



RESHAPING THE SHARED RESPONSIBILITY OF COUNTY JAILS

Kentucky's county jails **are at a crisis point**, with fiscal court subsidies rising more than 76% in six years and counties forced to raise taxes or cut essential services just to keep their facilities operating. The financial strain will continue to threaten local budgets, public safety and the sustainability of the jail system.

HB 557 (2026) – A COMPREHENSIVE APPROACH

1 Incentivizing Regional Jails

Establishes a formal process for **regional jail authorities (RJA)** to seek state funding for new facility construction and facility expansion or improvements. Provides a **\$1 million grant** to fiscal courts that create or join an RJA and **\$500,000** to existing member counties that accept new partners. Authorizes 96-hour county holdover facilities and ensures participating county jailers automatically serve on the RJA board.

2 Clarifying Responsibility for Pre-Trial Felony Detainees

Requires the state to reimburse counties at a rate based on **actual costs** when a felony inmate receives credit for time served.

3 Redefining State Inmate Housing Model

Requires the Department of Corrections to have contracts with fiscal courts or RJAs based on **actual housing costs**. Strengthens **jail accountability** by requiring inmate programming and a daily medical professional presence. Limits the transfer of state inmates without prior DOC approval.

—Endorsed by—





County General Fund Subsidy for Jails FY2019-25



Source: KACo analysis of Uniform Financial Information Reports, FY2019-25 (excludes Fayette and Jefferson counties)

- **County jail funding is no longer sustainable under the current model.** Over the past six years, counties have increased general fund transfers to jails by 76%—from \$96.5 million to \$170 million*—**diverting resources from essential local services** and underscoring the need for more economies of scale and regionalization.
- **Counties shoulder the full cost** of housing felony defendants for months or even years while cases await trial, with **no reimbursement** when inmates receive credit for time served. Responsibility for pre-trial detainees must be clarified.
- **The state inmate housing model is fundamentally broken.** The current \$35.34 per diem covers **barely half the true cost** of incarceration, falling far short of the \$63.44 average daily cost per inmate in FY2025.* Counties are forced to absorb this growing funding gap.

**Excludes Fayette and Jefferson counties.*



For more information on county jails in Kentucky, visit www.kaco.org.