds remain after garnishment.

[1:39:16 PM](#)

CHAIR CLAMAN commented that the short answer is that individuals are not blocked from trying to give their money away, but if you owe it to somebody else with a higher priority, the donation will not be very successful.

[1:39:24 PM](#)

MS. WOJTUSIK replied that is correct.

[1:40:36 PM](#)

SENATOR KIEHL asked whether the Permanent Fund Dividend Division would withhold federal taxes before issuing payment to the custodial parent. He posed the question in the context of SB 12 passing as written, where the custodial parent files, the obligor parent does not, and the obligor qualifies for a PFD.

MS. WOJTUSIK replied that the PFD Division would review how SB 12 affects the priority order and whether child support garnishments would outrank IRS garnishments.

[1:41:28 PM](#)

SENATOR MYERS asked whether DOR works with noncustodial parents who make a good faith effort to pay through a payment plan, and whether those individuals may receive all or part of their PFD if they are actively making such an attempt.

MS. WOJTUSIK deferred to the CSED.

[1:42:02 PM](#)

CHAIR CLAMAN directed the question to CSED.

[1:42:31 PM](#)

CHRIS TRAN, Director, Division of Child Support Enforcement, Department of Revenue, Anchorage, Alaska, requested that the question be repeated.

[1:42:47 PM](#)

SENATOR MYERS repeated the question, asking whether the Department of Revenue works with noncustodial parents who make a good faith effort to pay through a payment plan, and whether those individuals may receive all or part of their PFD if they are actively making such an attempt.

MR. TRAN replied that CSED has an established enforcement procedure. He explained that if there are arrears, the CSED will submit the garnishment and collect the PFD. He stated that CSED does not allow a compromise, settlement, or arrangement that would permit the noncustodial parent to retain the PFD if there are arrears on the case.

[1:43:55 PM](#)

CHAIR CLAMAN summarized by stating that if an individual owes money, the PFD will not be coming their way.

[1:44:10 PM](#)

SENATOR MYERS referred to page 4, lines 27 - 29, which reads "an individual owing child support who has previously qualified for a dividend remains eligible for the dividend, unless the individual owing child support provides proof of ineligibility." He questioned why an individual who is no longer eligible would bother to notify the State of their ineligibility.

[1:45:56 PM](#)

SENATOR DUNBAR replied that the ethos of SB 12 is rooted in supporting custodial parents who are struggling to care for their children. He stated that the bill is tilted slightly in their favor, assuming until proven otherwise, that these funds will be available to them.

SENATOR DUNBAR noted that the PFD Office does a fairly good job of tracking down individuals who are not eligible. He illustrated his position with a rebuttable presumption: the PFD Office begins with the assumption of eligibility, but if

evidence shows otherwise, the PFD Office is not prohibited from determining that the individual is ineligible. In such cases, the custodial parent would, unfortunately, lose access to that source of financial support for their child.

[1:47:22 PM](#)

SENATOR MYERS expressed sympathy for individuals in such circumstances and explained he has a personal connection to that type of experience. He shared that he and his wife adopted two children several years ago. The birth mother was dealing with personal challenges, and the birth father was no longer involved. The birth father had not been paying child support and was intentionally not filing for his PFD to avoid garnishment. However, after learning of the adoption, he began filing in hopes of receiving the dividend. The funds, however, were directed to the adoptive parents rather than to the birth father.

SENATOR MYERS reiterated his sympathy for constituents in similar situations; nevertheless, he expressed concerned about garnishing PFD funds from individuals who are not eligible in the first place.

[1:48:47 PM](#)

CHAIR CLAMAN raised a risk issue and posed a hypothetical scenario questioning whether it would constitute fraudulent filing. He described a situation in which a noncustodial parent owes child support and moves out of state. The custodial parent, aware of the move, nonetheless submits a PFD application on behalf of the noncustodial parent. He asked whether such an application would be considered a fraudulent filing for personal benefit, even though it is submitted on behalf of another individual.

[1:49:53 PM](#)

SENATOR DUNBAR expressed his belief that is an accurate interpretation of the law.

SENATOR DUNBAR said he believes the more challenging scenario for the PFD Division is determining whether an individual is eligible. For example, whether the person spent the required number of days in the state during a given year, or whether they left the state temporarily with intent to return. He noted that such determinations are often difficult to assess.

