

## Department of State

# FY 2026-27 Joint Budget Committee Hearing Agenda

Thursday, December 18th

1:30 PM – 2:30 PM

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## 1:30 – 1:40      **Introductions and Overview of Department**

Presenter: Jena Griswold, Secretary of State

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## 1:40 – 1:55      **Presentation of Request**

Main Presenters:

- Jena Griswold, Secretary of State
- Andrew Kline, Deputy Secretary of State
- Brad Lang, Chief Financial Officer

Supporting Presenters:

- Rich Schliep, Chief Information Officer
- Kathryn Mikeworth, Chief Administrative Officer
- Judd Choate, Elections Division Director
- Mike Fitzpatrick, Business & Licensing Division Deputy Director

Topics:

- R2 Informix upgrade: Page 6, Question 2 in the packet

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## 1:55 – 2:05      **Elections Division**

Main Presenters:

- Jena Griswold, Secretary of State
- Andrew Kline, Deputy Secretary of State
- Brad Lang, Chief Financial Officer

Supporting Presenters:

- Judd Choate, Elections Division Director
- Hilary Rudy, Elections Division Deputy Director
- Rich Schliep, Chief Information Officer

Topics:

- History of annual HAVA payments: Page 7, Question 3 in the packet
- Future expectations and outlook: Page 7, Question 3 in the packet
- TRACER Update: Page 8, Question 5 in the packet

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**2:05 – 2:30        CDOS Cash Fund**

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Main Presenters:

- Jena Griswold, Secretary of State
- Andrew Kline, Deputy Secretary of State
- Brad Lang, Chief Financial Officer

Topics:

- Solvency and transfers to General Fund: Page 9, Questions 6-7 in the packet,

## Department of State

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## Common questions For Department Hearings (Written-only Response)

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1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:
  - a. What is the total amount budgeted and expended on advertising and media placement type?

The Department expended approximately \$578,000 in HAVA funds on advertising and media placement in FY 2024-25. It has not expended any funds for this purpose in FY 2025-26.

The FY 2024-25 funds were primarily expended on advertisements that ran from October 11 - November 5, 2024 during the General Election. A subset of the funds were expended on advertisements that ran from June 3 - June 25, 2024 during the State Primary.

Advertisements were focused on ensuring Coloradans knew where to get accurate information during the 2024 General Election, and to encourage Coloradans to check sources for accuracy before sharing information online.

- b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?

The advertising dollars associated with the 2024 General Election Cycle were allocated among local news sites as well as on streaming platforms that reach a Colorado audience (ESPN, Hulu, etc.), and on social media sites such as Meta, YouTube, and Snapchat. Advertisements were placed dynamically by the vendor using a proprietary service, and ultimately appeared on thousands of websites

and services utilized by Coloradans – including prominent local news sites, personal interest websites, blogs, tv streaming services, and more.

**2024 General Election Advertising Budget Allocations Summary:**

- Social media (Meta, Snapchat, YouTube): 42.10%
- Google Search Engine Marketing: 11.39%
- Programmatic Display Ads (e.g. digital banners, images): 12.57%
- Programmatic Video ads (e.g. streaming services excl. YouTube): 33.94%
- Radio: 0%
- Outdoor: 0%

All advertisements were geotargeted within Colorado's borders.

There are no advertising dollars allocated for this purpose in FY 2025-26.

- c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?

The advertising dollars associated with the 2024 General Election Cycle were allocated among local news sites as well as on streaming platforms that reach a Colorado audience (ESPN, Hulu, etc.), and on social media sites such as Meta, YouTube, and Snapchat. Advertisements were geotargeted within Colorado's borders.

There are no advertising dollars allocated for this purpose in FY 2025-26.

- d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?

The Department and vendor Marketing for Change considered metrics such as impressions, click through rates, video completions, sessions, and cost per 1,000 impressions as KPIs during the 2024 General Election advertising cycle. We also examined top performing keywords throughout the cycle and fine-tuned media placements according to what was performing most effectively.

There are no advertising dollars allocated for this purpose in FY 2025-26.

- e. If any portion of advertising is managed through third-party vendors (or ‘partners’); or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?

The Department partnered with Marketing for Change, a third-party vendor, for the 2024 General Election advertising cycle. According to the metrics provided by Marketing for Change, the 2024 General Election advertising initiative generated 51,795,991 impressions in total. Additionally, 3.9 million advertisements were watched to completion, and more than 144,000 sessions were considered “engaged” – those are sessions that lasted longer than 10 seconds or drove users to the Department’s voting-specific website, GoVoteColorado.gov.

Advertisements placed on Meta platforms reached 3.5 million Coloradans 3 times each, according to data shared by Marketing for Change. Advertisements placed on YouTube reached 1 million people 6.4 times each. Advertisements placed on Snapchat reached 362 people 15 times each.

The media placement decisions for this initiative were made in August and September of 2024 and adjusted until the initiative’s completion in November 2024 according to the data gathered by Marketing for Change.

