

**Department of Higher Education
History Colorado and Cumbres & Toltec Railroad**

**FY 2026-27 Joint Budget
Committee Hearing Agenda**

Thursday, January 8, 2026

11:00 am – 11:45 am

11:00 – 11:05 History Colorado Introductions, Opening Comments

- Dawn DiPrince, President/CEO
- Nancy Chisolm, History Colorado Board Chair

11:05 – 11:20 History Colorado Request Items

Main Presenters:

- Dawn DiPrince, President/CEO
- Nancy Chisolm, History Colorado Board Chair

Supporting Presenters:

- Chris Creighton, CFO (Questions Only)

Topics:

- R1 Limited Gaming Transfer: Page 7 in the packet
- R2 Long Bill Central Appropriations Restructure: Page 9 in the packet
- R3 HSMO, Community Museums Reduction: Page 9 in the packet

11:20 – 11:30 History Colorado Storage Facility

Main Presenters:

- Dawn DiPrince, President/CEO
- Nancy Chisolm, History Colorado Board Chair

Supporting Presenters:

- Chris Creighton, CFO (Questions Only)
- Hannah Rabicoff, Facilities Director (Questions Only)

Topics:

- Storage Facility Solution History and Update: Page 9 in the packet

11:30 – 11:45 Cumbres & Toltec Railroad Introductions, Opening Comments, and Request Items

Main Presenters:

- Alysia Martinez, Chief Financial Officer, Cumbres and Toltec Scenic Railroad
- Eric Mason, Interim CEO, Cumbres and Toltec Scenic Railroad
- Scott Gibbs, Colorado Commissioner, Cumbres and Toltec Scenic Railroad

Topics:

- R4 Cumbres & Toltec Reduction: Page 11 in the packet

Common question For Department Hearings (Written-only Response)

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?

1) The History Colorado statewide marketing and communications budget is a total of \$770,000 and includes \$600,000 for statewide advertising and marketing support platforms and \$170,000 for community museum advertising. Of these totals, approximately \$181,000 is allocated for advertising placements from the statewide budget and another \$86,000 is allocated for the community museum budget for ad placements. The remaining marketing budget is used to support creative development, production, printing, web site support and services and all external communication platforms such as newsletter issuing services. Collectively, these investments help generate more than \$3.0 million in earned revenue and provide other direct revenue benefits such as increased memberships and donations as well as indirect benefits such as brand awareness and name recognition.

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.)?

1) Each advertising buy is tailored to the physical location of the museum as well as the type of program. Paid social media advertising and other digital advertising placements work well for all locations and programs as we can highly target ads to potential customers based on interests and locations. These digital placements are sometimes hyper-local (within 5 miles of location) and sometimes national to qualified audience planning trips to Colorado (tourism messaging). Additionally, we have purchased advertising on broadcast television stations, broadcast and public radio stations, newspapers, magazines, outdoor advertising (billboards, bus backs, banners, etc.).

Specifically, for advertising placement expenditures (approx. \$181,000) from the larger statewide account, the approximate allocation by platform is as follows: Print = 13%, Paid Social ads/Digital ads (AdWords, display ads, retargeting, etc) = 32%, Radio = 21%, TV = 11%, Outdoor/ Out of Home =12%, SEO = 11%.

The approximate community museum advertising placement (approx. \$86,300) allocations by platform: Print = 16%, Paid Social ads/Digital ads (AdWords, display ads, retargeting, etc) = 75%, Radio = 5%, Outdoor/ Out of Home = 4%.

Note that the above estimated numbers vary widely from year to year depending on program offerings and location. However, paid social and digital advertising generally remain as the highest budget allocation due to the overall efficiency of these tactics when considering geo-targeting, CPM, and behavioral interests.

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

- 1) The vast majority of advertising dollars are placed within Colorado media outlets such as CPR, KCNC-TV, CBS, Alamosa Citizen, Montrose Daily Press and other small market newspapers and radio stations. The digital media buys are placed through Meta (Facebook and Instagram) and Google (Google Ad Words). The bulk of advertising is a direct buy placed by representatives of the History Colorado marketing department. In some circumstances, the History Colorado marketing department outsources media placements across platforms to supporting ad agencies.

