

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0869.03 Pierce Lively x2059

**HOUSE BILL 22-1389**

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**HOUSE SPONSORSHIP**

**Herod,**

**SENATE SPONSORSHIP**

**Hinrichsen,**

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**House Committees**

Business Affairs & Labor  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF FINANCIAL LITERACY AND EXCHANGE**  
102 **PROGRAM ACCOUNTS, AND, IN CONNECTION THEREWITH,**  
103 **MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill establishes the financial literacy and exchange program (program) within the division of housing (division). The program allows the division to create FLEX accounts for certain people who sign FLEX agreements and participate in eligible housing assistance voucher programs.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

The division is required to establish policies and procedures as necessary for the administration of the program and to annually report to the general assembly on the status of the program.

The bill also creates the continuously appropriated FLEX fund, which may be used for the direct and indirect costs of implementing the program.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-32-726 as  
3 follows:

4 **24-32-726. Financial literacy and exchange program - creation**  
5 **- FLEX accounts - FLEX cash fund - short title - legislative**  
6 **declaration - definitions.** (1) THE SHORT TITLE OF THIS SECTION IS THE  
7 "FINANCIAL LITERACY AND EXCHANGE PROGRAM (FLEX) ACT".

8 (2) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

9 (a) COLORADO FAMILIES AND YOUTH ARE IMPROVING THEIR  
10 LONG-TERM ECONOMIC WELL-BEING THROUGH PARTICIPATION IN THE  
11 FEDERAL FAMILY SELF-SUFFICIENCY PROGRAM AUTHORIZED UNDER 24  
12 CFR PART 984;

13 (b) THE FEDERAL FAMILY SELF-SUFFICIENCY PROGRAM ALLOWS  
14 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-ASSISTED FAMILIES,  
15 INCLUDING YOUTH TRANSITIONING FROM FOSTER CARE, TO BE MENTORED  
16 ON FINANCIAL LITERACY, INCREASE THEIR EARNED INCOME, BECOME  
17 FINANCIALLY STABLE, AND REDUCE AND EVENTUALLY ELIMINATE THEIR  
18 DEPENDENCY ON **GOVERNMENT** ASSISTANCE, RENTAL SUBSIDIES, AND  
19 OTHER GOVERNMENT PROGRAMS;

20 (c) THE STATE OF COLORADO ADMINISTERS STATE-FUNDED  
21 SUPPORTIVE HOUSING VOUCHERS WHEREBY RECIPIENTS WOULD BENEFIT  
22 FROM PARTICIPATION IN A PROGRAM LIKE THE FEDERAL FAMILY

1 SELF-SUFFICIENCY PROGRAM; AND

2 (d) THEREFORE, IT IS THE INTENT OF THE GENERAL ASSEMBLY TO  
3 CREATE THE COLORADO FINANCIAL LITERACY AND EQUITY EXCHANGE  
4 PROGRAM, A VOLUNTARY PROGRAM WITH THE GOAL OF GRANTING  
5 FINANCIAL SECURITY THROUGH EDUCATION, EMPLOYMENT, INVESTMENT,  
6 HOUSING STABILITY, AND SOCIAL MATURITY BY:

7 (I) ENABLING DIVISION OF HOUSING-ASSISTED INDIVIDUALS TO  
8 INCREASE THEIR EARNED INCOME AND REDUCE THEIR DEPENDENCY ON  
9 WELFARE ASSISTANCE AND RENTAL SUBSIDIES BY OFFERING SUCH  
10 INDIVIDUALS A FINANCIAL INCENTIVE TO INCREASE THEIR EARNINGS IN  
11 THE FORM OF AN ESCROW-LIKE SAVINGS ACCOUNT THAT GROWS AS AN  
12 INDIVIDUAL'S EARNINGS INCREASE; AND

13 (II) PROVIDING DIVISION OF HOUSING-ASSISTED INDIVIDUALS WITH  
14 ACCESS TO SERVICE PROVIDERS FOR ELIGIBLE YOUTH AND FAMILIES FOR  
15 FINANCIAL MENTORING, LIFE SKILLS TRAINING, AND ASSET MANAGEMENT.

16 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
17 REQUIRES:

18 (a) "ELIGIBLE EXPENSE" MEANS AN EXPENSE THAT SATISFIES THE  
19 CRITERIA ESTABLISHED BY THE DIVISION IN SUBSECTION (5)(d)(II) OF THIS  
20 SECTION.

21 (b) "ELIGIBLE HOUSING ASSISTANCE VOUCHER PROGRAM" MEANS  
22 A STATE PROGRAM THAT PROVIDES HOUSING ASSISTANCE VOUCHERS AND  
23 SATISFIES THE CRITERIA ESTABLISHED BY THE DIVISION PURSUANT TO  
24 SUBSECTION (5)(a) OF THIS SECTION.