There are no advertising dollars allocated for this purpose in FY 2025-26, and there is no contract with a third-party vendor in place.

- f. Monthly or quarterly reporting - how is reporting delivered?

There is no reporting at this time because the Department has no ongoing paid advertising or marketing initiative.

During the 2024 General Election, reports were delivered via PDF, email, and in virtual meetings by Marketing for Change to Department staff. There are no advertising dollars allocated for this purpose in FY 2025-26.

## Budget Request

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### Informix

2. Sen. Bridges: Please explain what the Department wants to do with this system and what they think it will ultimately cost? Why do they want to move away from the system? What is the Department budgeting for? What does it cost in other states that use similar systems? Are they looking at an off-the-shelf product, or a custom product? Will the Department eventually need to raise filing fees to fund this transition?

The Department currently operates critical databases using old Informix technology. These databases house information for core Department operations, including business registrations, UCC filings, notary registrations, and other core services. Most organizations in the US have transitioned to modern database technologies, and it is becoming increasingly challenging, competitive, and costly to hire IT staff with (outdated) Informix skills. Simply put, continuing to use Informix will likely cost the state more money over the long run than migrating to a modern, widely used, and more current database technology.

The request is for the spending authority to engage a consultant with expertise in data migration to advise the Department on which combination of commercial off-the-shelf products, such as Microsoft SQL Server or PostgreSQL, would be suitable for its needs and design, and plan the transition. We expect the consultant will provide a clear and detailed plan for future migration and outline the necessary personnel and technology resources to plan and execute a successful migration from Informix to a more widely used database technology.

Based on information currently known to us, we believe the majority of the costs would be attributable to the work required for the actual migration to another product and the Department could potentially realize a reduction in ongoing support and maintenance costs after transitioning to a more modern database software. Because the consultant will assist in identifying potential software solutions and details on timing, actions, and costs associated with the database migration, the Department does not yet have an exact estimate of what the full life-cycle costs for this project would be.

## General Factors

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### HAVA Grants

3. *Sen. Amabile*: Is HAVA funding still Available? What is the plan going forward? Is the Department taking in enough Revenue in fees to cover that amount if the funding is no longer available?

The Help America Vote Act (HAVA) was passed by Congress in 2002 and there have been several grants issued by the federal government to states related to that law in subsequent years. The entirety of the Department's remaining HAVA funding is an Election Security Grant that was first issued in 2018 with additional tranches issued in calendar years 2020, 2022, 2023, and 2024. These funds are continuously appropriated until expended. HAVA funds must be used on the improvement of the administration of federal elections and cannot be used to supplant state or local government expenditures. This frequently means that expenses are allocated proportionally between HAVA and non-HAVA funding in proportion to the share attributable to federal elections.

The Department currently has approximately \$6.5 million in unobligated HAVA funds (combined state matching funds, grant proceeds, and accumulated interest) in the Federal Elections Assistance Fund. If this HAVA funding were no longer available, the Department would need to submit a request to increase cash fund spending authority for any programs that are currently supported by these funds.

### Local Election Reimbursement

4. *Sen. Kirkmeyer and Rep. Sirota (Written Response Only)*: Were the General Fund reimbursement payments in FY 23-24 a one-time deal, or will all presidential primary election reimbursement payments be General Funded in current statute?

SB 23-276 created a brand-new reimbursement structure from the State to the counties for direct election costs. The legislation provided \$2.5 million in one-time funding from the General Fund to cover a portion of the local election reimbursement payments to counties for the November 2024 General Election (FY 2024-25). The funding from the General Fund covered roughly 30 percent of the total reimbursement cost for that one election. There is no ongoing appropriation of General Fund monies to the Department of State for local election reimbursements to the counties for future General or Coordinated Elections.

Since SB 17-305 was signed into law, counties have been reimbursed for their direct costs of conducting presidential primary elections from the General Fund pursuant to § 24-21-104.5 (2) C.R.S. The next presidential primary will take place in FY 2027-28.

## TRACER

5. Sen. Amabile: Please provide an update on the status of updating TRACER. Are there improvements coming?

The Department has fully executed the Main Task Order Contract with the vendor for a replacement system. The Department has also executed the contract Task Order for Phase I of the project (Campaign Finance Reporting Module). Department subject matter experts have been and are continuing to meet with the vendor's design and development staff to confirm and finalize system functionality and configuration requirements. The Department also executed a parallel task order with the vendor in June 2025 to cover the migration of contribution and expenditure information from the TRACER system into the new system.

Development work is well underway, and the Department is already reviewing system mockups and process flows developed by the vendor. We expect more system features and functionality to continually be developed throughout the spring of 2026, combined with additional verification, testing, and acceptance from Department staff.

In September 2025, the vendor informed the Department that, for reasons unrelated to this project, they needed to conduct significant system and security updates to their architecture, which would delay the launch of this system. The Department now intends to roll out the system following the 2026 Midterm Election.