Of the total advertising placement expenditures from the two budgets listed above (\$267,300) about 46% of this budget is placed through Meta, Google and other digital platforms, 9% to national tourism advertising (also various digital platforms) and the remaining 45% of the ad placement budget allocated to Colorado based media outlets.

- 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?

- 1) Metrics to measure results are established specifically for each campaign and advertising platform. An overarching metric we track is increases/ decreases to attendance/registration/application numbers. For all digital campaigns we also track CTR (click through rate), open rates, CPM (cost per thousand), impressions and engagement rates to help inform the effectiveness of the advertising campaigns. We look for these elements to meet or exceed industry standards for any given tactic. Also, we attach codes to every digital ad and digital communication so that we can track the conversion rates of the

individual ad unit and its individual success in driving customers to the destination landing page (i.e. ticket purchase page). The combination of this information allows the History Colorado marketing team to make informed decisions about which ad placements and messaging approaches work best and therefore make necessary adjustments as needed to continue to improve efficiency of every dollar spent.

Examples of the types of reports we use for metric tracking are below:

90s Campaign mid-way report:

Overall, we've served 2.5MM impressions and garnered 13K clicks, with 8.3K website activities to-date.

Online Video

Served 403K impressions and garnered 1.1K clicks, which gave us a 0.29% CTR

Above the CTR benchmark of 0.21%

Video Completion Rate of 78.40%

Above our VCR benchmark of 70%

1.2K website activities/page views were recorded to-date.

Connected TV

Served 258K impressions with a Video Completion Rate of 99.29%

WELL above our VCR benchmark of 90%

Story Ads

Served 490K impressions and garnered 10K clicks, giving us a 2.08% CTR

Double our CTR benchmark of 1.00%

Brought in 5.5K website activities to-date with a story completion rate of 32.08% and engagement rate of 19.64%

Retargeting + Added Value Display

Served 434K impressions and garnered 405 clicks, giving us a CTR of 0.09%

Right below our CTR benchmark of 0.10%

Brought in 549 website activities to-date!

Geo-Fencing Display

Served 675K impressions and garnered 1.3K clicks, giving us a CTR of 0.20%

Double our CTR benchmark of 0.10%

Garnered 1K website activities so far

5280 eBlast

Served 5.4K impressions and garnered 291 clicks giving us a CTR of 0.05%

Streaming Audio

Served 188K impressions and garnered 63 clicks with a 1.99 frequency

Meta:

Served 580K impressions and garnered 11K clicks, 4K being link clicks

This gave us a great CTR of 1.82%

Double our CTR benchmark of 0.90%

29,932 post engagements to-date

745 post reactions

85 post shares

47 post saves

40 post comments

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?

1) We do work with a couple of outside vendors on occasion to help plan and place advertising. When these types of programs are in place, we meet with the ad agency every two weeks or every month depending on the length of the overall campaign. In these cases, ad agencies provide recap reports regularly throughout campaigns and a final result report at the conclusion of the campaign. [Samples of these reports can be found in this folder.](#)

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

- 1) Reporting is delivered via an email PDF outlining each tactic, the impressions, the industry standard and when applicable a percent increase/ decrease over time. We get monthly reports on the bulk of social media advertising across the History Colorado system.

History Colorado Request Items (for discussion)

