

History Colorado with Cumbres & Toltec Railroad
FY 2025-26 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, January 7, 2025

11:00 am – 12:00 pm

11:00-11:10 History Colorado Introductions and Opening Comments

Presenters:

- Dawn DiPrince, President/CEO
- Nancy Chisholm, History Colorado Board President
- Chris Creighton, Chief Financial Officer (Questions Only)

11:10-11:30 History Colorado Change Requests & Questions

Main Presenters:

- Dawn DiPrince, Executive Director
- Chris Creighton, Chief Financial Officer (Questions Only)

Topics:

- HC1 HSMO and CENT Spending Authority: Page 1, Questions 1-2 in the packet
- HC4 Community Museums: Page 2, Question 3 in the packet
- Possible Reduction- America 250-Colorado 150: Page 2, Question 4 in the packet

<<11:30-11:35 Transition to Cumbres & Toltec Railroad>>

11:35-11:40 Introductions and Opening Comments

Main Presenters:

- Ed Beaudette, General Manager, Cumbres and Toltec Scenic Railroad
- Scott Gibbs, Colorado Commissioner, Cumbres and Toltec Scenic Railroad
- Aaron Abeyta, Former Mayor of Antonito and History Colorado Board Member (remote)

11:40-12:00 Cumbres & Toltec Railroad Request and Operations

Topics:

- Economic Impact and ROI: Page 5, C&T Question 1-2 in the packet,
- State Funding: Page 5, Question 3 in the packet.

DEPARTMENT OF HIGHER EDUCATION
FY 2025-26 JOINT BUDGET COMMITTEE HEARING

Tuesday, January 7, 2025

11:00am - Noon

COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1 Please describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information:
 - a. Original fund source (General Fund, ARPA, other), amount, and FTE;
 - b. Original program time frame;
 - c. Original authorization (budget decision, legislation, other);
 - d. Requested ongoing fund source, amount, and FTE; and
 - e. Requested time frame (one-time extension or ongoing).

History Colorado has not submitted any requests to replace one-time General Fund or ARPA funded programs with ongoing appropriations.

HISTORY COLORADO CHANGE REQUESTS

HC Question 1: HC1 CENT and HSMO Spending Authority

[Sen. Amabile] Please describe how these five FTE will assist in reducing turnover for History Colorado. Please provide more information about those efforts.

These positions are required to support History Colorado base operations and increased workload. They have been funded from vacancy savings, but were not hired specifically to reduce turnover and are instead needed for day-to-day operations. The FY19 Long Bill showed a 16.4 FTE reduction for History Colorado to reflect current staffing levels that were reduced in 2016 after History Colorado took on the COP - this reduction included the five FTE for Central Administration included in this request. In 2016 History Colorado had approximately 100 FTE which was reduced to that level so History Colorado could cover the COP costs. This did not provide sufficient FTE to meet History Colorado's obligations. Efforts to increase FTE back to basic operational levels have been undergone since.

In recent years, thanks in part to JBC support for the COP payment, Central administration staff have been added to support current workload and to keep up with the increasing workload demands. This admin staff supports the processing of approximately 200K accounting and payroll transactions per year, IT and HR support for up to 200 employees (includes temporary, seasonal, and grant positions), provides monthly, quarterly, and annual reporting for over 20 History Colorado divisions, and work closely with the 13 member Board of Directors to provide

strategic guidance to all History Colorado staff. This staff also supports History Colorado efforts to expand its' statewide impact, supports current programs including seven museums, and 11 historical sites, and manages increasing workload from special projects such as the 250-150 commemoration, Colorado Heritage For All, Native American Boarding School Research Program, step program implementation, and identifying a storage solution for the State's historical collection.

Up to now we have been able to utilize vacancy savings to support the FTE for Central Administration. However; History Colorado has implemented initiatives to increase talent retention, and we have seen our turnover rates start to decline. As such we can no longer rely on vacancy savings to support these positions, rather we need to adjust the Long Bill spending authority to reflect the actual staffing levels.

While not hired to specifically address turnover at History Colorado, these FTE were hired to help stabilize the organization's workforce and balance staff workload, and the vacancy savings that were being used to fund these 5 FTEs until now are no longer available due to the resulting improvement in retention

HC Question 2: *[Sen. Bridges]* Will these staff help them get to self-sufficiency? Can the organization re-purpose currently funded FTE rather than increasing spending authority for this request?

These positions are already hired. Up to now we have been able to utilize vacancy savings to support the FTE for Central Administration. However; History Colorado has implemented initiatives to increase talent retention, and we have seen our turnover rates start to decline. As such we can no longer rely on vacancy savings to support these positions, rather we need to adjust the Long Bill spending authority to reflect the actual staffing levels.