SENATOR DUNBAR stated that he is open to technical amendments to improve the functionality of SB 12. He emphasized that he is not

attached to the bill's specific language and is focused on achieving its underlying policy goal. The goal is to get funds into the hands of custodial parents who deserve support in caring for their children.

SENATOR DUNBAR stated that while he welcomed changes to address technical challenges in the legislation, the scenario described by the chair likely cannot be addressed through bill language. He stated that while he was unsure whether "fraud" was the correct legal term, such conduct approaches criminality.

[1:51:14 PM](#)

CHAIR CLAMAN stated that he tends to view this type of "gaming the system" as a fairly low risk.

[1:51:45 PM](#)

SENATOR KIEHL raised a related question. He noted that in some child support cases, the parent who owes may choose not to file, not out of malice but out of avoidance. He described a situation in which the custodial parent files for the obligor parent's PFD. He asked whether the obligor parent is effectively committing PFD fraud through inaction if they know they are ineligible but take no steps to notify the PFD Division, including failing to respond because they want nothing to do with the process.

[1:52:41 PM](#)

SENATOR DUNBAR replied that the Department of Law would make the determination. He stated that the committee is, in effect, building a record of how it would like the statutes to be interpreted. He answered that, in his view, simply not applying for a PFD or even withholding information from the custodial parent, would not rise to the level of fraud or criminal conduct.

SENATOR DUNBAR expressed his belief that an individual would need to take a proactive step, such as knowingly applying for something they are ineligible for, to trigger those types of legal consequences. He acknowledged that if the noncustodial parent is aware that the custodial parent is acting improperly and does nothing, it is an unfortunate situation. In such a case, the PFD Division might choose to recover the funds or possibly bar future eligibility, though he noted that seems unlikely. He concluded that, in his interpretation, the noncustodial parent would not have committed fraud absent an intentional act.

[1:53:52 PM](#)

CHAIR CLAMAN commented that under federal law, a false statement charge requires an actual statement to be made, and that statement must be material. Therefore, an individual who simply does not answer the phone in response to residency inquiries would not be subject to criminal liability, at least under federal analysis, and likely under state analysis as well.

CHAIR CLAMAN stated that, conversely, if an individual answers PFD residency questions and provides false information, such as misrepresenting their place of residency or the number of days absent from the state, those false statements could subject the person to criminal liability for making false statements. He clarified that he was offering a federal law perspective and was fairly certain that comparable statutes exist in Alaska law.

[1:54:49 PM](#)

SENATOR STEVENS stated that he likes the bill and asked for clarification on how child support arrears are handled over time. He said that it seems the amount owed for child support could be considerable compared to the amount of a PFD check. He posed a scenario in which an individual owes \$20,000 per year in unpaid child support and asked whether those amounts accumulate year over year. He asked whether such obligations could be applied retroactively.

[1:55:39 PM](#)

SENATOR DUNBAR agreed that the PFD often pales in comparison to the arrears that build up on child support. He answered that he doesn't know if CSED can retroactively garnish past PFDs, but believes garnishment is cumulative in the sense they apply every year until the arrears are paid off. He expressed his belief that the CSED works hard to try to pay down the whole debt. He deferred to Mr. Tran for his further insight.

[1:56:23 PM](#)

CHAIR CLAMAN directed the question to Mr. Tran, asking him for his perspective and insight to the question.

[1:56:31 PM](#)

MR. TRAN replied that is correct. He stated that CSED will continue to pursue and garnish an individual's PFD each year for accounts that are more than \$5 in arrears.

[1:57:02 PM](#)

CHAIR CLAMAN announced invited testimony on SB 12.

[1:57:25 PM](#)

CHELSEA GREGERSEN, Deputy Director, Alaska Legal Services Corporation, Palmer, Alaska, testified by invitation in support of SB 12. She stated that the bill sponsor invited her to testify regarding the potential impact of SB 12 on Alaska Legal Services Corporation's (ALSC) client community.

MS. GREGERSEN explained that ALSC is the largest provider of civil legal aid in Alaska to victims of domestic violence and sexual assault. All of the families ALSC serves are low income, and the organization receives many applications for assistance with family law matters, including child support. She noted that the obligor in these cases is often also low income and may be intermittently employed or underemployed, which complicates the collection of child support. When obligors fall into arrears, it creates hardship for both parties, particularly when a child support order cannot be met.

MS. GREGERSEN stated that having another tool to assist in the collection of child support would benefit ALSC's client community. These funds go directly toward the care of children and can help stabilize families. She added that ALSC frequently encounters cases in which the obligor fails to apply for their PFD, whether intentionally or unintentionally. SB 12 would create a mechanism to access those existing funds to pay down child support debt and reduce the overall amount owed.