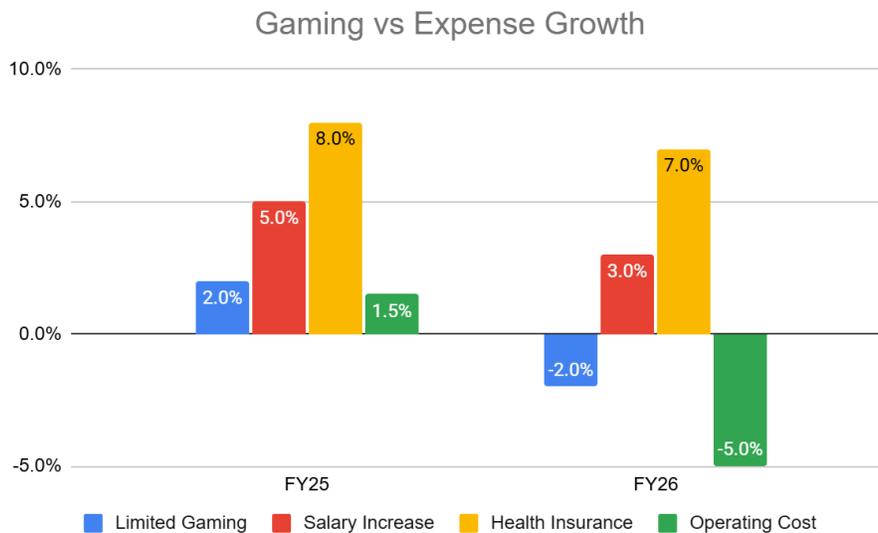
R1 Limited Gaming Transfer

[JBC Staff] Please describe the R1 request and the current structural challenges around limited gaming revenue support for History Colorado.

History Colorado requests that \$1 million in limited gaming revenue, originally transferred to the OEDIT Travel and Tourism Promotion Cash Fund - be transferred to History Colorado.

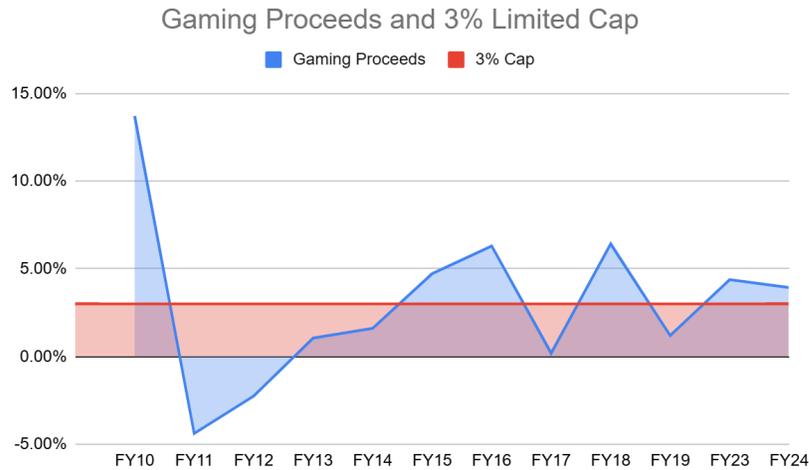
Limited Gaming/Structural Challenge Overview:

Limited gaming makes up 55% of History Colorado's revenue. Limited gaming revenue fluctuates greatly from year to year and the total amount of limited gaming has a 3% growth cap each year, while annual cost increases for personnel, supplies and materials, and common policies, and benefits exceed this amount creating a structural imbalance as shown below.

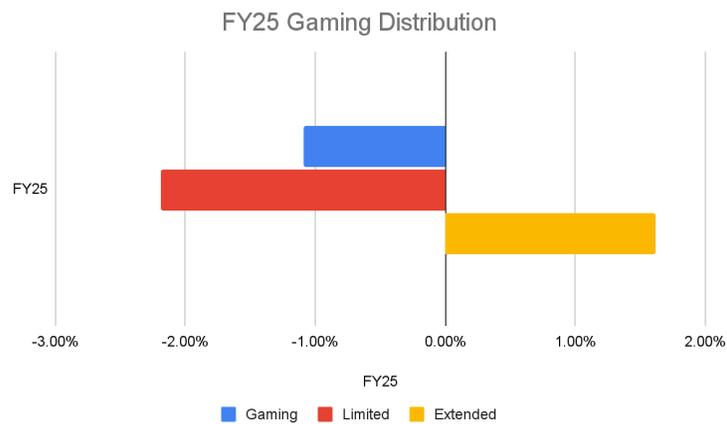


*HC Implemented a 5% operating cost reduction in FY26 based on gaming projections and other cost increases beyond our control- IT Accessibility, Workers Comp, Risk

Over the past 15 years, the 3% growth limit on limited gaming funds has gone into effect 6 times. The chart below shows the trends of limited gaming revenue against the cap and how it fluctuates from year to year.



The most recent (FY25) distribution between limited and extended gaming: overall gaming is down 1.09% but extended gaming grew nearly 2% while limited gaming is down over 2%. For History Colorado, this reduction amounts to \$750K.



Without an increase in limited gaming revenues or other revenues History Colorado will continue to have a structural budget imbalance and a deficit of about \$1M in future years.

