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Tennessee State Parks – Analysis of Park Funding & Park Operations



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Master of Public Administration

Capstone Project

Introduction

Tennessee is home to 56 state parks, each

offering a unique experience for visitors and contributing in its own way to the state's tourism and recreational landscape. These parks provide a range of outdoor activities, including camping, hiking, fishing, golf, swimming, and much more. Each park is unique in its offerings, with specialized amenities, varying sizes, and diverse attractions tailored to different types of visitors. While the parks share a common purpose in promoting tourism and outdoor lifestyle, each one has its own set of operational challenges, revenue generation strategies, and expenditure patterns.

This analysis project aims to explore and compare the financial dynamics across Tennessee's state parks, focusing on how their distinct characteristics influence their revenues and expenditures. Tennessee State Parks are one of seven state parks systems in the country that do not charge admission fees. Understanding the economic drivers of each park is crucial for measuring the effectiveness of state parks as both recreational centers and state resources. The differences in revenues, costs, and experiences are influenced by park size, location, amenities, special events, and seasonal visit patterns. For example, some parks may generate considerable income from camping and lodging, while others may rely more heavily on activities like golf or marina rentals.

The scope of this project includes a comprehensive look at both revenue and expenditure sources for each of Tennessee's 56 state parks over the past five years (2019-2024). Analyzing key revenue-generating activities such as camping, lodging, golf, restaurant services, and special events shows trends in the data. On the expenditure side, I explore the costs associated with park operations. By examining these financial aspects, this project will provide a deeper understanding of how each park operates financially, revealing trends, challenges, and opportunities for improvement.

Through this analysis, I highlight the distinct financial profiles of Tennessee's state parks and assess how these parks can continue to thrive and serve the public in a sustainable way. Ultimately, this project seeks to offer valuable insights into the overall efficiency and effectiveness of the Tennessee State Parks system and provide recommendations for future growth and development, ensuring these parks remain a vital part of the state.

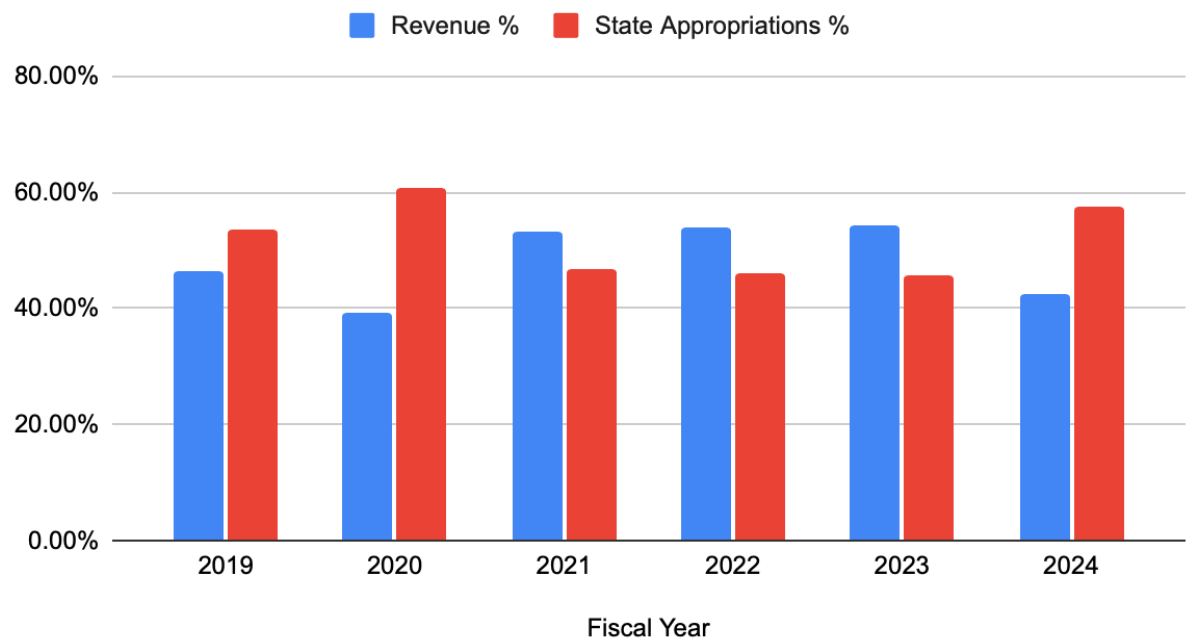


State Park Funding

This section of the analysis will focus on how Tennessee State Parks are funded, specifically examining the balance between state appropriations and revenue generated by park activities. State appropriations are the funds allocated by the state legislature to support the operations and maintenance of the parks. These funds, drawn from the state's general budget, are essential for covering expenses. In contrast, revenue generated by state parks comes from a variety of sources, including fees for camping, lodging, golf, special events, and more. By exploring these two primary sources of funding, this section will provide insight into how state parks rely on both public funding and earned income to maintain and enhance the visitor experience while ensuring their financial sustainability.

Tennessee’s state parks are funded through a combination of state appropriations, park-generated revenue, federal funding, and strategic partnerships. A significant portion of state funding is provided through grant programs administered by the Office of Outdoor Recreation, including the Local Parks and Recreation Fund, Recreational Trails Program, Tennessee Recreation Initiative Program, and Land and Water Conservation Fund. These grants, along with general fund contributions allocated by the Tennessee General Assembly, support operating expenses, staff salaries, maintenance, and improvement projects. Combined with revenue generated within the parks, these appropriations help cover the substantial costs of maintaining Tennessee’s state parks.

State Parks Funding Percentages



The graph highlights the percentage split between revenue generated by Tennessee state parks and state appropriations funding park expenses from 2019 to 2024. In 2019, funding was relatively balanced, with state appropriations slightly exceeding revenue. By 2020, state appropriations experienced a significant rise, becoming the primary funding source—likely due to the COVID-19 pandemic, which disrupted revenue generation.



From 2021 to 2023, the funding sources stabilized, with revenue slightly surpassing state appropriations. However, in 2024, state appropriations surged notably, while revenue percentages declined, indicating a shift toward greater state financial responsibility. This declining share of revenue suggests the need for strategies to boost income from park visitors, such as improved amenities or additional revenue streams.

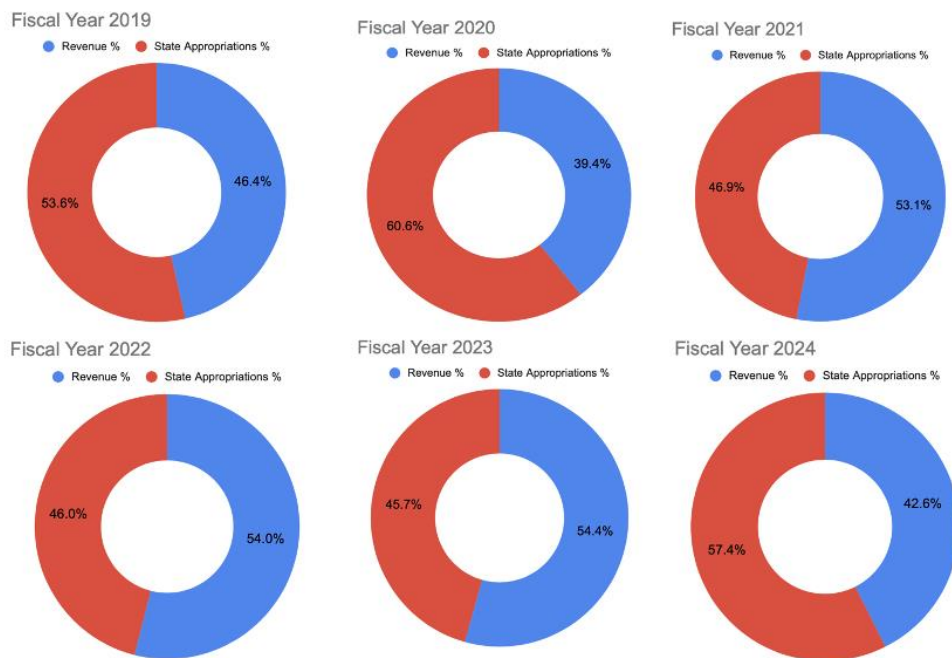
During years of reduced revenue, state appropriations—supplemented by grants—were required to fill the gap. Additionally, it is crucial to note that overall park expenses increased by nearly 50% between 2019 and 2024, further emphasizing the need for sustainable funding solutions.

Fiscal Year	Expense Total	Revenue %	State Appropriations %
2019	\$ 90,885,097.63	46.44%	53.56%
2020	\$ 88,785,123.57	39.38%	60.62%
2021	\$ 94,031,774.76	53.06%	46.94%
2022	\$ 106,642,495.22	53.97%	46.03%
2023	\$ 126,486,738.17	54.35%	45.65%
2024	\$ 170,780,350.48	42.58%	57.42%

In the 2024-2025 budget proposal for the Tennessee Department of Environment and Conservation, the administration has allocated over \$200 million to enhance and expand state parks and natural areas. This investment focuses on maintaining existing facilities, constructing new visitor centers, upgrading park amenities and campgrounds, and building additional infrastructure. These efforts aim to improve the visitor experience and attract more people to Tennessee’s parks and historic sites.

