

ADDRESSING NATIVE-SPECIFIC BARRIERS TO BENEFIT PROGRAM ACCESS AND ENROLLMENT

SUMMER 2023



Introduction

In FY19, Denver County joined Mesa, Morgan, Montezuma, Prowers and Kiowa Counties as a pilot site for the Colorado Department of Public Health & Environment [Essentials for Childhood](#) work. Pilot counties were tasked with identifying and addressing barriers to access to and enrollment in SNAP, WIC, CCCAP and tax benefit programs, with an emphasis on people currently in treatment for or at risk of substance misuse. The five year grant cycle concludes at the end of FY23.

In Denver, the [Denver Department of Public Health & Environment](#) (DDPHE) serves as the Economic Mobility partner, while [Focus Points Family Resource Center](#) served as the Community Norms partner until January 2021, when the Community Norms work was taken over by the [Denver Indian Family Resource Center](#) (DIFRC). Over the course of the grant cycle, the Department and Center worked together to conduct surveys and focus groups, with the goal of identifying and addressing barriers to program access and enrollment.

Problem Statement

Conversations with community members, as well as program staff at the local, state and federal levels, revealed lack of knowledge about Native-specific complications (per cap and tribal income reporting issues, etc) associated with applying to benefit programs, as well as inconsistencies in application processing. As a result of this, we set out to create a training tool, for both benefit program staff and applicants, to increase knowledge and decrease stigma and perpetuation of incorrect practices.

Background

In August 2021, in partnership with DDPHE and The University of Colorado, DIFRC conducted an online survey of 107 Native community members about access, enrollment and experiences with SNAP, WIC and CCCAP. Analysis was completed by the University of Denver Biology, Environment and Mood Studies (BEAMS) Lab.

Respondent demographics of note included the following: 82 percent identified as female, 49 percent were ages 30–39, and 32 percent reported an annual household income of fewer than \$5,000.

When asked to rate application difficulty on a scale from 1 (very easy) to 10 (very hard), the mean ratings for SNAP, WIC and CCCAP were 6, 6 and 7, respectively. The percentages of respondents who felt they experienced discrimination in the application process for SNAP, WIC and CCCAP were 7 percent, less than 1 percent and 5 percent, respectively. Also of note: only 8 percent of respondents who had applied for CCCAP were currently enrolled in the program, while 68 percent of SNAP applicants and 70 percent of WIC applicants were enrolled.

When asked why they were not currently enrolled in SNAP, respondents said they were unsure whether they qualified, wanted the benefits to go to others in greater need, and/or were unsure of the purpose of SNAP or how to apply. When asked why they were not currently enrolled in WIC, respondents said they did not need the benefit, were unsure whether they qualified, and/or had had bad prior experiences. When asked why they were not currently enrolled in CCCAP, respondents said they did not need the benefit, were unsure of the purpose of CCCAP, were unsure whether they qualified and/or had had bad prior experiences.

In May 2021, DIFRC conducted two focus groups about access, enrollment and experiences with SNAP, WIC and CCCAP. Below are questions and direct responses from participants. All responses are anonymous to protect participant privacy.

How easy or challenging was it to get services?

'WIC is not straightforward of how to shop with it, particularly at Walmart. No one showed me how to use it. I have challenges with products not being considered WIC eligible when I go to pay for products that say they are WIC eligible. This causes a lot of anxiety...I feel pressure when at the checkout line and there are customers behind me in a hurry. So, I end up paying for it with my own cash to ease the pressure.'

'I was approved with SNAP during the pandemic but had no instructions or a dedicated caseworker to help (me) understand how to use the benefit. I had to advocate for myself to DHS to ask how to use it, and they were helpful but my brother is unsheltered and...would not go through that process to find out how to use the service. He would just give it up.'

'WIC works better at King Soopers.'

'I always have a hard time applying for SNAP – it was easier when kids were younger. Now that they're older and have jobs it's harder because of increased income, even though one child has a disability. I tried to apply several times but got too tired and gave up.'

What could Denver do to make it simpler?

'If they assigned a caseworker that was consistent and the same person you deal with every time so you can build a relationship and you don't have to repeat yourself every time.'