25 (c) "ELIGIBLE PARTICIPANT" MEANS A PERSON WHO RECEIVES  
26 VOUCHERS FOR HOUSING ASSISTANCE FROM AN ELIGIBLE HOUSING  
27 ASSISTANCE VOUCHER PROGRAM AND SATISFIES ANY OTHER CRITERIA

1 ESTABLISHED BY THE DIVISION IN SUBSECTION (5)(b) OF THIS SECTION.

2 (d) "FLEX ACCOUNT" MEANS AN ACCOUNT CREATED BY THE  
3 DIVISION IN ACCORDANCE WITH THE REQUIREMENTS OF SUBSECTION (6) OF  
4 THIS SECTION.

5 (e) "FLEX AGREEMENT" MEANS AN AGREEMENT BETWEEN AN  
6 ELIGIBLE PARTICIPANT AND THE DIVISION THAT SATISFIES THE  
7 REQUIREMENTS ESTABLISHED BY THE DIVISION PURSUANT TO SUBSECTION  
8 (5)(d) OF THIS SECTION AND IS ALSO PARTICIPANT DIRECTED.

9 (f) "FLEX FUND" MEANS THE FUND CREATED IN SUBSECTION (7)(b)  
10 OF THIS SECTION.

11 (4) THERE IS HEREBY CREATED IN THE DIVISION OF HOUSING THE  
12 FLEX ACCOUNT PROGRAM TO ESTABLISH AND ADMINISTER FLEX  
13 ACCOUNTS TO ASSIST ELIGIBLE PARTICIPANTS IN SOCIAL INTEGRATION AND  
14 FINANCIAL INDEPENDENCE.

15 (5) THE DIVISION SHALL IMPLEMENT THE FLEX ACCOUNT  
16 PROGRAM IN ACCORDANCE WITH THIS SECTION. THE DIVISION SHALL  
17 ESTABLISH SUCH POLICIES AND PROCEDURES AS MAY BE NECESSARY TO  
18 IMPLEMENT THE FLEX ACCOUNT PROGRAM. AT A MINIMUM, THESE  
19 POLICIES AND PROCEDURES MUST SPECIFY:

20 (a) WHICH PROGRAMS QUALIFY AS ELIGIBLE HOUSING ASSISTANCE  
21 VOUCHER PROGRAMS;

22 (b) THE QUALIFICATIONS OF ELIGIBLE PARTICIPANTS;

23 (c) THE APPLICATION PROCESS FOR AN ELIGIBLE PARTICIPANT TO  
24 QUALIFY FOR THE ESTABLISHMENT OF A FLEX ACCOUNT; AND

25 (d) THE ELEMENTS OF A FLEX AGREEMENT. SUCH AGREEMENTS  
26 MAY BE RENEGOTIATED BY THE PARTICIPANT AND THE DIVISION AND MUST  
27 INCLUDE, AT A MINIMUM:

1 (I) A WRITTEN PLAN FOR THE USE OF FUNDS IN A FLEX ACCOUNT;

2 (II) WHICH EXPENSES QUALIFY AS ELIGIBLE EXPENSES; █

3 (III) THE CRITERIA THAT WILL RESULT IN THE FORFEITURE OF THE  
4 FUNDS IN A FLEX ACCOUNT; AND

5 (IV) THE CRITERIA FOR SUCCESSFUL COMPLETION OF THE FLEX  
6 ACCOUNT PROGRAM.

7 (6) (a) IF THE DIVISION DETERMINES THAT IT WILL AWARD A FLEX  
8 ACCOUNT TO AN ELIGIBLE PARTICIPANT, THE DIVISION SHALL CREATE AN  
9 INTEREST-BEARING ACCOUNT AND ASSIGN IT TO THAT ELIGIBLE  
10 PARTICIPANT.

11 (b) THE DIVISION SHALL PROVIDE TO EACH ELIGIBLE PARTICIPANT  
12 WHO IS ASSIGNED A FLEX ACCOUNT INFORMATION CONCERNING THE  
13 OPERATION OF THE FLEX ACCOUNT, INCLUDING A DESCRIPTION OF  
14 ELIGIBLE EXPENSES. MONEY IN A FLEX ACCOUNT MAY ONLY BE  
15 WITHDRAWN FOR AN ELIGIBLE EXPENSE.

16 (c) THE DIVISION SHALL CONTRACT WITH FOR-PROFIT AND  
17 NON-PROFIT ENTITIES TO PROVIDE FINANCIAL LITERACY SUPPORT TO  
18 ELIGIBLE PARTICIPANTS.