Listed below is another way to analyze this data through a doughnut chart, which visually illustrates the difference between state appropriations and revenue generated by park activities. By using this chart format, we can more clearly highlight the proportion of funding that comes from state allocations versus what is earned through park services and amenities. The doughnut chart allows for an easy comparison, visually emphasizing how much each park or the entire system relies on public funding versus self-generated income. This visual representation can help provide a more intuitive understanding of the financial structure of Tennessee State Parks,

showing the relative contributions of state appropriations and earned revenue to the parks' overall budget.



The funding of Tennessee State Parks relies on a combination of state appropriations, park-generated revenue, federal funding, and strategic partnerships. State appropriations, provided by the Tennessee General Assembly and supplemented by grant programs such as the Local Parks and Recreation Fund and the Land and Water Conservation Fund, cover essential expenses. Meanwhile, revenue from park activities plays an important role in supporting park operations and enhancing visitor experiences.

Between 2019 and 2024, the balance between state appropriations and revenue shifted significantly. In 2019, funding was relatively balanced, but state appropriations surged in 2020 due to disruptions caused by the COVID-19 pandemic. Revenue gradually surpassed appropriations from 2021 to 2023; however, by 2024, state appropriations once again became the dominant funding source, accounting for 57.42% of total funding as expenses rose. These trends highlight the growing costs of operating and maintaining the parks, which increased by nearly 50% during this period.

State Park Revenues

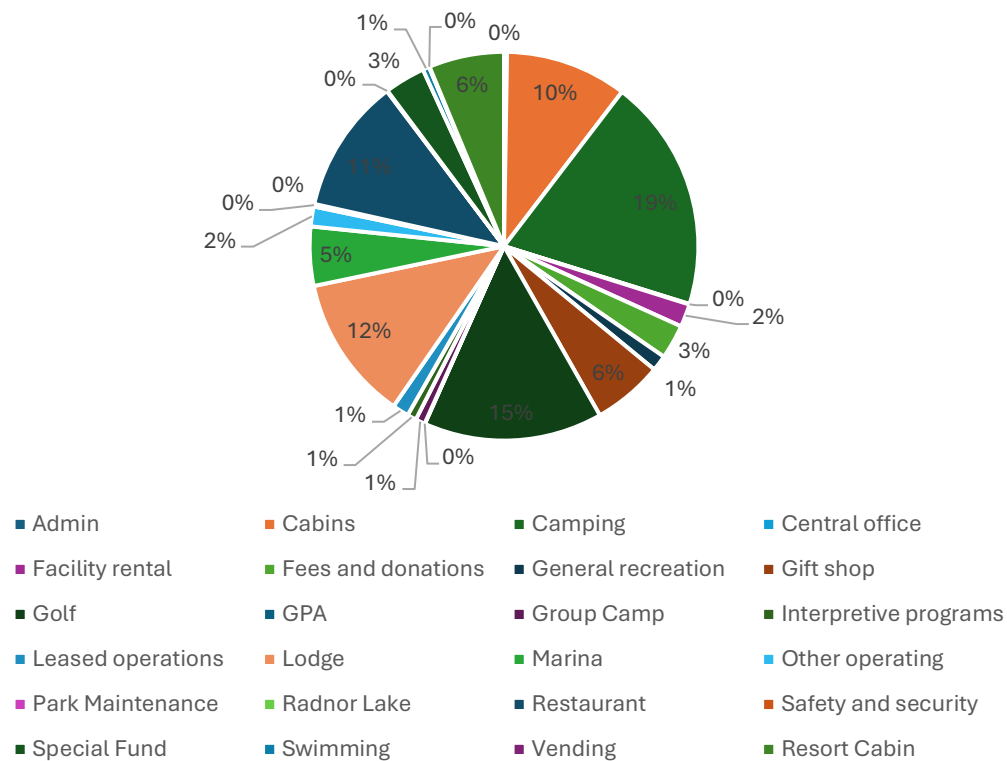
The research began with data provided by the State of Tennessee, which includes various datasets essential for analyzing park expenditures and revenues over the past 14 years. The GL83 and GL84 files contain detailed accounting data from Edison, capturing every input related to expenses and revenues. Each transaction is tied to a Department ID, which corresponds to a specific park, serving as a cross-reference to identify the park's area, region, and classification. Additionally, the Programs dataset provides a comprehensive list of all programs across departments, which supports the Major Program Crosswalk, a framework that connects major and minor programs to establish parent-child relationships for reporting purposes. These Major Programs include operations such as Golf, Administrative expenses, Cabin and Lodging, Swimming, Restaurants, and more. Expenses are further broken down using five-digit account codes, essential for categorizing every transaction in the state's accounting system. The dataset also includes expenses and revenues by park and program, allowing for a granular look at financial flows within individual parks.

For state of Tennessee Parks, the types of revenues that fund operations include: Admin, Cabins, Camping, Central Office, Facility Rentals, Fees & Donations, General Recreation, Gift Shops, Golf, GPA, Group Camp, Interpretive Programs, Leased Operations, Lodges, Marina's, Park Maintenance, PMA, RAD, Radnor Lake, Restaurants, Safety and Security, Special Fund, Swimming, Vending, and Resort Cabin.



Below is a breakdown of total revenues generated by major programs across all 56 state parks from 2019 to 2024. The data highlights significant variations among the programs, with certain larger initiatives contributing the most to overall state park revenue.

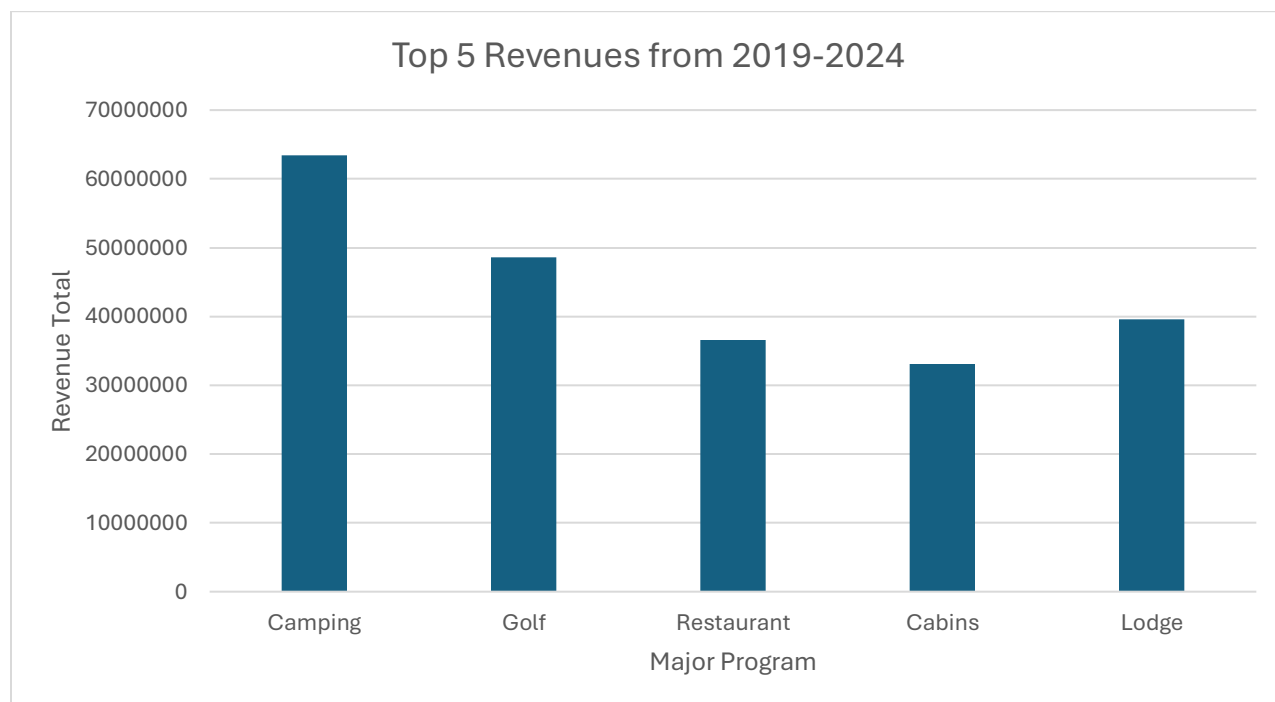
Total Revenues by Major Programs 2019-2024



The chart presents data on a wide range of state park programs, making it difficult to fully analyze the total revenues across all parks. Given the sheer volume and diversity of programs included—each with its own unique revenue streams, costs, and funding structures—it becomes a challenge to synthesize the data into a comprehensive overview of overall park revenues. Furthermore, some parks may have seasonal variations in revenue, with certain times of the year attracting more visitors or offering premium-priced activities. Without a clearer distinction between program categories and a breakdown of their specific financial contributions, the total revenues from all state parks remain unclear.



To gain a meaningful understanding, it was essential to split the data and analyze the top 5 revenues by major programs from 2019 to 2024 across all parks. The top 5 sources of revenue for Tennessee State Parks include: Camping, Golf, Restaurants, Cabins, and Lodges.



Camping generates the highest revenue for Tennessee State Parks, approaching nearly \$70 million. As a fundamental recreational activity, camping provides visitors with an affordable opportunity to experience nature. The parks see a high volume of visitors during peak seasons, attracting both regular campers and new tourists who are looking to encounter diverse landscapes. Each park offers a unique experience, with a variety of campsite options catering to different preferences. Longer stays enhance revenue, as campers often spend additional time enjoying the park's offerings, contributing to sustained income.

