

APRIL 1, 2026

**POWELL COUNTY
DETENTION CENTER**

GENERAL FISCAL ANALYSIS

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PCDC GENERAL FISCAL ANALYSIS

To gain a better understanding of the financial state of the Powell County Detention Center, we have prepared this document to compare local trends with those statewide, illustrating how our local facility matches up against our peers.

A combination of factors across the Commonwealth have led to decreases in revenue, increases in expense, and an overall economic challenge for both state and local detention centers to keep pace. Increasing costs of living, inflation, rising fuel and food costs, increasing costs of medical supplies, pharmaceuticals and equipment and other day to day expenses have made navigating a correctional facility in 2026 a difficult proposition.

However, in Powell County, through inventive programs and cost cutting measures, along with fiscal responsibility and future-proofing efforts, we have managed to minimize the impact on the local tax base as much as possible, and are leading the way in Kentucky in doing so. We hope that you find this document informative, and an example of what can be done when an organization pulls together.

REDUCING RECIDIVISM

There is no more cost-effective form of incarceration than no incarceration at all. The statewide average annual cost for housing an inmate in a local facility (excluding Jefferson and Fayette Counties due to differing funding models) has reached \$20,284 in 2026. With that level of expense dedicated to housing the incarcerated population, we must consider the chief goal of any detention center to use the time and tools at their disposal to ensure individuals do not return upon release.

Through innovative concepts and a dedication to rehabilitation, the Powell County Detention Center has seen a steep, continuous and unmistakable drop in repeat offenders. Particularly in those serving lengthy sentences for more serious charges. The chart below represents average recidivism statistics from 2022-26, broken down by length of stay

Recidivism Rates PCDC 2022-26

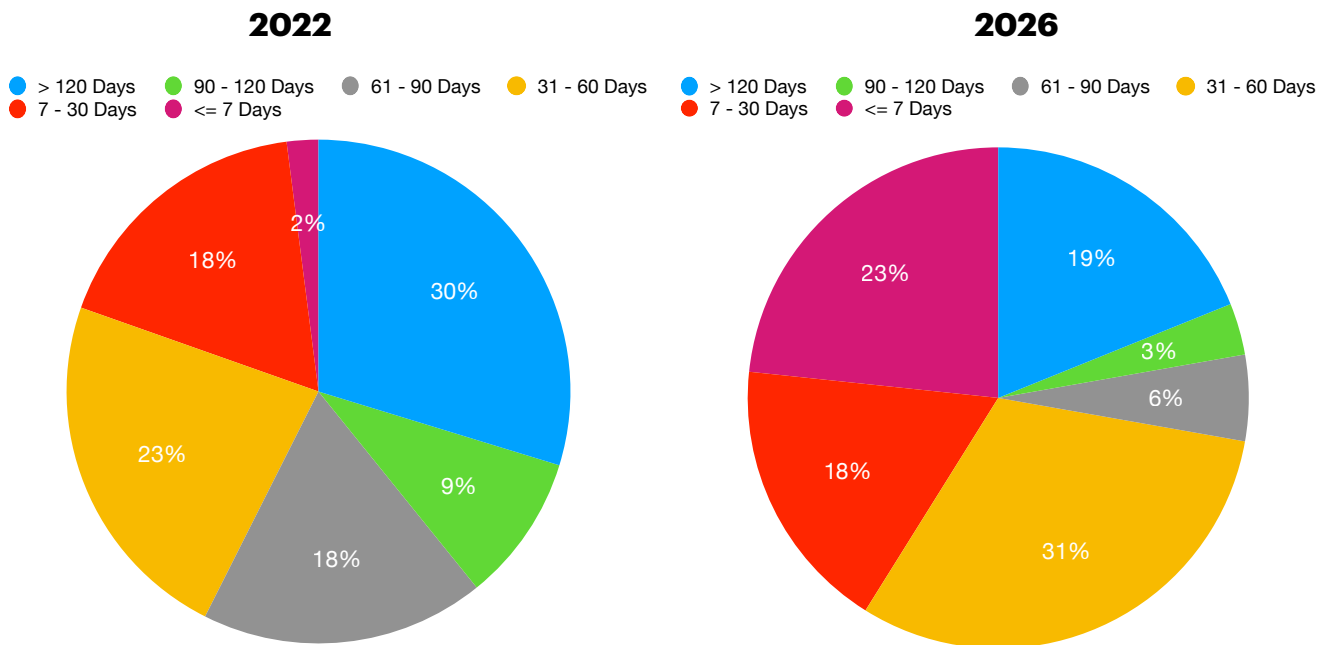
Stay Length	2022	2023	2024	2025	2026
> 120 Days	44	43	33	22	17
90 - 120 Days	14	14	8	8	3
61 - 90 Days	27	17	15	19	5
31 - 60 Days	34	36	26	26	28
7 - 30 Days	26	21	14	13	16
<= 7 Days	3	4	4	3	21
Total	148	135	100	91	90

From 2022 to 2026, the average number of recidivism cases at the PCDC dropped from 148 to 90, representing a 39% decrease in total recidivism events. Even more significant is the shift in the "Stay Length" composition. In 2022, the facility averaged 44 inmates staying for longer than 120 days, but by 2026, that number plummeted to just 17. This represents a 61% reduction in long-term, high-cost incarceration stays.