19 (d) IF AN ELIGIBLE PARTICIPANT VIOLATES A FLEX AGREEMENT OR  
20 WITHDRAWS MONEY IN A FLEX ACCOUNT FOR AN EXPENSES OTHER THAN  
21 AN ELIGIBLE EXPENSE, THE DIVISION MAY TRANSFER THE MONEY IN THE  
22 ELIGIBLE PARTICIPANT'S FLEX ACCOUNT TO THE FLEX FUND  
23 ESTABLISHED IN SUBSECTION (7)(b) OF THIS SECTION.

24 (e) ALL INTEREST EARNED BY THE MONEY IN A FLEX ACCOUNT  
25 MUST BE CREDITED TO THAT FLEX ACCOUNT.

26 (f) THE DIVISION MAY REQUIRE ELIGIBLE PARTICIPANTS TO REPORT  
27 TO THE DIVISION INFORMATION RELEVANT TO THE OPERATION OF A FLEX

1 ACCOUNT.

2 (7) (a) THE DIVISION MAY SEEK, ACCEPT, AND EXPEND GIFTS,  
3 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE  
4 PURPOSES OF THIS SECTION. THE DIVISION SHALL TRANSMIT ALL MONEY  
5 RECEIVED FOR THE ADMINISTRATION OF THIS SECTION THROUGH GIFTS,  
6 GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT  
7 THE MONEY TO THE FUND CREATED IN SUBSECTION (7)(b) OF THIS SECTION.

8 (b) THE FLEX FUND IS CREATED IN THE STATE TREASURY. THE  
9 FUND CONSISTS OF ANY MONEY THAT THE GENERAL ASSEMBLY MAY  
10 APPROPRIATE TO THE FUND, GIFTS, GRANTS, AND DONATIONS RECEIVED BY  
11 THE DIVISION PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION, OR ANY  
12 OTHER MONEY TRANSFERRED TO THE FUND. MONEY IN THE FUND IS  
13 CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE DIRECT AND  
14 INDIRECT COSTS OF IMPLEMENTING THE FLEX ACT DESCRIBED IN THIS  
15 SECTION. THE STATE TREASURER MAY INVEST ANY MONEY IN THE FUND  
16 NOT EXPENDED FOR THE PURPOSES OF THIS SECTION AS PROVIDED BY LAW.  
17 THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED  
18 FROM THE INVESTMENT AND DEPOSIT OF MONEY IN THE FUND TO THE  
19 FUND.

20 (8) (a) ON OR BEFORE FEBRUARY 1, 2024, AND ON OR BEFORE  
21 FEBRUARY 1 OF EACH YEAR THEREAFTER, FOR THE DURATION OF THE  
22 FLEX ACCOUNT PROGRAM, THE DIVISION SHALL SUBMIT A SUMMARIZED  
23 REPORT TO THE SENATE COMMITTEE ON LOCAL GOVERNMENT AND THE  
24 HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND  
25 LOCAL GOVERNMENT, OR ANY SUCCESSOR COMMITTEES, ON THE FLEX  
26 ACCOUNT PROGRAM. AT A MINIMUM, THE REPORT MUST INCLUDE:

27 (I) THE NUMBER OF FLEX ACCOUNT HOLDERS;

1 (II) THE NUMBER OF FLEX ACCOUNT HOLDERS WHO HAVE  
2 SUCCESSFULLY COMPLETED THE FLEX ACCOUNT PROGRAM, AS  
3 DETERMINED BY THE DIVISION; AND

4 (III) THE NUMBER OF FLEX ACCOUNT HOLDERS WHOSE MONEY  
5 HAS REVERTED TO THE FLEX FUND.

6 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE  
7 REPORTING REQUIREMENTS SET FORTH IN THIS SUBSECTION (8) CONTINUE  
8 FOR THE DURATION OF THE FLEX ACCOUNT PROGRAM.

9 **SECTION 2. Appropriation.** For the 2022-23 state fiscal year,  
10 \$103,355 is appropriated to the FLEX fund created in section 24-32-726  
11 (7)(b), C.R.S. This appropriation is from the general fund. The  
12 department of local affairs is responsible for the accounting related to this  
13 appropriation.

14 **SECTION 3. Act subject to petition - effective date.** This act  
15 takes effect January 1, 2023; except that, if a referendum petition is filed  
16 pursuant to section 1 (3) of article V of the state constitution against this  
17 act or an item, section, or part of this act within the ninety-day period  
18 after final adjournment of the general assembly, then the act, item,  
19 section, or part will not take effect unless approved by the people at the  
20 general election to be held in November 2022 and, in such case, will take  
21 effect January 1, 2023, or on the date of the official declaration of the  
22 vote thereon by the governor, whichever is later.