Other Request Items

[JBC Staff] Please describe the other History Colorado requests.

HC R-02

History Colorado requests a technical change to separate the Centrally Appropriated Lines (Total Compensation and Operating Common Policies) currently shared with the Department of Higher Education (CDHE). The existing combined structure creates administrative inefficiency, complicates base and supplemental adjustments, and obscures variance reconciliation all of which create workload burdens on History Colorado, Higher Education, the Office of the State Controller, the Office of State Planning and Budgeting, and the Office of the State Auditor. Establishing individual sections for each entity will alleviate these burdens, reduce transaction errors, and improve budget transparency for outside stakeholders.

HC R-03

To support statewide efforts to maintain a balanced budget, History Colorado requests a permanent 2.5% General Fund base reduction of \$36,796 beginning in FY 2026-27. This adjustment includes a \$33,944 reduction to the Community Museums line and \$2,852 to the Historical Site Maintenance and Operations (HSMO) line. History Colorado expects minimal impact on the operations of its seven community museums and historic sites, as it will prioritize essential maintenance and leverage earned revenue to offset the decrease.

History Colorado Storage Facility (for discussion)

[Rep. Taggart, JBC Staff] Please provide a history, update, and next steps on the storage facility solution. Please explain what happens with the History Colorado loan to the Department of Revenue for the Auraria Campus building.

Planning to address the space and condition challenges for the State's Historical Collection of over 15 million artifacts began in 2021 with a master planning process and a space needs analysis. History Colorado evaluated lease, build, and buy options for long-term collections storage and evaluated underutilized state facilities. Through this process and [Senate Bill 24-222](#), access to the State-owned building at 1881 Pierce Street in Lakewood was secured as a potential solution. History Colorado facilities and collections staff completed an initial walk through of 1881 Pierce in the spring of 2024 and determined that it could be a viable storage option, but more detailed structural

review, design plans and cost estimates were needed. History Colorado contracted Iron Horse Architects and Schwartz Silver, a nationally recognized museum collections architecture firm, to fully assess the facility, prepare design plans for conversion to storage, and to prepare construction cost estimates. This review found the 1881 Pierce to be structurally sound and well maintained for its age and office use, but also revealed significant challenges related to conversion to meet collections storage requirements and museum accreditation standards and the retrofit cost was estimated at \$30M which is more than double the \$11-15M identified for this project. Additionally, this investment would not increase storage capacity and thus would not actually solve space needs for the collection.

The high cost of retrofitting 1881 Pierce led History Colorado to revisit earlier discussions during the master planning phase, including continued use and expansion of North Storage, leasing storage space from other state agencies, leasing a storage facility on the private market, or renovating the History Colorado Center to increase storage capacity.

In 2024 History Colorado completed a full facility condition assessment and was able to access resources and support for facilities upgrades through an Energy Performance Contract (EPC). While North Storage was not originally envisioned as part of the EPC process, through this contract, North Storage repairs including lighting, roof replacement, and HVAC could be financed which resolves the most pressing North Storage issues and would allow for cash funds authorized for storage improvements to be used to improve and expand North. The estimate for the improvements at North through the EPC is up to \$8M and \$5M for expansion. Given this and the high cost of retrofitting 1881 Pierce, moving forward with the retrofit of North Storage has been determined to be the most cost effective approach to solving the State's historical collection storage needs.

Collections Care Facility Cost Summary (In Millions)					
Capital Need	North*	1881 Pierce	Lease/Retrof it**	Build**	Buy/Retrofit **
Retrofit	\$8.0	\$27.5	\$48.3	53.4	55.4
Expansion	\$5.0	\$0.0	\$0.0	\$0.0	\$0.0
Move	\$0.0	\$2.0	\$2.0	\$2.0	\$2.0
Total	\$13.0	\$29.5	\$50.3	\$55.4	\$57.4
Funds on Hand	\$7.1	\$7.1	\$7.1	\$7.1	\$7.1
North Proceeds***	\$0.0	\$4.0	\$4.0	\$4.0	\$4.0
EPC Borrowing	\$8.0	N/A	N/A	N/A	N/A
Contingency/Project Mgmt	\$1.5				
Gap	\$0.6	-\$18.4	-\$39.2	-\$44.3	-\$46.3

*Costs are subject to change based on final EPC borrowing and HC Capital Contribution (funds on hand) **Costs from 2021 Stantec Facility Study and have not been adjusted for inflation. *** Current estimate, could be \$8M with reckoning and is dependent on market conditions.