The next highest source of revenue for Tennessee State Parks comes from golf nearing \$50 million. Park rates for golf vary by location and are influenced by factors such as the number of rounds played. Additionally, various passes are offered to users, including options like the 18 Holes with Cart, 18 Holes without Cart, and the Tennessee Trail Annual Pass. Golf courses in state parks contribute significantly to overall revenue, as outdoor activities are a key attraction for park visitors. There is consistent demand for golf across all seasons. Golf also provides sufficient upselling opportunities, with revenue coming from equipment rentals, golf carts, pro shops, and food and beverages sold on-site.

In addition to camping, general lodging options such as inns, and bed-and-breakfasts contribute heavily to the revenue stream of Tennessee State parks. There is a year-round appeal for lodging. Additionally, compared to campsites, lodging is more expensive and brings in higher rates per night.

State Park restaurants can be a substantial revenue source due to the convenience they offer visitors. Many guests spend extended periods exploring the parks, and having an on-site restaurant provides a convenient dining option, especially appealing to tourists. Additionally, special events held at the park, where the restaurant serves as a catering venue, can generate significant additional income, further enhancing the park's financial performance.

Similar to lodging and campsites, cabins represent a significant revenue stream for parks. Lodging, campsites, and cabins represent some of the top sources of revenues for parks as a whole because of the attraction they bring for guests in all seasons.

Revenue earned by each individual state park is crucial to help maintain the park. Tennessee State Parks is one of only seven state parks systems in the country that do not charge admission fees. This means that revenue through programming helps facilitate and fund the expenses that arise with running a state park. Creating programs that formulate revenue to exceed expenditures will help improve the 56 beautiful state parks in Tennessee.

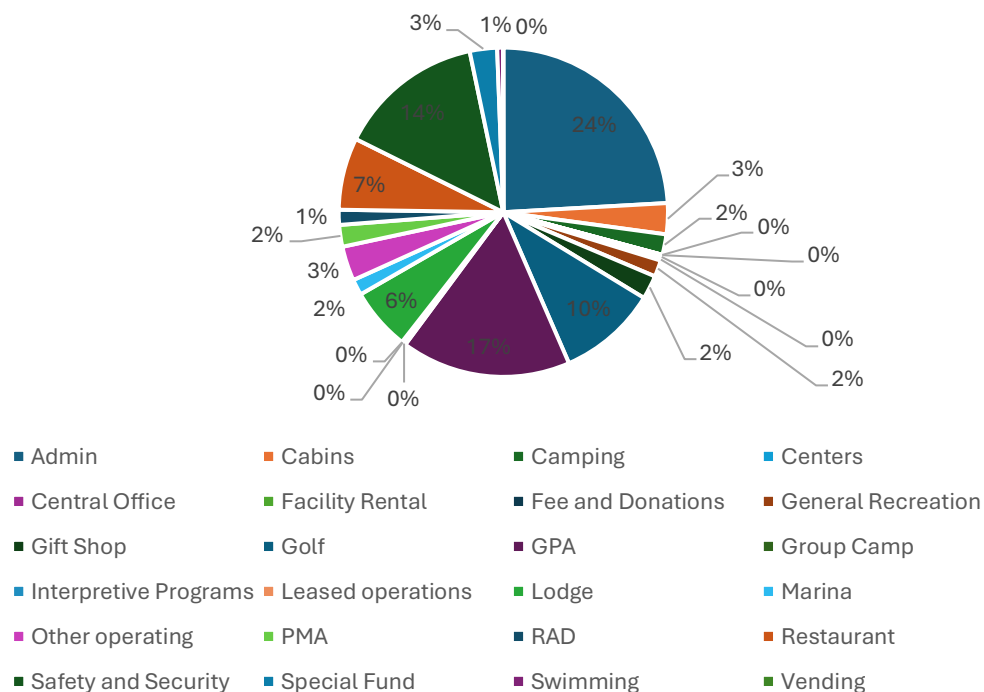


State Park Expenditures

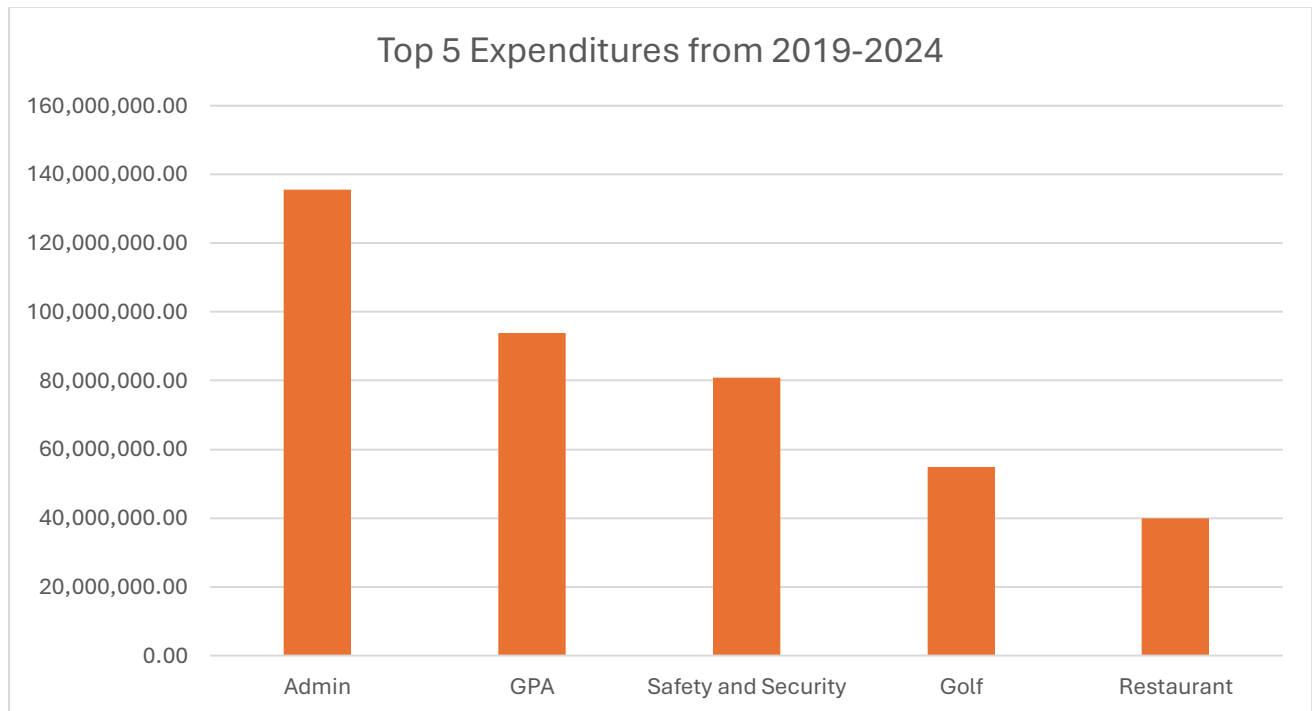
Expenditures in Tennessee State Parks encompass the costs necessary for the operation and maintenance of the park system. These expenses ensure that the parks remain safe, enjoyable, and sustainable for visitors. Much like the revenue structure, the list of expenditures for Tennessee State Parks is extensive. Key program categories across the state's parks include Administrative Costs, Cabins, Centers, Camping, Central Office, Facility Rentals, Fees and Donations, General Recreation, Gift Shop, Golf, Group Camp, GPA, Interpretive Programs, Leased Operations, Lodge, Marina, Other Operating Issues, PMA, RAD, Restaurant, Safety and Security, Special Funds, Swimming, and Vending.

This chart illustrates the Total Expenditures by Major Programs for Tennessee State Parks from 2019 to 2024. Much like the revenues by major programs chart, this data covers a wide range of expenditure categories, making analysis challenging. The numerous expenditure sources reflect the diverse operational and maintenance needs of the park system, ranging from personnel costs and facility upkeep to specialized programs and seasonal events. With so many different categories and varying levels of financial commitment across the parks, understanding the full scope of expenditures requires segmentation and consideration of how each program contributes to the overall financial picture. This complexity highlights the balance that must be maintained to ensure the continued operation and success of Tennessee's state parks.

Total Expenditures by Major Programs 2019-2024



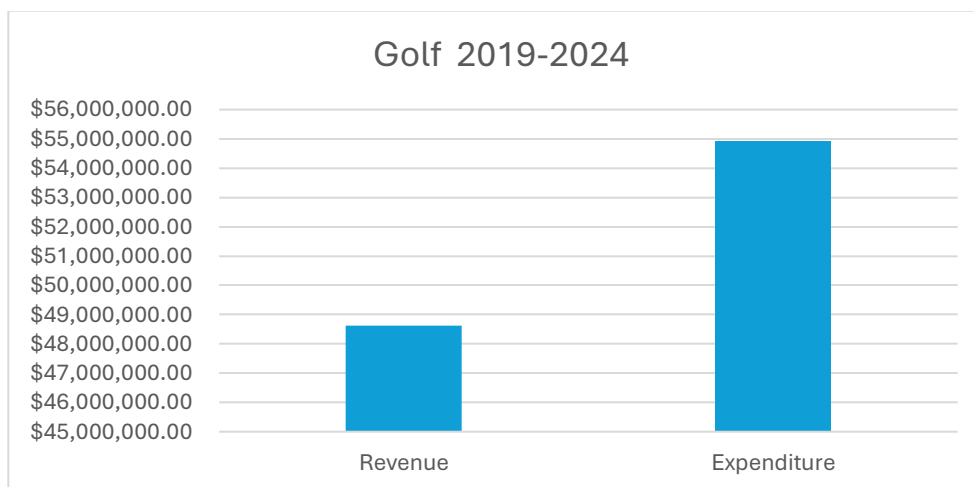
To gain a meaningful understanding, it was essential to split the data and analyze the top 5 expenditures by major programs from 2019 to 2024 across all parks. The top 5 sources of expenditures for Tennessee State Parks include: Administrative Costs, GPA, Safety and Security, Golf, and Restaurants.