These are filled positions that are required for baseline operations such as Accounting and HR needs.

HC Question 3: HC4 Community Museum Refinance

[Sen Bridges] Will this refinance cause significant disruption, even if just for a year? What impact does this refinance have on community museum operations?

Overall there won't be a significant disruption to community museum operations. This refinance ensures that the appropriation for the community museums remains the same and instead has more cash fund than general fund in one year for its operations. This allows for General Fund budget savings without significant disruption to operations. Given the gaming cap and limited earning potential of the community museums, shifts of General Fund to cash fund are not sustainable in the long-term.

HC Question 4: Reduce funding for the America 250-Colorado 150 Commission (GF Savings \$168,653)

The 250-150 Commission was established in 2022 under Senate Bill 22-011. The Commission consists of 21 members and is responsible for developing and promoting plans for the 250-150 commemoration between July 1, 2025 and December 31, 2026. The

following means of commemoration will include, but will not be limited to: celebrating and building knowledge around Black, Indigenous, Hispanic, and Asian communities in Colorado, in addition to the contributions of women and differently abled persons in the history of our state. Additionally, commemorative activities will include the creation of historical documents, historical activities, preservation, educational opportunities, promotion of scholarship and research that illuminates Colorado's history in the context of national history, public ceremonies, and other commemorative events.

The last notable commemoration- The Once in a Hundred - 1976 Colorado Centennial-Bicentennial celebration was a success in large part because the State of Colorado invested ~\$968,248 in appropriated funds between June 1972 and June 1977. This allowed the Once in a Hundred commission to invest in grants for community and grassroots projects in all 63 counties in Colorado. This effort included 3 FTE- Executive Director, Program Manager, and Marketing Director as well as various interns and volunteers. Current staffing for 250-150 includes 1 FTE- Program Director and no support staff. The current term-limited funding allows for the Program Director to continue this work and keep growing the commemoration plans with the Commission and would also allow for necessary support staff.

Workload for the 250-150 Program Director includes, but is not limited to the following work, currently being handled by 1.0 FTE:

- Coordination for 10 signature initiatives, each intended to provide statewide impact for the commemoration. These will be executed by state agencies, but require management, tracking, budgeting, fundraising, and reporting
- Vendor management (public relations, fundraising, merchandising)
- Commission planning, guidance, and support (21 Commissioners). This includes planning Commission meetings, agendas, providing minutes, compliance with Sunshine Laws, assisting with Commissioner's individual statewide engagement and outreach, and responding to their needs
- Outreach to major industry partners (encouraging participation, seeking engagement and speaking opportunities for Commissioners, and coordinating that with Commissioners)
- Supporting and directing A statewide Advisory Panel made up of regional stakeholders who assist in coordinating local efforts with Program Director
- Supporting Local Organizing Committees organizing around the state
- Planned statewide engagement sessions, including individual visits from the Program Director and planned statewide engagement from the Commission. Commissioners want to be able to visit with local communities to encourage participation and to celebrate the commemorative work happening. This requires planning, research, outreach, budgeting, and accounting
- All budget and administrative work of the Commission to keep up-to-date, including being responsive to members of the public who want to learn how to get involved
- Website and online store to maintain and update
- Volunteer and intern management

Reducing funding for the administrative support of this commission will have impacts on the commission’s ability to fulfill the outreach and impact of this once in a generation opportunity. Because administrative support will still be needed, this will result in using existing and future donations for administrative costs that previously have been covered by this appropriation and will reduce investments in signature initiatives. This reduction will also reduce the commissions ability to hold meetings throughout the state as administrative support is needed for the scheduling, community engagement, and execution of these meetings and current administrative staff is stretched thin.

For context the chart below shows how much other states are investing in the 250 commemoration in 2026. Ohio, Pennsylvania, and Virginia are believed to be similar to Colorado in terms of planning scope and progress. It should be noted that Colorado has the dual 250-150 commemoration, whereas other states are only celebrating 250.

State	250 Commemoration FTE
Colorado	1
Ohio*	6
Pennsylvania*	14
Virginia*	11
Kentucky	3
Utah	2
Maryland	1 dedicated + 3 Contract positions
Connecticut	1.5
Delaware	1.5
Arizona	1 dedicated FTE + 2 on loan from another dept. & 5 requested

CUMBRES & TOLTEC SCENIC RAILROAD

Economic Impact & ROI of the C&TSRR

C&T Question 1: *[Sen. Amabile]* What is the economic impact of the railroad on this region? Please give us some context.

The Cumbres and Toltec Scenic Railroad is a National Historic Landmark which runs between Antonito, Colorado and Chama, New Mexico. The railroad draws tourism to the San Luis Valley and is a key employer - providing southern central Colorado (Antonito, Conejos County, and the surrounding area) with approximately 91 direct jobs during the operating season (Memorial Day – late October) and 40 year-round positions.