'Having a caseworker is an excellent idea. Some of the trouble is lack of cooperation and communication between organizations. Is this a HIPPA barrier? Could they share data? Or if case notes could be shared across organizations that track you and services, you're enrolled in.'

'I would hold employees accountable – they cause more work for themselves by throwing things out, not processing, denial comes back wrong – the client has to be accountable, but the staff doesn't. They don't hold their employees to the same standard that they hold us to.'

Do you think parts of your identity (race, gender, tribal status, etc) affected your enrollment or renewal?

'Yes, I do. I'm not enrolled, my mom is enrolled, but dad is not, he is Chicano. Because I'm not enrolled it's hard to access Native services. I realize that as I go places my appearance makes people value me less and causes people to discriminate against me.'

'I was chosen for a Denver Metro volunteer project/study to see if housing services discriminate and I feel I was chosen because I look like a Native girl and am kind of large, and the result was that I am discriminated against because of this.'

'Maybe age because I am expected to have a stable job, but my baby needs all my attention, so I can hardly consider employment because of this.'

'Everyone cares about Black and White lives in America, but Native lives are always forgotten.'

'I hope that with the Census more Federal funding can come to the Native population and to the tribes.'

In addition to the feedback described above, through the survey results, focus group discussions and informal conversations with community members, it became clear that there was considerable confusion about whether or not to report Native-specific income on benefit program applications. Examples of Native-specific income (often called 'per cap') include tribal revenue from gaming, land leases, drilling, etc, that is then distributed to tribal

members at the discretion of tribal leadership. Community members were also unsure whether to report their COVID-19 pandemic stimulus checks. They shared that they, along with friends and family, had experienced discrepancies in application and reporting requirements from county to county and state to state. Given the strict income eligibility limits for benefit programs, the decision of whether or not to report this income could make the difference between being eligible and not being eligible for a program.

When we shared this confusion with state and local program administrators, we were repeatedly told that decisions were made at the county level, and community members should therefore check with county officials and program offices for guidance. This was confusing at best and frustrating at worst. Given that program guidelines and eligibility requirements are established at the state and federal level, there should not be discretion between counties.

After this realization, we set out to identify and connect with academics, lawyers and/or other professionals specializing in Native income issues, and came up empty handed. It goes without saying that if we, as health and human services professionals, were unable to connect with a resource and find answers, the odds of someone less familiar with how to undertake such efforts getting the information they need are even smaller.

Luckily, when we contacted Nathan Davis, the director of [Tax Help Colorado](#) at Mile High United Way, he was more than willing to help. He admitted to not being an expert on Native income, but was eager to dive deep into the IRS website and tax codes on our behalf. His efforts resulted in a [Native tax workshop](#), held online on March 3, 2022. It was very well received by attendees, and we encourage everyone to watch the recording.

Key workshop takeaways include:

Generally speaking, “if you are a member of a federally recognized tribe, you may receive taxable distributions from your tribe. The tribe must [report these distributions](#) to the IRS and you on a [Form 1099-MISC](#)” (Internal Revenue Service, 2022a; Internal Revenue Service, 2022b). The tribal distributions from Form 1099-MISC must be entered on Form 1040.

“[Members of federally recognized tribes are subject to federal income taxes](#)” with some exceptions (Internal Revenue Service, 2023a). “[Exceptions to members of federally recognized tribes being subject to taxes as individuals](#)” include “income from individually allotted land that remains in trust,” “treaty fishing rights-related income, payments made under certain tribal government general welfare programs and certain payments made under the Per Capita Act” (Internal Revenue Service, 2023b).

“[Per capita distributions made from funds the Secretary of the Interior](#) holds in a tribal Trust Account are generally excluded from the gross income of the members of the tribe receiving the per capita distributions” (Internal Revenue Service, 2015). However, there are some exceptions to this rule including mischaracterized compensation, mischaracterized business profits, and mischaracterized gaming revenue. This rule is only true of funds held in trust by the Secretary of the Interior.