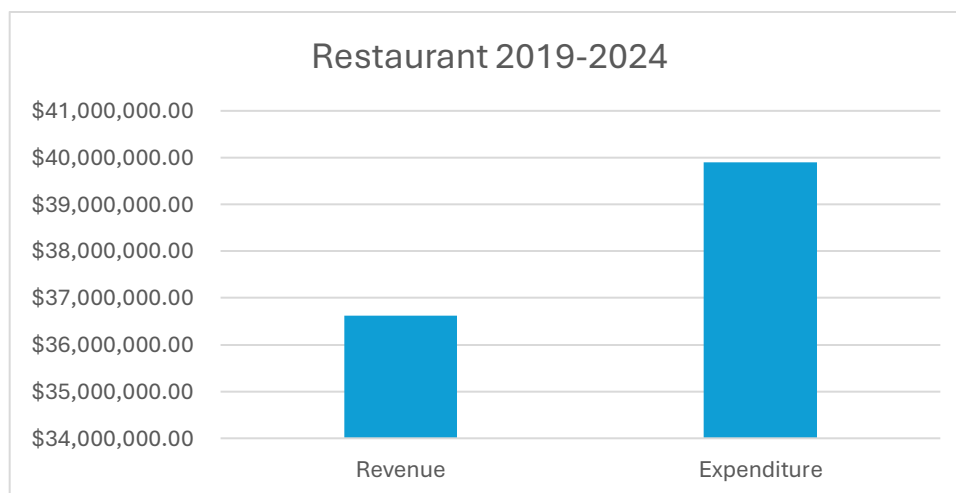
Administrative costs for Tennessee State Parks refer to the financial resources allocated for the overall management and operations of the park systems. This is the highest source of expenditure for all the state parks nearing \$140 million. These are crucial for ensuring the smooth functioning of the state parks. Administrative costs include salaries and benefits for administrative staff, management and oversight, marketing and communication, and more. Administrative costs represent the bulk of the operations that take place at TN State Parks. GPA is the second highest expenditure and this is the General Park Activities. This is similar to the administrative costs.

Safety and Security for TN State Parks is crucial, hence the reason this is the third highest expenditure with a total of \$80,000,000. Because these public spaces attract large numbers of visitors year round, the TN Department of Environment & Conservation must prioritize safety and invest in these costs. Law enforcement presence, emergency response equipment, public health and safety protocols, and safety trainings are a few examples of costs associated with safety and security.

Golf ranks as the fourth highest expenditure for Tennessee State Parks, totaling nearly \$55 million. While it represents one of the most significant costs, golf is also one of the largest sources of revenue for the park system. The graph below highlights the total difference between golf-related revenues and expenditures from 2019 to 2024. At first glance, the difference may appear substantial; however, the difference is \$6 million. This analysis will look deeper into strategies for balancing revenue and expenditures, with a focus on identifying opportunities to increase golf-related income and potentially achieve a surplus in future years.



Similar to the major program of golf, restaurants rank among the top five programs in Tennessee State Parks with the highest expenditures and revenues. This is likely due to the significant costs associated with operating and maintaining these facilities. Key factors contributing to restaurant expenditures include staffing costs, regular renovations to keep the spaces updated, purchasing materials and ingredients, and ensuring compliance with health and safety standards.



The gap between restaurant expenditures and revenues is relatively narrow, with expenditures exceeding revenues by only \$3 million. This close margin suggests that restaurants are already generating a substantial portion of their costs through income from park visitors. To further close this gap there may be opportunities to increase revenue through measures. One potential approach could involve a slight adjustment to menu pricing, particularly for high-demand or premium items. Additionally, introducing seasonal or locally sourced specialties, improving marketing for park dining experiences, or hosting special dining events could also attract more visitors and boost revenue.



By balancing competitive pricing with high-quality offerings and efficient operations, park restaurants have the potential to not only sustain their operations but contribute to the financial health of the Tennessee State Parks system.

Expenditures, while are costly, are crucial for the stability of TN State Parks. This is what helps the parks stay running and updated. Expenses are covered by the revenue and state appropriation grants, as discussed earlier. Expenditures should stay relatively low however to ensure that the state parks can continue to run and be successful.

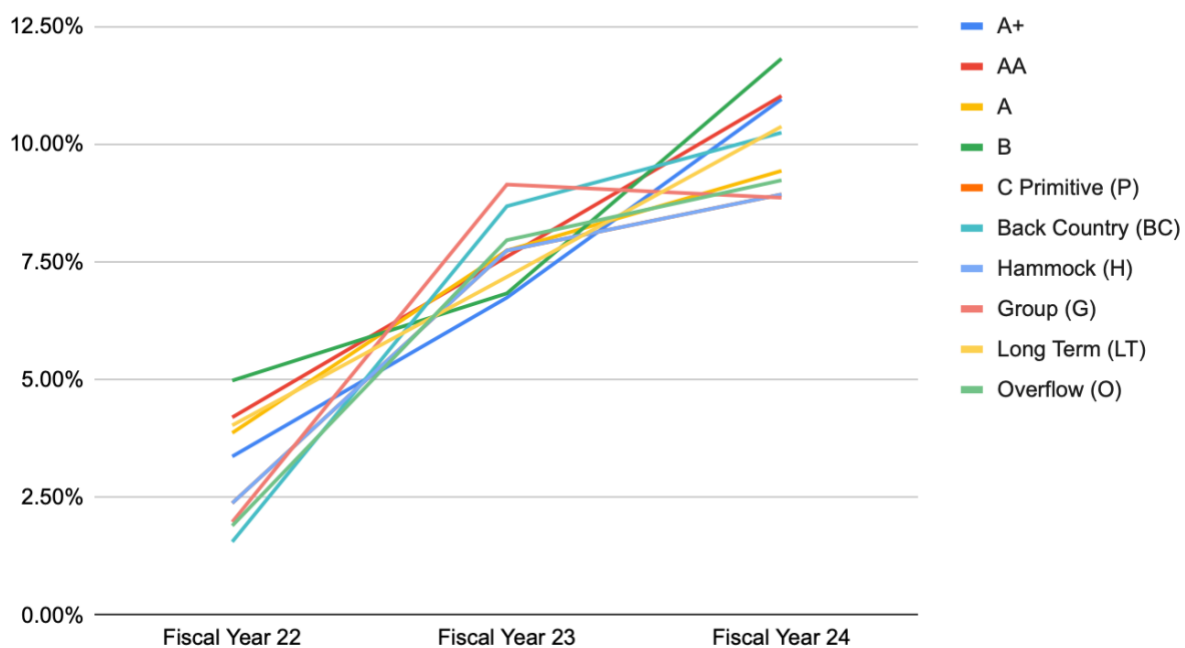


Annual Rate Schedules

Each year, Tennessee State Parks release a Rate Schedule that becomes effective for the Fiscal Year on July 1st. An annual review is conducted where a Marketing Analyst performs a rate analysis to determine the market value of each operation, review revenue from prior years to determine trends, analyze occupancy rates, and make increases aligned with the Consumer Price Index. Each schedule is discussed with park management prior to release. Reviews and changes are conducted to ensure that each park is profitable according to the years taxes, income rates, and inflation rates. Creating prices for activities is crucial for Tennessee State Parks to remain profitable, considering Tennessee does not charge a fee upon entrance.

Analyzing rate schedules for Tennessee State Parks helps provide a clear understanding of how costs for activities have changed over time. For the sake of this analysis, this research focuses on rate schedule changes from activities offered by state parks such as campgrounds, golf, lodging, and cabins, four of the five top activities that generate the highest revenue. By comparing current rates to previous years, one can identify trends that highlight the influence of inflation on recreational services. Examining rate schedules is a practical way to track the economic pressures impacting public recreation services.