There is no change to the History Colorado loan to the Department of Revenue. Per SB24-222, History Colorado loaned DOR \$1.6M for their capital construction needs for the Regional Service Center on the Auraria campus. DOR is repaying this loan, with zero interest, over four fiscal years between FY26 and FY29. The first payment was made in Q2 of FY26. DOR has the option of paying this off sooner if funds are available in a given fiscal year. The repayment was made possible by CDOT which has reduced its annual lease payment for DOR for use of office space in the CDOT building by \$400K through FY29.

Cumbres & Toltec Request Item (for discussion)

[JBC Staff] Please describe the Cumbres & Toltec reduction request.

HC R-04

To support statewide efforts to maintain a balanced budget, the Cumbres & Toltec Railroad (C&TSRR) requests a permanent General Fund base reduction of \$48,213 beginning in FY 2026-27. C&TSRR will rely on earned revenue to offset the decrease in General Fund support.

Looking ahead, the C&TSRR is executing an ambitious plan for the 2026 operating season focused on strengthening revenue, increasing ridership, and expanding the guest experience. This plan includes:

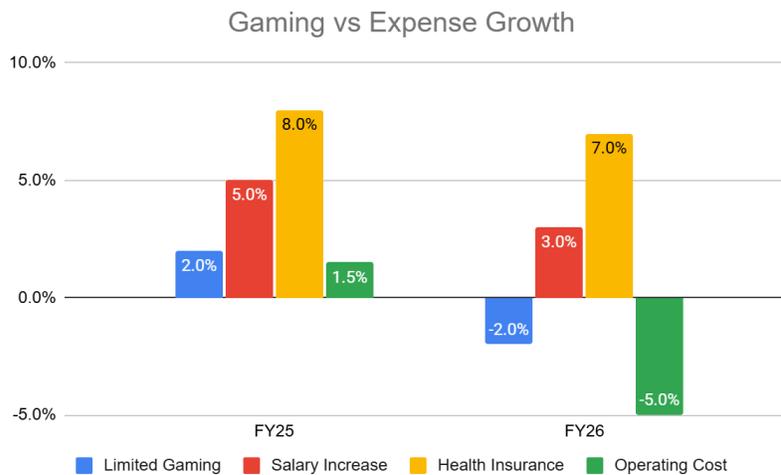
- New themed trains such as Dark Sky Astronomy Rides, Santa's Holiday Express, and Music & Wine Trains to attract new audiences and extend the season.
- Shorter, family-focused specialty excursions designed to increase accessibility and repeat visitation.
- Expanded group and charter offerings for weddings, corporate retreats, and special events.
- Enhanced marketing partnerships with state tourism offices and regional communities to expand visibility and attract overnight travelers.

These initiatives are expected to generate a meaningful increase in ridership and overall revenue by 2026, advancing the railroad's long-term goal of sustainable self-sufficiency while reinforcing its position as a cornerstone of rural tourism and heritage preservation.