“Gaming revenue distributions, including per capita payments, are taxable” (Internal Revenue Service, 2022c). For more information on taxable gaming income [FAQs for Indian Tribal Governments regarding Gaming Revenue Distributions, Including Per Capita Payments and IGRA | Internal Revenue Service \(irs.gov\)](#)

Proposed Solution

The following page contains an easy-to-read chart that maps out several common types of income and whether or not they should be reported on benefit program applications and federal taxes. We hope it can serve as a helpful resource for both program staff and community members.

We are not tax experts and encourage everyone with additional questions about what is or is not taxable to contact the IRS or your Tribal Government, as they will have the most accurate and up to date information.

| Income Type | Reportable on benefit program (SNAP, WIC, CCCAP, etc) application? | Reportable on federal taxes? |
|---|--|---|
| Wages | Yes | Yes |
| Social Security Retirement | Yes | No |
| Social Security Disability | Yes | Yes - amount depends on income |
| Supplemental Security Income (SSI) | Yes | No |
| Veterans Affairs (VA) pension or disability benefits | Yes | No |
| Unemployment | Yes | Yes |
| Child Support | Yes | No |
| Alimony | Yes | No |
| Private Retirement | Yes | Yes |
| Pension | Yes | Yes |
| Pandemic Stimulus Payments | No | No |
| PerCap Income Listed on Form 1099-MISC | Yes | Yes |
| Gaming Income | Yes | Yes |
| Per capita distributions made from funds the Secretary of the Interior holds in a tribal Trust Account | No | No, except for mischaracterized compensation, mischaracterized business profits, and/or mischaracterized gaming revenue |
| Income from individually allotted land that remains in trust, treaty fishing rights-related income, payments made under certain tribal government general welfare programs and certain payments made under the Per Capita Act | No | Generally, no - please contact your Tribal Government |

Conclusion

Our multi-year effort to understand and address Native-specific barriers to benefit program access and enrollment has revealed just how overwhelming and confusing the application and renewal process (as well as taxes) can be. We undertook these efforts in an attempt to humanize the experience and help alleviate community member anxiety. We also wanted to contribute to continuing education and knowledge for direct service staff. It is our hope that this paper and training tool will be shared widely among state and local program staff, and also used as a resource for community members.

While creating the training tool, it came to our attention that the Colorado Department of Revenue does not include any Native-specific guidance on its website. If time and bandwidth allow in the coming months, DDPHE staff will attempt to work with the Department to include guidance on state taxes in the training tool.

References

- Internal Revenue Service. (2015). *Per capita distributions of funds held in trust by the secretary of the interior: n-15-67*. <https://www.irs.gov/pub/irs-drop/n-15-67.pdf>
- Internal Revenue Service. (2022a, January). *Form 1099-Misc*. <https://www.irs.gov/pub/irs-pdf/f1099misc.pdf>
- Internal Revenue Service. (2022b, June 14). *Reporting tribal per capita distributions on your tax return*. <https://www.irs.gov/government-entities/indian-tribal-governments/reporting-of-per-capita-distributions-by-tribal-members>
- Internal Revenue Service. (2022c, June 14). *ITG FAQ #2 answer: How are gaming revenue distributions, including per capita payments, reported when the recipient is a minor?* <https://www.irs.gov/government-entities/indian-tribal-governments/itg-faq-2-answer-how-are-gaming-revenue-distributions-including-per-capita-payments-reported-when-the-recipient-is-a-minor>
- Internal Revenue Service. (2023a, February 3). *ITG FAQ #8 answer: Are members of federally recognized tribes subject to federal taxes as individuals?* <https://www.irs.gov/government-entities/indian-tribal-governments/itg-faq-8-answer-are-members-of-federally-recognized-tribes-subject-to-federal-taxes-as-individuals>
- Internal Revenue Service. (2023b, February 3). *ITG FAQ #9 answer: What are some of the exceptions to members of federally recognized tribes being subject to taxes as individuals?* <https://www.irs.gov/government-entities/indian-tribal-governments/itg-faq-9-answer-what-are-some-of-the-exceptions-to-members-of-federally-recognized-tribes-being-subject-to-taxes-as-individuals>

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