Percent Increase for TN State Park Rates - Campgrounds



The graph above displays a percent increase for TN State Parks for the Campgrounds. Each Site Category (A+, AA, A, B, C Primitive, Back Country, Hammock, Group, Long Term, and Overflow) has a low rate and high rate. For example, A+ has a low rate of \$38.00 and a high rate

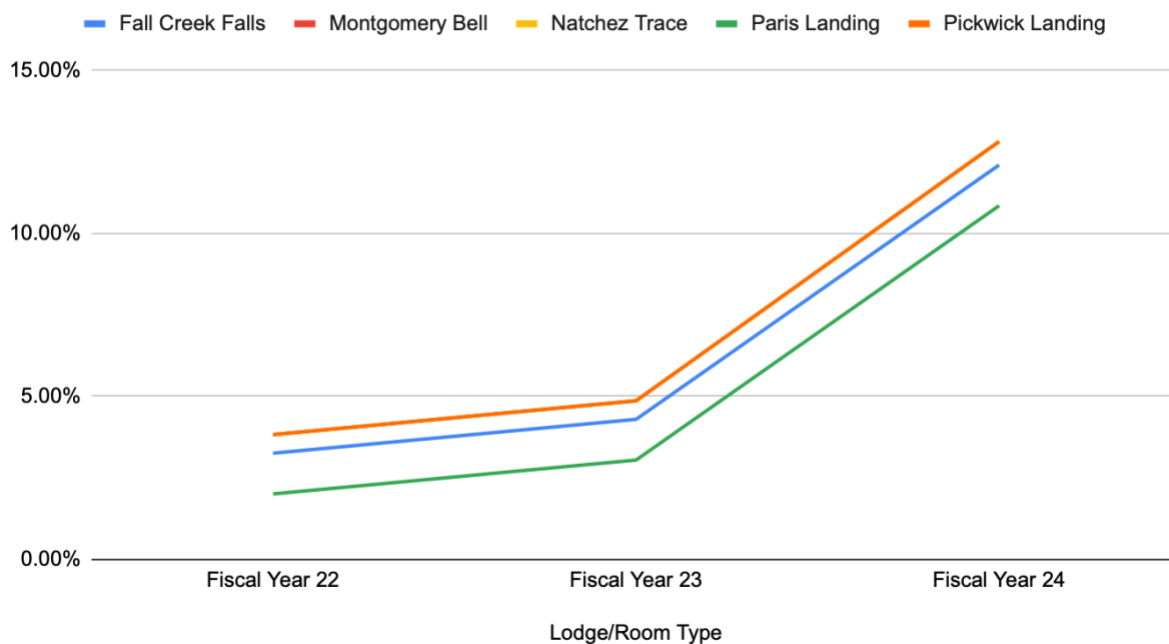
of \$87.00. For the sake of finding the percentage increase on rates annually, I found the average of the low rate and high rates from 2022 to 2023, 2023 to 2024, and 2024 to 2025. The steady increases reflect the park system's need to adjust rates in response to inflation and rising operational costs, ensuring they can maintain facilities, provide quality services, and sustain park operations.

The data also reveals variability among the different types of categories. Overall, there is a positive increase across all campgrounds for rate schedule fees. However, there are certain categories, such as Back Country and Group (G) that experience a sharper change in specific years. This suggests the idea that rate adjustments are influenced by not only inflation but also by factors such as demand, maintenance requirements, and specific costs with certain campgrounds. More developed sites may require a higher maintenance expense. Or, on the alternative side, less developed campground sites may require a higher cost to update these sites to remain appealing to tourists.

Overall, Tennessee State Parks have seen at least an 8% increase in campground fees from 2021 to 2025. Tracking these annual charges displays the financial impact of inflation on public facilities such as campground sites.

In addition to campground sites, lodging fees also had a percentage increase over the years. Below is a graph that displays the percentage increase for Tennessee State Park Lodges, according to the Rate Schedules over the past 4 years.

Percent Increase for TN State Park Rates - Lodge



This specific graph shows Lodging from Fall Creek Falls, Montgomery Bell, Natchez Trace, Paris Landing, and Pickwick Landing. Montgomery Bell, Natchez Trace, and Pickwick Landing have the same rates and percentage increases – hence the reason that there are only 3 lines displayed. The top line shows the percentage increase for all 3 Lodges mentioned. All of these lodges saw a slight increase of less than 5% from Fiscal Year 2022 to Fiscal Year 2023. However, Fiscal Year 23 to Fiscal Year 24 saw an exponential growth among all 5 Lodges with roughly 13% increase in prices for annual rates.

To further the analysis, I went through and calculated the total revenues for each individual lodge including hospitality rates.

Park	2019	2020	2021	2022	2023	2024
Fall Creek Falls Total (Including Hospitality)	-	-	(1,207.20)	1,422,282.06	3,219,592.88	2,980,990.85
Montgomery Bell Total	1,590,584.37	894,740.31	1,245,085.57	2,027,709.80	2,007,083.14	2,126,371.06
Natchez Trace Total	249,341.22	310,650.42	249,210.84	357,027.59	449,953.75	355,197.61
Paris Landing Total	188,707.82	-	1,893.62	136,419.85	2,706,709.81	2,849,393.00
Pickwick Landing Total	1,651,780.72	826,431.47	1,471,921.77	2,377,219.34	2,454,009.75	2,290,361.89

From 2022 to 2023, each lodge experienced a significant growth in revenue. For instance, Fall Creek Falls generated \$1,422,282.06 in revenue in 2022, which increased to \$3,219,592.88 in 2023—a 126.45% increase from Fiscal Year 22 to Fiscal Year 23. When revisiting the original rate schedules, we see that only a slight percentage increase was applied to rates between FY22 and FY23. This steep revenue growth likely reflects a surge in demand, which may have prompted the substantial rate increases seen in FY24. It's likely that the heightened demand in FY23 gave the confidence to adjust lodge rates further for FY24.

However, the price increase appears to have had unintended consequences. After increasing rates for FY24, revenue declined by 7.41% compared to 2023, suggesting that the price adjustment may have exceeded what the market could sustain. For example, the low rate for two queen and king room types increased from \$98 in FY23 to \$107 in FY24. Meanwhile, the high rate for the same room types rose from \$438 to \$451 for two queens and from \$428 to \$441 for king rooms.

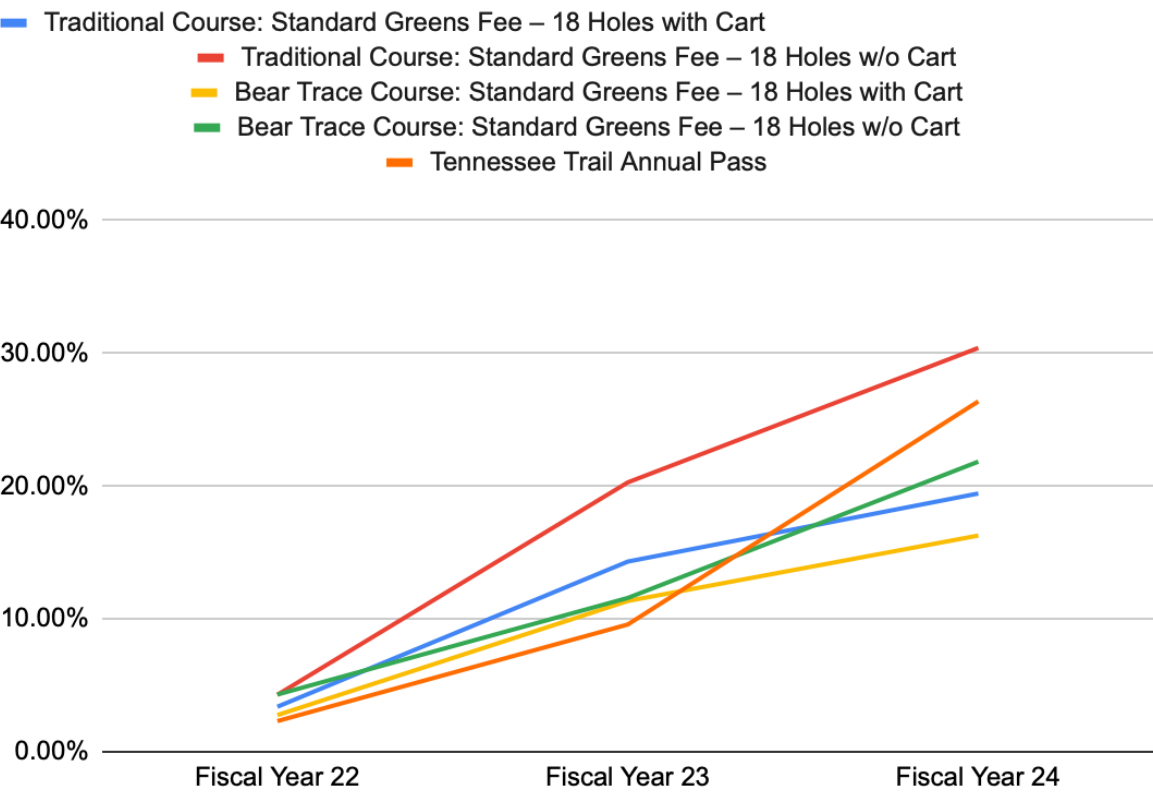
Similar to Fall Creeks Fall, Natchez Trace and Pickwick Landing fell into the same trend as well. While not as substantial, for Natchez Trace, from FY22 to FY23, there was a 26.03% increase in overall total revenue. Once again, this decreased in FY24 by 21.06%. For Pickwick Landing, there was only a slight percentage increase of 3.23% from FY22 to FY23. FY24 saw a greater decrease of 6.67% from 2023.

While these increases reflect pricing strategies to capture high demand, it’s worth noting that the calculated percentage changes represent an average across all room types at Fall Creek Falls and Natchez Trace. This example underscores the balance between optimizing pricing and maintaining accessibility to sustain revenue growth.

Paris Landing opened their new 91-guestroom lodge in 2022. This explains the increase from 2022 to 2023. With the new lodge opening, this attracted tourists and became the second largest revenue earning lodge. We see a respectable increase from FY23 to FY24, indicating that demand continues to increase despite prices raising.

Below shows the steady percent increase for one of the highest earning revenue activities – Golf.

Percent Increase for TN State Park Rates - Golf



Golf is the second highest source of revenue for Tennessee State Parks. This activity saw the highest percent increase for annual rates, exceeding a 30% increase for a round on a Traditional Course. In this graph you can see that the Traditional Course: Standard Greens Fee – 18 Holes w/out Cart, had the highest increase. Some activities, including the first two traditional courses, and the Bear Trace Course with a cart, saw a higher increase from Fiscal Year 2022 to Fiscal

Year 2023. While the Tennessee Trail Annual Pass saw a greater increase from Fiscal Year 2023 to Fiscal Year 2024. This may be due to an increase in demand for the other rate types.