HC-R-01- Limited Gaming Transfer

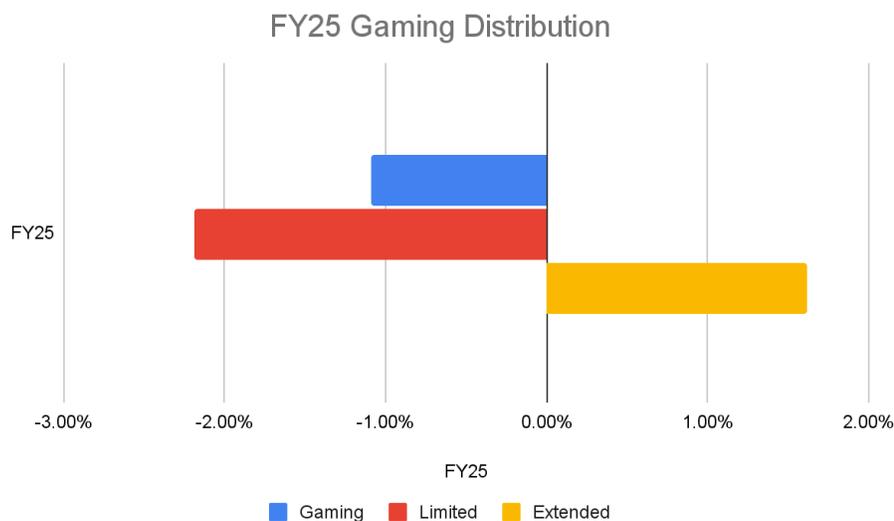
Limited gaming makes up 55% of History Colorado’s revenue. Limited gaming revenue fluctuates greatly from year to year and the total amount of limited gaming has a 3% growth cap each year, while annual cost increases for personnel, supplies and materials, and common policies, and benefits exceed this amount creating a structural imbalance as shown below. HC-R-01 allocates \$1M to History Colorado and reduces the Colorado Tourism Fund distribution by \$1M. This is a net zero impact on the limited gaming side with no impact to the General Fund or TABOR.



Gaming Distribution

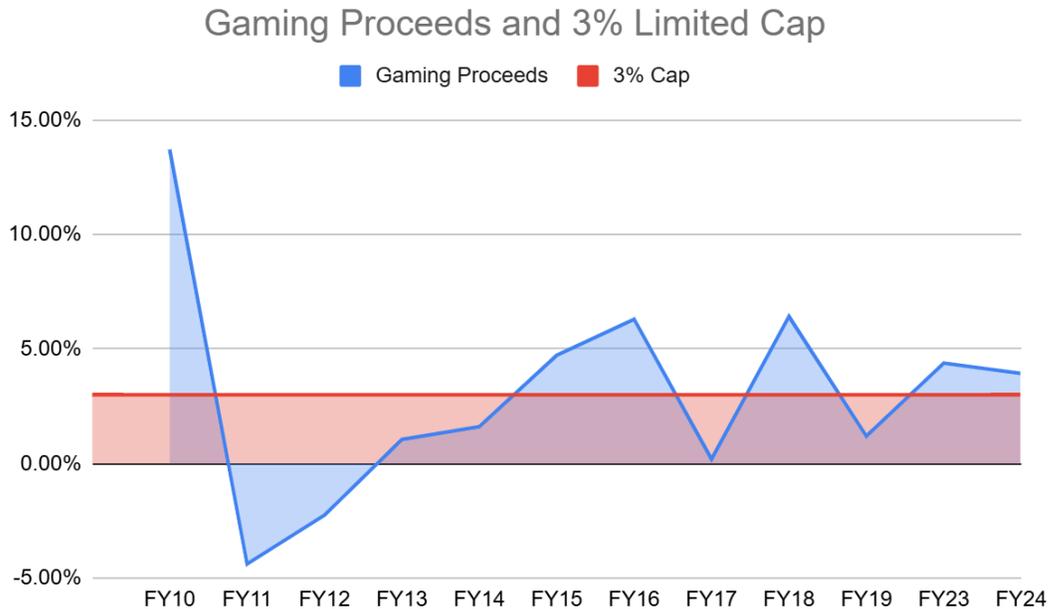
Gaming proceeds are split into two major categories – Limited Gaming revenue which was authorized by voters in 1990 and Extended Gaming Revenue which was authorized in 2008 and 2020.

For the most recent year (FY25) overall gaming was down 1.09% but the extended gaming distribution grew nearly 2% while the limited gaming distribution is down over 2%. For History Colorado, this reduction amounts to \$750K.





Over the past 15 years, the 3% growth cap on limited gaming funds has gone into effect 6 times which has a cumulative effect on the limited gaming base. The chart below shows the trends of limited gaming revenue against the cap and how it fluctuates from year to year.



Distribution Breakdown

Limited and extended gaming proceeds are currently distributed as shown below.