The railroad is a lifeline and economic driver to this community and every bit of state support helps to ensure the railroad can continue to run and support this important rural community. According to an economic impact study conducted by BBC Research in 2014, the C&TSRR had a \$14,829,000 economic impact on the surrounding five county area. The study was renewed in 2022 and demonstrated that the C&TSRR had increased its impact to \$17,800,500. Today the estimated positive economic impact is at least \$19,250,000. You can access the full 2022 economic impact study [here](#).

As a direct result of dollars invested by the state of Colorado over the last three years, C&TSRR expanded regular full-time staff in Antonito by 20%. This is very meaningful given the town of Antonito has a 20% unemployment rate (down 9 percentage points from 2020 when the unemployment rate was 29%) with 35.9% of the residents living in poverty, and the average earnings of an individual in the town at \$23,611.

C&T Question 2:*[Sen. Bridges]* What is the return on investment for the State? What other options might they have if this money went away?

As mentioned in the previous question, the updated economic impact study from 2022 showed the C&TSRR had a \$17,800,500 impact on the 5-county region touched by tourism drawn into the region. We estimate the current impact to be approximately \$19,250,000. The study authors estimated the primary and secondary tax revenue generated through the railroad's activities was \$1,559,077.

Based on the FY25 Long Bill, combining the funding from the two states for Commission operations and capital investment, the FY24-25 appropriations were \$4,035,000, (New Mexico- \$2,150,000, Colorado- \$1,865,000, includes \$500K one-time funding for fire mitigation). Using the 2022 tax generation estimate and the FY24-25 appropriations from both states, the railroad generates about 40 cents in tax revenue for every dollar the two states appropriate for commission operations and capital projects.

In the past when maintenance was delayed and deferred, the railroad faced shut down by the Federal Railroad Administration (FRA). In 2002, after strong encouragement from the FRA, the railroad voluntarily shut down operations. There were sections of railroad track that had been flagged for a few

years by the FRA that needed attention, but the railroad didn't have enough capital infrastructure funding to make the improvements. There were issues with track on the edge of a canyon and uneven track on one section where the FRA was concerned a car could flip. When the railroad shut down, these improvements were made which including the need to blast into the side of a canyon so the railroad wasn't so close to the edge. This experience triggered a corrective action plan that both New Mexico and Colorado put forward money to implement. The action plan was a 15-year process that included upgrades to ties, ballasts, and resurfacing to get the track straight and level.

If the current appropriations from Colorado were eliminated for FY25-26, the immediate impact would be on the Commission's ability to fund the property insurance to protect the investments the two states have in the C&TSRR railroad. However, the next and very real impact would be on capital projects. Track maintenance would likely be slowed during the summer of 2025 and locomotive repairs would be reduced during the winter of 2025-26. This would result in one less operational steam locomotive for the 2026 summer season which means less capacity for riders and therefore less revenue. It would also put more strain on the remaining locomotives which would put them out of operation on a faster timeline. To exacerbate this issue, the cost of doing many of these capital improvements have also increased. For example, the cost of railroad ties was previously \$26 a tie. However, due to supply chain and a move to concrete ties by class 1 railroads, the cost of ties is now upwards of \$100. If the goal is self-sustainability, a loss of state funding from Colorado would only put the railroad farther away from that goal. The loss of funding would also force the railroad to evaluate track maintenance staffing levels during the 2025 summer and shop crew staffing during the winter of 2025-26. This impact assumes New Mexico funding remains at current levels.

The railroad would attempt to find alternative resources from New Mexico and private donations, but it's been demonstrated in the past that its extremely difficult to replace the state of Colorado's appropriation with other sources.

State Funding for the C&TSRR

C&T Question 3: *[Rep. Bird]* In light of interstate agreement and the requirements (i.e. from the Federal Railroad Administration), what is their discretion? How much does the railroad need from the State to avoid breaching the agreement and/or violating federal law?

Congress approved the interstate agreement in 1974 with subsequent state legislation in Colorado and New Mexico. As part of the interstate agreement, each state is responsible to cover the obligations of the railroad based on percentage of ownership. The current percentage of ownership is 50%-50%. Over time, funding has varied by the state but in the history of the railroad, Colorado has covered approximately 47% of their total obligation. If Colorado significantly pulls back on funding, there is a real risk of being out of compliance with the agreed upon interstate compact.

Acknowledging the challenging budget situation the state finds itself in, C&TSRR submitted a request based on covering the base needs and obligations of the interstate compact. A significant cut to the requested amount could result in the railroad violating federal safety standards.