Sarah Huckabee Sanders
Governor
Shea Lewis
Secretary

September 25, 2026

Hon. Justin Boyd, Co-Chair
Hon. Les D. Eaves, Co-Chair
Arkansas Legislative Council
One Capitol Mall, Fifth Floor
Little Rock, AR 72201

RE: Department of Parks, Heritage, & Tourism – Division of State Parks – Annual Report Regarding Implementation of Dynamic Pricing Strategy

Dear Senator Boyd and Representative Eaves:

Per Ark. Code Ann. § 22-4-305 (Authority of State Parks, Recreation, and Travel Commission to impose fees for services – Pledge of revenues from fees – Restrictions), the Arkansas Department of Parks, Heritage, and Tourism (ADPHT), Division of State Parks, submits the enclosed annual report to the Legislative Council. The enclosed report contents were reviewed by the State Parks, Recreation, and Travel Commission at their meeting on September 10, 2026.

Respectfully,

Shea Lewis, Secretary, Department of Parks, Heritage and Tourism
Director, Division of State Parks

Enclosure: Division of Arkansas State Parks – Annual Report Regarding Implementation of Dynamic Pricing Strategy

cc: Marty Garrity, Director, Bureau of Legislative Research (w/encl.)
Suzanne Grobmyer, Chief of Staff (w/encl.)
Marty Ryall, Director of Legislative Affairs (w/encl.)
Jami Fisher, Chief Fiscal Officer (w/encl.)
Jeff King, Deputy Director (w/encl.)
Jeannine Bruner, Fiscal Support Administrator (w/encl.)

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Department of Parks, Heritage, & Tourism - State Parks Division
Annual Report Regarding Implementation of Dynamic Pricing Strategy
September 4, 2026

FY 2026 Dynamic Pricing Performance			
Type of Unit	Units Sold Performance	Revenue Performance	Average Daily Rate Performance
Lodge Rooms	(14.08%)	($266,536)	$14.98
Cabins	(7.48%)	($259,991)	$5.70
Campsites & Unique Lodging	6.47%	$415,927	($0.09)
All	2.40%	($110,600)	($1.78)

Strategic Overview

The State Parks Division's FY 2026 dynamic pricing strategy was implemented to maximize revenues and overnight accommodation reservations by directly responding to market forces, including seasonal demand variations, occupancy levels, current market conditions, and special event interest. Mandated by Arkansas Code Section 22-4-305 (originally enacted under Act 652 of the 2021 Regular Session), the FY 2026 strategy utilized targeted base price adjustments. This framework allows the division to adjust lodging, camping, and accommodation rates by implementing discounts up to 50% and increases capped at 20%. These parameters were systematically deployed across all lodge rooms, cabins, campsites, and unique lodging options such as yurts, rental RVs, and camper cabins based on historical performance, real time volume metrics, holidays, and specific market demands.

Below denotes specifics regarding the FY 2026 strategy and performance results:

- The FY 2026 strategy included base price discounts and increases for overnight accommodations including lodge rooms, cabins, campsites and unique lodging (e.g., yurts, rental RVs, camper cabins), as was implemented in our FY 2025 strategy.

- FY 2026 percentage increases (capped at 20% over base rate pricing) or decreases (limited to 50% discounts below base rate pricing) were deployed based on historical low and high demand periods, number of units reserved, historical performance, holidays, and market demands.
- FY 2026 strategy executions included maximizing automated algorithm-based pricing during peak seasons and holidays, while implementing special promotions with considerable discounts to capture volume during low demand timeframes.
- FY 2026 lodge room and cabin capacity were heavily restricted due to multi-month renovations at high demand properties: Mather Lodge at Petit Jean State Park and cabins at Devil's Den State Park.
- FY 2026 dynamic pricing response was category specific rather than uniform. Strategic rate optimization successfully pushed Average Daily Rate (ADR) increases in premium categories including +$14.98 for lodge rooms and +$5.70 for cabins, gaining higher revenue per unit sold to help offset broader occupancy drops. A minor targeted ADR reduction of -$0.09 in the campsites and unique lodging segment prompted a +6.47% increase in units sold, generating a substantial +$415,927 in camping revenue.
- FY 2026 was in step with national trends showing travelers pivoting toward cost conscious, flexible outdoor accommodations with demand shifting into lower cost categories.
- FY 2026 dynamic pricing strategy successfully defended the division's financial baseline, mitigating operational challenges that included renovations, changes in leisure demand and frequency of the traveler's visits.

Plan for FY 2027:

- Continuously track market changes and leisure trends to ensure pricing remains competitive while supporting long term revenue health.
- Continue tailoring distinct pricing opportunities for overnight accommodations at the individual park level, while identifying new areas to expand dynamic pricing.
- Utilize strong promotional discounts during historical slow demand periods to stimulate visitation, improve occupancy, and boost secondary park revenue.
- Refine the reservation system's automated, algorithm-based pricing configurations to capture emerging real time market opportunities.