In addition to annual rate increases, golf revenue consistently grew each year, with the exception of 2020 due to the impact of COVID-19. The year 2023 marked the highest revenue over the six-year period, totaling \$9,952,677.99. Notably, despite higher rates, revenue still saw an impressive 18.23% increase from 2022 to 2023. However, with some fees nearly doubling from Fiscal Year 2023 to Fiscal Year 2024, total revenue experienced a 4.26% decline. The list below shows the overall revenue from Golf in respective years.

2019	2020	2021	2022	2023	2024
6,535,277.66	5,830,801.29	8,366,479.57	8,417,920.39	9,952,677.99	9,529,148.56

As mentioned above, Golf revenues and expenditures had nearly a \$6 million difference. The expenditures totaled \$55 million, and the revenue totaled roughly \$49 million. Below shows the total expenditures from each year in Golf.

2019	2020	2021	2022	2023	2024
8,257,217.01	7,887,180.80	8,300,662.24	9,165,530.73	10,306,628.94	11,016,706.90

2021 was the only year that revenue exceeded the expenditure cost. In 2019, there was a 26.45% difference in revenues and expenditures; 35.27% difference in 2020; approximately 1% difference in 2021; 8.88% difference in 2022; 3.56% difference in 2023; and 15.61% difference in 2024.

When thinking of revenues versus expenditures, it is important that the activity is profitable. For Golf, it appears it has only been profitable one year. This may result in a recommended adjustment to fees. From Golf Operations General Fees plus Golf Operations Cart Rentals according to the GL84F data in 2024 alone, there was a revenue of \$7,233,019.98. The other revenue comes from Golf Beer Sales, Golf Club/Towel Fees, Golf Coupons, Golf Maintenance, Golf Ops Driving Range, Golf Pro Shoppe, Wine and Liquor, and the Golf Snack Bar.

To calculate the rate increase needed to balance expenditures and revenues we need to first find the difference from expenditures and revenues ($11,016,706.90 - 9,529,148.56 = 1,487,558.34$). Next, identify what portion of the revenue comes from golfing fees and cart rentals versus other sources. Golf operations cart rentals and golf operations general fees = \$7,233,019.98, and the total revenue = \$9,529,148.56. This means that 75.9% of the revenue is attributable to these categories. Then we allocate the shortfall proportionally to these fees. The shortfall would be covered by general fees and cart rentals ($1,487,558.34 \times 0.759 = 1,139,173.69$). Then calculate the percentage increase needed for general fees and cart rentals to cover the shortfall which would equal the percentage increase ($1,129,173.69 / 7,233,019.98 \times 100$) which equals

approximately 15.62%. To balance the budget, rates for all categories related to general fees and cart rentals need to increase by approximately **15.6%**.

Below are the rates for Fiscal Year 2024:

JULY 1, 2024 – JUNE 30, 2025

Rate Type	Low Rate	High Rate
Traditional Course: Standard Greens Fee – 18 Holes with Cart	\$37.00	\$69.00
Traditional Course: Standard Greens Fee – 18 Holes w/o Cart	\$21.00	\$49.00
Bear Trace Course: Standard Greens Fee – 18 Holes with Cart	\$43.00	\$85.00
Bear Trace Course: Standard Greens Fee – 18 Holes w/o Cart	\$25.00	\$65.00
Tennessee Trail Annual Pass	\$2,600	\$2,700

With the 15.6% increase applied, the new rates would look like the following:

Rate Type	Low Rate	High Rate
Traditional Course: Standard Greens Fee – 18 Holes with Cart	\$42.32	\$79.76
Traditional Course: Standard Greens Fee – 18 Holes w/o Cart	\$24.28	\$56.64
Bear Trace Course: Standard Greens Fee – 18 Holes with Cart	\$49.71	\$98.26
Bear Trace Course: Standard Greens Fee – 18 Holes w/o Cart	\$28.91	\$75.14
Tennessee Trail Annual Pass	\$3,005.60	\$3,121.20

This increase in rates would make sure that the revenues and expenditures balance. If officials wanted to profit off of this, rates would have to be increased even greater.

Below there is a table with each park and cabin classification. Similar to the examples above, I took an average of the low and high rates for each category and calculated the percent increase from Fiscal Years. As you can see from the table, some cabins had a way steeper percentage increase than others. For example, in Pickwick Landing, the Historic CCC Wood Shingle Cabins increased by 113.39% from the original cost.

PARKS	CLASSIFICATIONS	2022-23	2023-24	2024-25
Big Ridge	Rustic Studio	8.33%	11.59%	15.22%
Cedars of Lebanon	Deluxe 2 BR	11.12%	14.32%	19.40%
	WPA Cabin	4.02%	7.24%	7.21%
Chickasaw	Standard 2 Bedroom	4.27%	7.19%	12.36%
	Rustic 1 Bedroom	52.65%	57.35%	64.12%
Cumberland Mountain	Timber Lodge 3 Bedroom	3.80%	7.07%	11.96%
	Deluxe 2 Bedroom	3.80%	7.07%	11.96%
	Historic CCC	4.02%	7.24%	14.46%
	Standard	4.01%	7.31%	12.26%
	Duplex	11.23%	15.22%	20.29%
	Mill House	9.74%	17.72%	21.43%
	Coon Hollow	9.74%	17.72%	21.43%
David Crockett	Premium 2 Bedroom	4.12%	7.22%	10.31%
Edgar Evins	Economy Suites 1 Bedroom	5.72%	16.23%	19.82%
Fall Creek Falls	Fisherman 3 Bedroom	4.06%	18.23%	29.00%
	Landside Standard 2 Bedroom	4.06%	18.23%	19.00%
	Fisherman Standard 2 Bedroom	4.06%	18.23%	23.28%
Henry Horton	Standard 3 Bedroom	4.15%	20.93%	21.57%
	Standard 2 Bedroom	3.96%	24.73%	36.23%
	Rustic 2 Bedroom	3.74%	26.10%	33.90%
Meeman-Shelby Forest	Rustic 2 Bedroom	4.01%	7.31%	17.92%
Montgomery Bell	Premium 2 Bedroom	4.16%	17.11%	19.36%
Natchez Trace	Deluxe 2 Bedroom	4.12%	12.96%	20.46%
	Standard 1 Bedroom	4.20%	13.65%	25.75%
	Standard 1 Bedroom #7	4.01%	12.03%	21.23%
	Camping Cabins	4.23%	14.83%	18.53%
Nathan Bedford Forrest	Deluxe 2 Bedroom	3.93%	12.97%	12.58%
	Rustic Cabin	3.96%	14.36%	18.07%
Norris Dam	Standard 3 Bedroom	3.93%	7.07%	12.18%
	Deluxe 1 Bedroom	4.01%	7.31%	10.38%
	Studio 1 Bedroom	4.20%	7.35%	10.50%
	Historic Cottage	3.88%	7.07%	10.06%
Paris Landing	Standard 3 Bedroom	4.06%	8.25%	12.57%
	Camping Cabins	3.73%	13.13%	16.86%
Pickett	Deluxe 3 Bedroom	3.96%	12.61%	16.19%
	Standard 3 Bedroom	4.27%	13.95%	12.81%
	Standard 2 Bedroom	4.44%	18.06%	22.78%
	Historic CCC Stone Cabins	74.72%	80.11%	85.15%
	Historic CCC Wood Shingle Cabins	103.57%	106.72%	113.39%
Pickwick Landing	Standard 2 Bedroom	3.80%	8.15%	11.23%
	Premium 2 Bedroom	4.11%	8.11%	9.65%
	Premium 3 Bedroom	4.16%	8.13%	10.11%
Reelfoot Lake	Premium 2 Bedroom	4.11%	7.08%	9.65%
	Premium 3 Bedroom	4.16%	7.18%	10.11%
Roan Mountain	Standard 2 Bedroom	28.32%	32.02%	39.18%
	Standard 2 Bedroom	28.32%	32.02%	46.80%
Rock Island	Premium 3 Bedroom	3.70%	6.89%	10.25%
Standing Stone	Deluxe 3 Bedroom	3.93%	7.07%	15.90%
Tims Ford	Deluxe 2 Bedroom	4.20%	7.17%	8.74%