[1:59:14 PM](#)

LINDSAY KOTALIK, representing self, Anchorage, Alaska, testified by invitation in support of SB 12. She stated that she has had a child support order in place since January 2007. Her son will turn 20 in August, and the order, which ran for 209 months until high school graduation, was set at \$336 per month, totaling just over \$70,000. She noted that this was a low monthly amount, calculated in 2007 before minimum wage increases. She explained that she never contacted CSED to increase the amount as her inability to collect the original amount was an ongoing frustration for her caseworker and herself.

MS. KOTALIK said that CSED assured her that if her ex-husband ever applied for a PFD, the State would garnish it. Unfortunately, the CSED could not compel him to apply. Over the full term of the child support order, she calculated that the total amount owed was \$70,224. Of that amount, PFD garnishments could have totaled nearly \$27,000, which would have been more than a third owed on the order. She said if her ex-husband had applied for the PFD and it been garnished, he most likely would

not have had his driver's license pulled. He lost his license in 2010. The accrued interest amounts to more than \$30,000; the outstanding debt is over \$104,000. While the Department of Labor occasionally garnished small amounts of his income, collections were minimal. She stated that he crossed the threshold for criminal [noncompliance] in 2012 when the arrears balance was \$21,000. Since that time, CSED has collected only \$68.70.

[2:01:35 PM](#)

MS. KOTALIK stated that it would be fraudulent to apply on behalf of her ex-husband and the State has no authority to do so either. She said this leaves her no recourse. She said that her son was never able to benefit from his father's PFD, such as, making a purchase, paying for a vacation, participating in school trips, etc. She stated that SB 12 will not be life changing for her. She explained that her son is an adult, and she no longer incurs child-related expenses, such as, daycare and diapers. However, if the legislature passes SB 12, it will be life-changing for other people facing similar financial challenges.

MS. KOTALIK expressed support for SB 12 as a tool to help both custodial and noncustodial parents. She said her son's father, now 43, regrets his earlier decisions and views the more than \$104,000 in accumulated debt as insurmountable. He has expressed that he will never be able to remedy the situation.

MS. KOTALIK closed by emphasizing that, according to CSED, the only remaining potential source of collection is her ex-husband's future Social Security benefits. She stated that this is a distressing prospect, as the person most likely to care for him in old age will be their son. The responsibility will fall on him. She urged the committee to adopt SB 12, noting that even small amounts collected through the bill's provisions could have a meaningful impact on families and prevent long-term consequences for both parents and children.

[2:04:18 PM](#)

LAURA NORTON-CRUZ, representing self, Anchorage, Alaska, testified by invitation in support of SB 12. She stated that she is a licensed master social worker and a public health professional, and typically testifies in a professional capacity. She noted that she could have spoken about the high prevalence of financial abuse as a tactic of intimate partner violence. How coercive control is often used by abusers who share children with their former partners to continue abuse after the relationship ends. She added that she could also speak

to the impact these forms of abuse have on children. However, due to limited time and despite her hesitation and nervousness about sharing personal matters in a public setting, she stated that SB 12 is important enough to her that she wished to share her personal experience.

MS. NORTON-CRUZ shared that her ex-husband owes her \$17,000 in child support. In 2024, he claimed he was too poor to pay, yet refused her repeated requests to file for his PFD, despite the fact that this was income he would not need to earn. She stated that he deliberately avoided filing because he knew the PFD would be garnished and deposited into her account to support their children. She emphasized that she had no way, either in 2024 or before the March 31 deadline, to compel him to apply. She said that even though the amount of the PFD was relatively small compared to the total cost of raising children, it would have relieved a significant amount of stress and help support her children.

[2:05:49 PM](#)

MS. NORTON-CRUZ stated that SB 12 appears to be a simple and commonsense way for the State of Alaska to support custodial parents and children. She said it would also serve to eliminate a method of financial abuse used by harmful parents. In addition, the bill would help custodial parents whose co-parent may be too disorganized, mentally ill, or incapacitated to apply for a PFD themselves. She said this is not only her experience, but also that of her former sisters-in-law. She said ex-husband's brother has not paid child support or medical expenses for his daughters for many years and likely owes more than \$50,000. She stated that, as a single mother, it can be overwhelming to initiate and navigate CSED paperwork. She asserted that, once that effort is made, custodial parents should receive every form of garnishment available. She characterized SB 12 as a commonsense solution and urged the committee to treat its passage as a matter of urgency.

