



**COLORADO**  
Department of Local Affairs  
Division of Housing

Financial Literacy and Exchange (FLEX) Act  
Report on House Bill 22-1389 Section 8(a) in  
SFY24 (July 1, 2023 – June 30, 2024)

**Report to the Senate  
Committee on Local  
Government and the  
House of  
Representatives  
Committee on  
Transportation and  
Local Government**

December 27, 2024

## **Financial Literacy and Exchange (FLEX) Act Report on House Bill 22-1389 Section 8(a) in SFY24 (July 1, 2023 - June 30, 2024)**

House Bill 22-1389 Section 8(a) reads that “On or before February 1, 2024, and on or before February 1 of each year thereafter, for the duration of the FLEX Account Program, the Division shall submit a summarized report to the Senate Committee on Local Government and the House of Representatives Committee on Transportation and Local Government, or any Successor Committees, on the FLEX Account Program. At minimum, the report must include:

- (I) The number of FLEX account holders;
- (II) The number of FLEX account holders who have completed the FLEX account program, as determined by the Division; and
- (III) The number of FLEX account holders whose money has reverted to the FLEX fund.”

This report fulfills the annual reporting requirement for the FLEX Account Program as outlined in House Bill 22-1389 Section 8(a) above and details the progress of the FLEX Account Program for SFY23 from July 1, 2023 - June 30, 2024. This report covers the second year of this program, which focused on finalizing policies, procedures, and forms, in addition to outreach and training for potential FLEX Administrators. This report outlines the program’s intended impact, current development stage, and encountered challenges.

### **Impact and Intent**

Across the programs serving people experiencing homelessness (PEH) supported by federal funding sources, the Colorado Division of Housing (DOH) strives to ensure that participants have access to the housing and supportive services they need in order to lead stable, productive, and fulfilling lives. Based on the Federal Family Self-Sufficiency (FSS) program, the FLEX Account Program is a voluntary program for eligible households participating in the DOH State Housing Voucher (SHV) Program. The Financial Literacy Exchange Account Program (FLEX) aims to empower individuals with a history of homelessness by equipping them with financial literacy skills and supplemental savings opportunities. The FLEX Account Program is designed to help SHV households achieve financial security through education, employment,

investment, housing stability, and social maturity. This is accomplished through two key features of the FLEX Account Program:

- A financial incentive for participants to increase their earnings in the form of an escrow-like savings account that increases as the participants increase their earnings.
- Case management and financial coaching to help participants access key services they may need to overcome barriers to employment, strengthen their financial capability, and address other challenges holding them back from achieving their goals.

When individuals with a history of homelessness have access to resources that enable them to supplement their earned income and increase their financial literacy, we consistently see reduced dependency on welfare assistance and rental subsidies, and enhanced financial security, which will ultimately help participants achieve stable housing and improved outcomes.

## **Current Status**

### **I. The number of FLEX Account Holders:**

- A. For SFY24, from July 1, 2023 - June 30, 2024, no new FLEX Account Holders were identified.
- B. For the SFY24 reporting period, DOH contracted with two (2) different agencies that were approved as FLEX Account Administrators. These FLEX Account Administrators intended to expand the FLEX Account Program for SFY24-SFY25. FLEX Administrators are responsible for enrolling participants into the FLEX Account Program and providing FLEX Account Program coordination within their agencies.

### **II. The number of FLEX Account Holders who have successfully completed the FLEX Account Program, as determined by the division:**

- A. For SFY24, from July 1, 2023 - June 30, 2024, no FLEX Account Holders have completed the FLEX Account Program.

### **III. The number of FLEX Account Holders whose money has reverted to the FLEX fund:**

- A. For SFY24, from July 1, 2023 - June 30, 2024, no FLEX Account Holders have had money reverted to the FLEX fund.

## **Challenges and Limitations**

- The program does not allocate funding to support coordination expenses incurred by SHV Administrators in the community to implement this program. Only two agencies have been approved as FLEX Administrators and have not been able to enroll any participants due to limited resources.
- Potential FLEX Administrators shared that staff do not have the capacity to provide the additional case management, financial tracking, and reporting required for the program without additional funds.

## **Conclusion**

During the second year of the program, two approved FLEX Administrators expressed interest in enrolling FLEX Participants. However, they were unable to enroll participants due to funding and capacity limitations.