Gaming Distribution Breakdown	
Original/ Limited Gaming Distribution 1990 Constitutional Amendment	Extended Gaming Distribution 2008 Amendment 50, 2020 Amendment 77
50%- State General Fund or other funds as allocated by the General Assembly as shown below -Colorado Tourism Fund \$15M -Local Govt Limited Gaming Impact \$6.0M -Advanced Industries \$5.5M -Responsible Gaming Grant: \$2.5M -Innovative Higher Education \$2.1M -Creative Industries \$2.0M -Colo Film, TV, Media \$500K	78% Public Community Colleges, Junior Colleges, Local District Colleges
28% History Colorado -80% History Colorado *50.1% State Historic Fund, 49.9% Museum Operations -20% Gaming Cities Preservation Distribution	
12% Gaming Counties (Gilpin, Teller)	
10% Gaming Cities (Black Hawk, Central City, Cripple Creek)	
Revenue is Subject to TABOR	
	12% Gaming Counties (Gilpin, Teller)
	10% Gaming Cities (Black Hawk, Central City, Cripple Creek)
	Revenue is not Subject to TABOR



Stewards of the State's Collection

Colorado's historic collection of 15 million artifacts, photographs, and archival materials spanning 13,000 years of history belongs to the people of Colorado. History Colorado is the statutory steward of this robust collection, which enables access to the rich history of Colorado in ways that ignite the imagination, stimulate curiosity, and help us to understand what it means to be a Coloradan.

Space Needs Analysis

History Colorado owns a 50,000-square-foot storage facility in Denver, purchased in 2011 to house the collection during construction of the History Colorado Center. Known as North Storage, the facility is now significantly over capacity, holding approximately 85,000 square feet of artifacts. It was never intended to serve as a long-term solution.

The North Storage building also suffers from several key deficiencies, including poor lighting, outdated and non-functioning technology, compromised security, roof leaks, and lack of proper environmental controls. These conditions jeopardize both the safety of staff and the preservation of the State collection.

Planning to address the space and condition challenges began in 2022 with a facility program plan that included a space needs analysis which indicated that an expanded or new site was required to accommodate existing and future needs if the entirety of the items stored offsite were to remain in a similar storage arrangement and in a single location. Efforts began to evaluate alternative locations as a preferred solution that could address both space and condition needs.



1881 Pierce St.

History Colorado evaluated lease, build, and buy options for long-term collections storage. Through this process, access to the State-owned building at 1881 Pierce Street in Lakewood was identified as a possible collections care solution. This location was previously occupied by the Department of Revenue, including the DMV and Colorado Lottery. History Colorado engaged Iron Horse Architects and Schwartz Silver, a nationally recognized museum collections architecture firm, to fully assess the facility, prepare design plans for conversion to storage, and to prepare construction cost estimates.

This review found the building to be structurally sound and well maintained for its age and office use, but also revealed significant challenges related to deferred maintenance needs, a change in use, including:

- The existing window system requires replacement
- Exterior areas immediately adjacent to the building allow rodents or pests to enter the building
- The loading dock needs repair
- There is no freight elevator for moving large objects
- Lighting needs to be brought to code if a renovation occurs
- Railings at exterior stairs and accessible ramps need to be replaced
- Floor to ceiling heights are not sufficient and would require modification

Design Outcome & Next Steps

The estimated cost of demolition, construction, and moving the collection to 1881 Pierce from North Storage is \$30 million, more than double the \$11 to \$15 million planned for this project (including proceeds from the future sale of North Storage- \$4M to \$8M). These cost estimates have been reviewed with DPA and OSA, with an eye for all possible cost-reducing measures. The challenge is not a single major expense, but the cumulative costs of modifications—particularly raising the ceiling height and lowering the floor to achieve proper clearance.

The high cost has led History Colorado to revisit earlier discussions during the master planning phase, including continued use and expansion of North Storage, leasing storage space from other state agencies, leasing a storage facility on the private market, or renovating the History Colorado Center to increase storage capacity.

In 2024 History Colorado was able to access resources and support for facilities upgrades through an Energy Performance Contract. Through this contract, North Storage repairs including lighting, roof replacement, and HVAC could be funded. This would resolve the most pressing North Storage issues and would allow for cash funds authorized for storage improvements to be used to improve and expand the North Storage complex. History Colorado is currently focusing on North Storage as the Collections Care solution for the state. Cost estimates for this possible solution are still under development, but are currently estimated at \$8M for retrofit and \$5M for expansion.



Areas circled in red represent potential expansion areas, including adding a second story in some portions of the building.