[CHAIR CLAMAN concluded invited testimony on SB 12.]

[2:06:59 PM](#)

CHAIR CLAMAN opened public testimony on SB 12; finding none, he closed public testimony.

[2:07:34 PM](#)

CHAIR CLAMAN raised a question about criminal restitution orders. He recalled, though he was unsure of the accuracy, that in cases involving criminal restitution orders, DOR may already

have similar authority to allow individuals owed restitution to apply for a PFD on behalf of the person who owes them. He expressed curiosity about whether someone owed restitution could apply on behalf of an individual refusing to file, and if so, whether that circumstance should be considered as part of the same policy solution addressed in SB 12.

[2:08:19 PM](#)

MR. TIGARIAN replied that a priority list for PFD garnishments exists in statute, with child support at the top. He stated his belief that victim restitution is next in priority and said he would research and confirm the accuracy of that information.

[2:08:51 PM](#)

CHAIR CLAMAN clarified that he had no doubt restitution appears on the priority list and restated the question. He asked whether someone owed restitution under a judgment could apply for a PFD on behalf of the person who owes them, similar to a custodial parent as proposed under SB 12. He asked whether such a person would have the authority to apply and initiate payment collection if the obligor refuses to apply.

[2:09:21 PM](#)

SENATOR DUNBAR expressed his belief that the answer is no. He stated that his office researched this issue and did not find any provision in state law that allows one party to apply for another person's PFD. He deferred to the PFD Division for confirmation.

[2:09:41 PM](#)

CHAIR CLAMAN directed the question to Ms. Wojtusik of the PFD Division, asking whether anyone can apply on behalf of someone else to get a PFD.

[2:09:57 PM](#)

MS WOJTUSIK replied that a person must have power of attorney to apply on behalf of another adult. She explained that "B" applications may be submitted for adults when a sponsor holds power of attorney. She explained that child applications may be submitted by someone who has custody of the child. However, a person cannot apply on behalf of another adult without legal authority through power of attorney.

[2:10:36 PM](#)

SENATOR STEVENS applauded the bill, stating that while it only solves a small part of the problem, it is a step in the right direction. He referred to the testifier who is owed \$104,000 in

child support and remarked that her situation raises the broader question of why the State is so ineffective at collecting funds that are desperately needed. He acknowledged that this may be a question beyond the scope of the bill but expressed interest in understanding how collections are conducted and what additional avenues exist to recover these funds.

[2:11:22 PM](#)

SENATOR DUNBAR agreed, stating that as a society, not just a single department, there has been a systemic failure in ensuring child support is provided. He noted that some of these cases spiral into seemingly insurmountable problems. He added that, while it is true in some situations that "you cannot get blood from a stone," and obligors may not earn enough to pay, the judiciary is supposed to adjust awards in those cases. He emphasized that Alaska is uniquely positioned due to the existence of the PFD, a tool that other states do not have. While not a silver bullet or a substantial amount of money, the PFD remains a valuable resource the State can use to assist custodial parents.

[2:12:23 PM](#)

CHAIR CLAMAN expressed his belief that SB 12 proposes an individual owed child support could apply on the obligor's behalf as long as the obligor remains an Alaska resident. He said, while it may take years to make any meaningful reduction in a balance owed, he believes that nothing in this legislation would prohibit an individual from continuing to apply for the remainder of the obligor's life.

[2:13:15 PM](#)

SENATOR STEVENS said it gets carried on to Social Security garnishments at some point too.

[2:13:21 PM](#)

SENATOR MYERS commented that while some obligors genuinely do not earn much, in other cases, the issue is driven by spite. He said that in the case he was connected to, he was not the one owed child support initially and made sure not to imply that. However, the birth father intentionally avoided formal employment and failed to apply for the PFD. Instead, he earned income through extralegal means, conduct that began before the children were born but was continued, in part, to avoid child support garnishment. He described it as a horrible situation and acknowledged that while SB 12 does not fully address such problems, it helps. He remarked on the extraordinary lengths some people go in order to avoid paying what they owe.

2:14:36 PM

CHAIR CLAMAN held SB 12 in committee.

2:15:05 PM

There being no further business to come before the committee, Chair Claman adjourned the Senate Judiciary Standing Committee meeting at 2:15 p.m.