## Budget Reductions

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### Transfer from CDOS Cash Fund

6. Rep. Sirota: Can we not transfer something like \$500,000 from the cash fund without raising fees? Please go into detail on the status of the cash fund and the potential need to raise fees to maintain solvency.

The Colorado Department of State Cash Fund (CDOS Cash Fund) balance is the sum of many parts. Spending authority does not equal cash, and increased spending authority intended to be used throughout a fiscal year has a considerably different impact than a one-time, lump sum transfer or payment of the same amount. While our revenue is relatively evenly distributed through the fiscal year, our expenses are not as there are spikes in expenses at the beginning of the fiscal year and also when local reimbursement payments are issued to counties, which will happen twice in FY 2025-26 (for the November 2025 Coordinated Election and also for the June 2026 Primary Election that takes place on the final day of the fiscal year). We must ensure that we have sufficient cash on hand to make timely payments to counties and to cover our other regular expenses. Further, it is challenging for counties to estimate their elections costs in advance, meaning we must account for some uncertainty in setting our fees. If county election expenses are greater than anticipated, if there are significant costs to be paid from the CDOS Cash Fund as a result of legislation passed during the 2026 Session, or other unanticipated expenses, it is conceivable that a sweep of \$500,000 or more would result in a need to increase fees. There also would be a potential for opening up the Department to litigation as a result of this action.

7. Staff-initiated: If the total budget for the CDOS is declining by \$ 1.3M this year, would it not be possible to transfer that same amount to the General Fund without changing business filing fees?

The new local election reimbursement mechanism set by SB 23-276 means that our cash fund expenses vary significantly from year-to-year with the four-year election cycle depending upon the type and number of reimbursable elections. In order to provide consistency for small businesses, we have aimed to set our fees at a consistent level rather than dramatically raising and lowering them from year-to-year. So, while there will only be a single election to reimburse in FY 2026-27 (the November 2026 General Election), we need the cash we will generate in order to be able to fund the county reimbursements in FY 2027-28 when we will need to reimburse counties from our cash fund for the November 2027 Coordinated Election as well as the June 2028 Primary Election. If \$1.3 million is swept from the CDOS

Cash Fund in FY 2026-27, this action by the legislature would ultimately require fees to be raised on businesses in order to have sufficient cash on hand to reimburse counties in FY 2027-28.

**Department of State**

**FY 2026-27 Joint Budget**

**Committee Hearing: Post-hearing Responses**

**Common Questions (Written-only Response)**

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1. Can you please outline a detailed plan for shifting 5.0 percent of General Fund salaries to cash and/or federal fund sources. Please include the following information:
  - a. A list of positions and associated funding that can be shifted to cash/federal fund sources without any action from the General Assembly.

**The Department of State (Department) currently does not have any employees whose salary or benefits are paid from the General Fund.**

- b. A list of positions and associated funding that can be shifted to cash/federal fund sources but would require legislation to do so.

**The Department currently does not have any employees whose salary or benefits are paid from the General Fund.**

What other changes could be made – programmatic or otherwise – that would allow your department greater flexibility to use cash/federal fund sources in place of General Fund for employee salaries?

**The Department currently does not have any employees whose salary or benefits are paid from the General Fund.**

2. How many hires have been made between the August 27, 2025 hiring freeze executive order and the end of December 2025? Why were these positions hired (e.g., because the position was posted beforehand; an exemption, etc.)? Please provide job classification, division, and fund source (General Fund vs. other funds) for each position hired.

**While not required to abide by the Governor's Executive Order<sup>1</sup> instituting a hiring freeze, the Department voluntarily complied. All nine positions that were hired between August 27, 2025 and December 31, 2025 were posted prior to the hiring freeze. The table on the next page provides the requested details for these**

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<sup>1</sup> The Secretary of State is one of the constitutional statewide elective officers pursuant to § 1 of Article IV of the Colorado State Constitution.

positions. As noted in the table, all of the positions hired in this period were cash funded and not from the General Fund.

| <b>Division</b>        | <b>Job Classification</b>  | <b>Fund Source</b>          |
|------------------------|----------------------------|-----------------------------|
| Business & Licensing   | Compliance Investigator I  | CDOS Cash Fund <sup>2</sup> |
| Business & Licensing   | Compliance Investigator II | CDOS Cash Fund              |
| Business & Licensing   | Technician I               | CDOS Cash Fund              |
| Business & Licensing   | Technician I               | CDOS Cash Fund              |
| Business & Licensing   | Technician I               | CDOS Cash Fund              |
| Elections              | Analyst V                  | CDOS Cash Fund              |
| Information Technology | Database Services III      | CDOS Cash Fund              |
| Information Technology | Information Technology VI  | CDOS Cash Fund              |
| Information Technology | IT Infrastructure III      | CDOS Cash Fund              |

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<sup>2</sup> Colorado Department of State (CDOS) Cash Fund, § 24-21-104(3)(b) C.R.S.