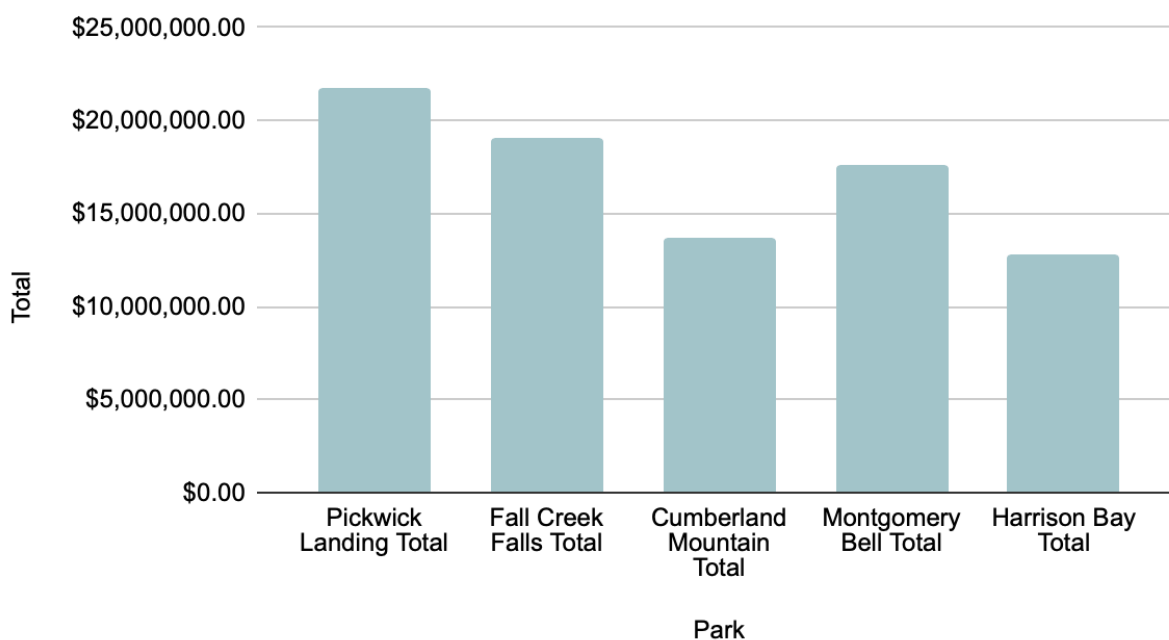
Parks with Most and Least Revenues

This next section focuses on the state parks with the most and least revenues from 2019 to 2024. It is important to acknowledge that the COVID-19 Pandemic impacted revenue intake and visitation data. Further analysis is conducted to evaluate the activities and outdoor recreation opportunities at each park. By focusing on revenue intake, we can evaluate the impacts that activities have on visitation.

The attendance and offerings data for Tennessee State Parks in 2022 provide insights into the diversity of recreational opportunities available and their relationship to park visitation. Each park provides different outdoor and recreational activities, with attendance figures reflecting their popularity based on the amenities they offer. The visitation data of 2022 was found from each individual state park Tennessee State Government Strategic Management Plans from 2023-2033.

Below shows the top 5 parks earning the most amount of revenue from 2019 to 2024. This includes major programs only and not the additional hospitality rates to focus solely on activity revenue. The parks with the most revenue in order from greatest to least are Pickwick Landing, Fall Creek Falls, Montgomery Bell, Cumberland Mountain, and Harrison Bay.

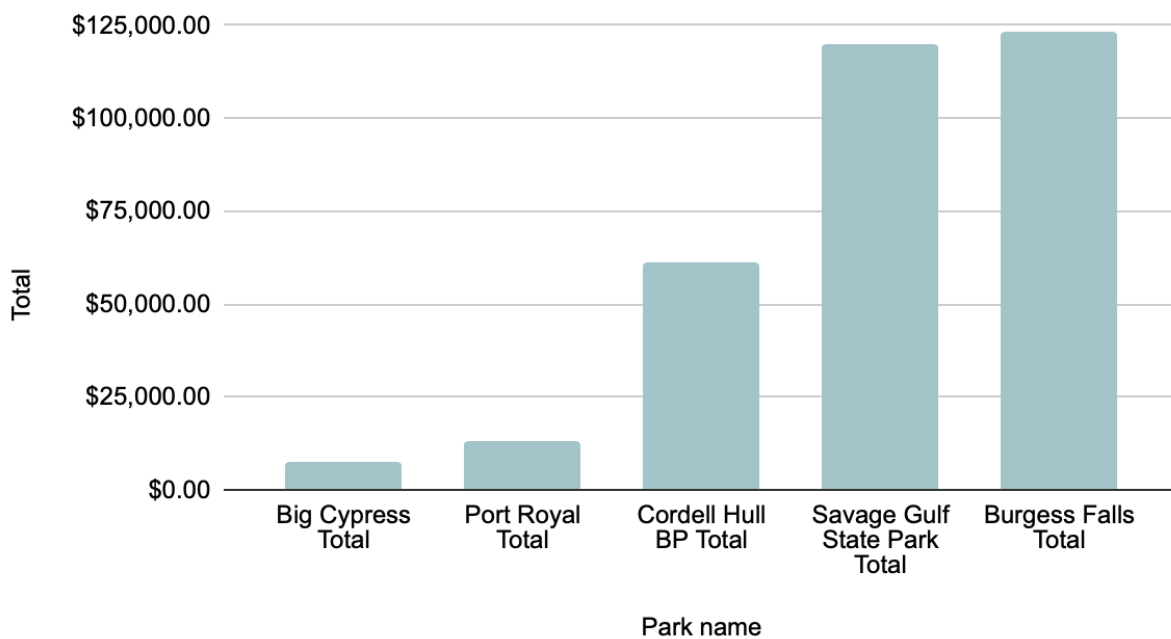
Top 5 Parks Earning Most Amount of Revenue 2019-2024



Pickwick Landing earned approximately \$22 million, Fall Creek Falls earned \$19 million, Montgomery Bell earned \$17.5 million, Cumberland Mountain earned \$14 million, and Harrison Bay earned \$13 million. This data shows a clear connection between diverse activity offerings, strong attendance, and total revenue among the state parks.

On the alternative side, below shows the top 5 parks earning the least amount of revenue from 2019 to 2024. This includes Big Cypress, Port Royal, Cordell Hull, Savage Gulf State Park, and Burgess Falls.

Top 5 Parks Earning Least Amount of Revenue 2019-2024



Big Cypress earned approximately \$7,000, Port Royal earned \$13,000, Cordell Hull earned \$61,000, Savage Gulf State Park earned \$120,000, and Burgess Falls earned \$124,000.

Compared to the top 5 parks listed above, there is a substantial difference in the amount of revenue earned from 2019 to 2024.

Parks like Montgomery Bell, Fall Creek Falls, and Pickwick Landing recorded the highest attendance figures, ranging from 1.2 to 1.4 million visitors in 2022. These parks offer a wide array of activities and facilities, including camping, cabins, golf courses, group camps, lodges, marinas, restaurants, and gift shops. Notably, the inclusion of lodges and resort cabins, which cater to overnight stays, may have contributed to their high visitor numbers. For instance, Fall Creek Falls offers swimming facilities, interpretive programs, and a well-maintained restaurant, providing a comprehensive recreational experience. These diverse amenities likely make the park attractive to a broad audience, including families, large groups, and outdoor enthusiasts seeking extended stays.

Park	2022 Attendance
Montgomery Bell	1,423,316
Fall Creek Falls	1,329,358
Pickwick Landing	1,281,983
Harrison Bay	1,224,071
Cumberland Mountain	814,856
Burgess Falls	180,002
Savage Gulf State Park	168,757
Port Royal	75,476
Cordell Hull BP	39,907
Big Cypress	26,303

Montgomery Bell demonstrates a strong combination of offerings which add to its appeal. This wide range of amenities enhances visitors' overall experience, potentially leading to high repeat visitation. Montgomery Bell, despite recording the highest 2022 attendance at 1,423,316, ranks third in revenue, nearing \$18 million. Montgomery Bell's highest earning revenues were from Camping, Golf, Lodge, Restaurants, and Resort Cabins.

Pickwick Landing emerged as the highest revenue generator, surpassing \$20 million, with a 2022 attendance of 1,281,983. The most popular amenities for visitors according to the TN State Government include: Pickwick Lake, Lodge, Cabins, Campgrounds, Marina, Island Loop Trail, Golf Course, Swim Beaches, Fishing, Shelters. Their top 5 revenues were from Golf, Lodges, Marina, Restaurants, and Resort Cabins.

Montgomery Bell generated approximately \$1.5 million more in revenue from golf and \$1.2 million more from restaurants compared to Pickwick Landing. Additionally, lodging revenue between the two parks was nearly equal, with only a \$300,000 difference. Yet, despite hosting approximately 2 million fewer visitors, Pickwick Landing outperformed Montgomery Bell in total revenue. The key lies in the Pickwick Landing Marina, which brought in an impressive \$8.1 million in revenue from 2019 to 2024, making it a significant activity of the park's financial success.

Parks like Cumberland Mountain and Harrison Bay had slightly lower attendance (814,856 and 1,224,071, respectively) but still maintained a visitation attraction due to their activities. Harrison Bay, for example, reflects many of the offerings at the high-performing parks, including group camps, resort cabins, and a golf course, but may have lower attendance due to regional differences in demand. Cumberland Mountain, with similar offerings, including marina access and interpretive programs, attracts visitors.

On the lower revenue side, parks such as Big Cypress (26,303 attendees) and Port Royal (75,476 attendees) cater to smaller audiences. These parks offer more limited amenities, focusing on

camping, interpretive programs, and facility rentals. Their smaller scale may appeal to visitors seeking nature forward, less crowded environments. However, the lack of expansive offerings like lodges or golf courses limits their overall attraction.

Savage Gulf State Park and Burgess Falls, with 168,757 and 180,002 visitors respectively, are similarly positioned as medium to low-attendance parks but provide distinctive natural attractions and specialized offerings such as interpretive programs and special funds for conservation. Their visitor numbers suggest a targeted appeal to those seeking a day trip in nature.

The data highlights a clear correlation between the diversity of amenities and park attendance. Parks that offer lodging options, such as resort cabins or lodges, see higher attendance due to their ability to house overnight visitors. Amenities like golf courses, marinas, and group camps further enhance their appeal, attracting a broader group of individuals. Alternatively, parks with fewer offerings or more specialized features appeal to smaller audiences but may struggle to achieve the same levels of attendance.

Understanding the relationship between amenities and attendance can guide park management in resource allocation and future investments. For example, adding lodging or expanding recreational facilities at lower-attendance parks could help their appeal. Conversely, high-performing parks may benefit from maintaining or enhancing existing amenities to sustain their popularity.

Overall, the data highlights the importance of aligning park features with visitor preferences and regional demands to optimize attendance and maximize the value these parks bring to Tennessee's residents and tourists.

Comparing State Rates

It is crucial to compare other state park rates to ensure that Tennessee State Parks remain competitive and marketable. If activity rates are too high compared to other state parks, visitors may reject the idea of visiting which ultimately alters attendance rates. Many visitors come from neighboring states, so it is important to provide a memorable experience for tourists who are coming out-of-state. States with similar economic conditions, such as median income levels provide relevant benchmarks. By aligning rates with other states, Tennessee can ensure that its pricing remains accessible while maximizing revenue.

Kentucky

The state of Kentucky has a respectable parks program, hence the reason for needed comparison. Kentucky's state park system includes 45 total parks and historic sites. They offer many different amenities including Golf, Walking & Jogging Trails, Swimming, Fishing, Boating, Water Skiing, Scuba Diving, Nature Trails, Horse Camping, Mountain Biking, Planned Recreation, Playgrounds, Picnicking. Kentucky state parks welcomed an estimated 7.9 million tourists in 2019.

Golf is a very popular amenity offered in Kentucky. Similar to TN state parks, there are green fees posted for guests. Kentucky offers their standard rates, along with Aerification Rates, Holiday Rates, and Winter Rates. These rates are adjusted to account for different circumstances to heighten demand and revenue. According to the Kentucky State Government Parks website, the rates are as follows for Dale Hollow Lake State Park Golf Course (including a cart):

Rate Type	9 Holes	18 Holes
WEEKDAY (Mon -Thurs)	\$25.00	\$50.00
WEEKEND (Fri -Sun)	\$27.50	\$55.00
TWILIGHT RATES (Starting @ 1 :00pm -7 Days a Week)	\$22.50	\$45.00
WORKING RATES (Starting@ 3:00pm -7 Days a Week)	\$17.50	\$35.00

On the Tennessee State Park website, the rates are as follows for Paris Landing Golf Course (including a cart):

Rate Type	9 Holes	18 Holes
WEEKDAY (Mon -Thurs) (In Season)	\$27.00	\$45.00
WEEKEND (Fri -Sun) (In Season)	\$28.00	\$49.00
WEEKDAY (Mon -Thurs) (Out of Season)	\$27.00	\$40.00
WEEKEND (Fri -Sun) (Out of Season)	\$27.00	\$40.00

Analyzing the weekday and weekend rates for both Dale Hollow Lake State Park Golf Course and Paris Landing Golf Course reveals some notable patterns. Paris Landing offers higher rates for 9-hole rounds, while Dale Hollow Lake charges more for 18-hole rounds. Specifically, for 9 holes on weekdays, there is approximately an 8% difference, with Paris Landing having the higher rate. On weekends, however, this gap narrows, with only a \$0.50 difference in rates for 9 holes between the two courses.

In contrast, the difference in 18-hole rates is more distinct. On weekdays, Dale Hollow Lake charges 10% more than Paris Landing for 18 holes, and this difference increases to 12% on weekends. These figures suggest that Dale Hollow Lake positions itself as a premium option for full-round golfers, while Paris Landing appeals to those seeking shorter rounds.

The overall comparison between Tennessee and Kentucky state park golf rates shows that the two states have relatively comparable pricing structures. However, Tennessee may have the potential to raise its 18-hole rates slightly. This could be justified by the perceived quality of the experience, strong demand, or unique course features, as long as the increase does not discourage golfers. Strategic pricing adjustments like these can help Tennessee capitalize on its offerings while remaining competitive in the regional golf market.

Alabama

Similar to Kentucky and Tennessee, the state of Alabama has a great parks program. While they only have 21 state parks total, they offer a variety of activities to bring in tourism such as cave tours, cable skiing, ziplining, park trails, fishing, rock climbing, golf, and more. Alabama requires an entrance fee to enter into state parks. They offer annual passes if visitors are regular attenders.

Alabama state parks offer a 9 hole and 18-hole system. The Oaks golf course splits their rates by rounds with cart fee and without cart fee on weekdays and weekends. Below shows the rates from Oak Mountain Golf Course located in the state of Alabama:

Rate Type	9 Holes	18 Holes
WEEKDAY (Mon -Fri) (With Cart)	\$28.00	\$41.00
WEEKEND (Sat -Sun) (With Cart)	\$32.00	\$49.00
WEEKDAY (Mon -Fri) (Without Cart)	\$17.00	\$23.00
WEEKEND (Sat -Sun) (Without Cart)	\$21.00	\$31.00

Similarly, TN state parks also offer a rate with carts versus without cart fees split up by weekdays and weekends. That is shown below:

Rate Type	9 Holes	18 Holes
WEEKDAY (Mon -Thurs) (With Cart)	\$27.00	\$45.00
WEEKEND (Fri -Sun) (With Cart)	\$28.00	\$49.00
WEEKDAY (Mon -Thurs) (Without Cart)	\$16.00	\$26.00
WEEKEND (Fri -Sun) (Without Cart)	\$18.00	\$30.00

When comparing Alabama's golf rates to Tennessee's, an interesting trend emerges that contrasts with Tennessee's comparison to Kentucky. While Tennessee and Kentucky have specific pricing structures, Alabama's rates reveal a flipped pattern. Alabama consistently charges higher rates for 9-hole rounds but offers lower rates for 18-hole rounds compared to Tennessee.

For example, Alabama's weekend rate for 9 holes, including a golf cart, is approximately 9% higher than Tennessee's. Despite this, the cost for 18 holes with a cart on weekends is identical between Alabama and Tennessee, even though Alabama maintains a \$4 premium for 9 holes. This pricing structure suggests Alabama places a higher value on shorter games, potentially catering to golfers who have limited time to play.

The implications of these differences highlight the importance of understanding regional pricing trends and consumer behavior. Alabama's higher 9-hole rates could reflect a strategic decision to maximize revenue from casual golfers or visitors seeking shorter, more flexible rounds. Meanwhile, the lower 18-hole rates may aim to attract avid golfers who prioritize affordability for full-round experiences.

For Tennessee, this comparison highlights the need for rate-setting to balance competitiveness with revenue. Adopting a similar strategy to Alabama's could involve slightly raising 9-hole rates to capture value from casual golfers, while maintaining or slightly lowering 18-hole rates to ensure affordability for dedicated players. By acknowledging these differences, Tennessee can refine its pricing strategy to align with market expectations and maximize revenue potential.

Policy Recommendations

- 1. Use break even analysis to consider a change in rates that will allow revenue and expenditures to balance out. After break even analysis is applied, decipher whether the rates would be too high if a percentage was added on top of that to ensure that revenues area profitable.**

To make the state park more profitable and achieve a break-even point, it is essential to address the current revenue shortfall which results from expenditures exceeding total revenue. A key strategy involves increasing rates for park activities and services that generate significant revenue. Adjustments should be calculated proportionally to ensure the additional revenue offsets the shortfall while remaining competitive and accessible to visitors. A recommended policy would involve a systematic increase in rates across all activities. This percentage increase should be sufficient to cover the deficit while considering visitor demand.

It is crucial to recognize that a single year of high demand does not necessarily justify an immediate increase in annual rates. For instance, when lodge rates were raised following a profitable year, the resulting price hike led to a decline in revenue. This underscores the importance of carefully balancing demand with pricing strategies to avoid setting rates so high that they deter customers and drive business away.

Careful analysis of visitor behavior and demand will be critical to ensure that rate adjustments do not negatively impact attendance or revenue. Implementing altering prices for certain seasons may increase revenue. For example, increasing rates for activities such as golf and swimming during spring and summer to improve revenue when demand is the highest.

2. Activity Subscription Pass or State Park Membership

While the state of Tennessee does not charge for admission, offering an activity subscription pass for those who regularly use the amenities may create additional revenue. A subscription pass could include discounts on equipment rentals, offer priority booking for activities, and exclusive access to special activity days or member-only events. This pass could target frequent visitors who engage in multiple activities throughout the year.

Alabama does this with an Individual Pass offered for \$180, a Senior Pass (62 and Older) for \$80, and a Family Pass (up to 4 people) for \$230. This is to not be confused with an admission charge, but just a subscription pass that offers amenities.

3. For Golf - Flexible Rate Adjustment Based on Game Duration

Tennessee state parks should adopt a flexible pricing model that differentiates between 9-hole and 18-hole golf rounds to better meet the needs of diverse player groups and enhance revenue. By increasing rates for 9-hole rounds while keeping 18-hole rates competitive, the parks can appeal to both casual golfers who prioritize convenience and avid golfers seeking a full-day experience.

This policy would involve a moderate adjustment to 9-hole pricing, reflecting the value of shorter, time-efficient rounds for busy visitors. At the same time, maintaining or slightly lowering 18-hole rates could encourage golfers to choose Tennessee parks over regional competitors. The strategy influences the inclination of casual players to pay a premium for flexibility while ensuring affordability for those engaging in longer rounds.

To implement this approach effectively, Tennessee parks could analyze visitor data to determine the optimal rate adjustments, ensuring they remain competitive within the regional market. This dynamic pricing structure has the potential to increase overall revenue while balancing accessibility and visitor satisfaction.

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