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The economic impact of this reduction is substantial when factored against the \$63.44 average daily operational cost for an incarcerated individual in Kentucky.

- **Bed-Day Savings:** The reduction of 27 inmates in the ">120 Days" category alone represents a minimum savings of 3,240 bed-days annually. At \$63.44 per day, this single category shift saves the county approximately \$205,545 in avoided operational costs.
- **Local Economy & Workforce:** By reducing the number of individuals spending 4+ months behind bars, Powell County is returning potential workers to the local labor force sooner. The shift from long-term stays to short-term (<= 7 days) means that individuals are maintaining community ties and employment eligibility rather than becoming a permanent drain on the General Fund.

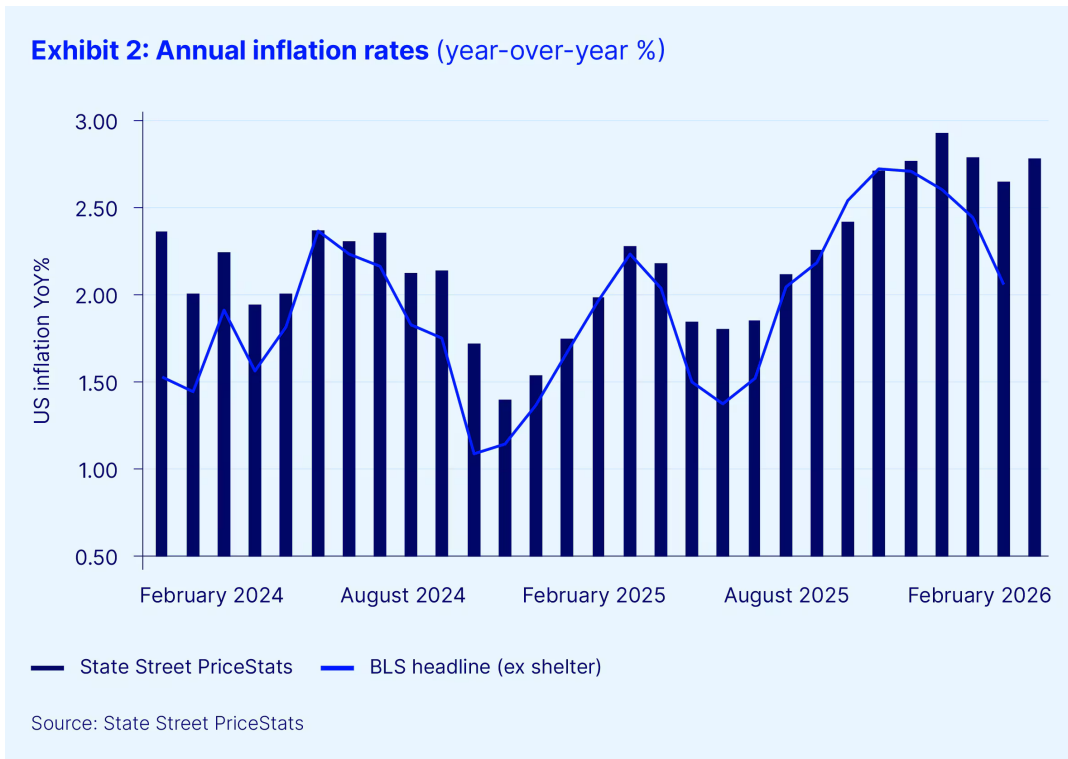


The graphs above illustrate the difference visually, and show the striking changing in incarnation types in Powell County. In 2022, 57% of those housed at the Powell County Detention Center were serving sentences 60 days or longer. Compared to 2026, where we see only 28% serving comparably long sentences. This clearly illustrates the success of local efforts to curb reoffending, and its positive impact on the community as a whole.

FIGHTING INFLATION

In every business, government office and home, the reality of historic inflation is one which cannot be ignored. Utilities, food and fuel costs have risen and continue to rise dramatically, along with medical care and supplies. These are unavoidable expenses for any correctional center, and we must realign our priorities as prices dictate.

But the PCDC has made strides in reducing those costs, and successfully navigating these times. As indicated below, year-over-year inflation numbers in the United States dipped slightly in 2024, but are showing a steady climb back toward COVID-era rates, increasing costs across the board for basic necessities.

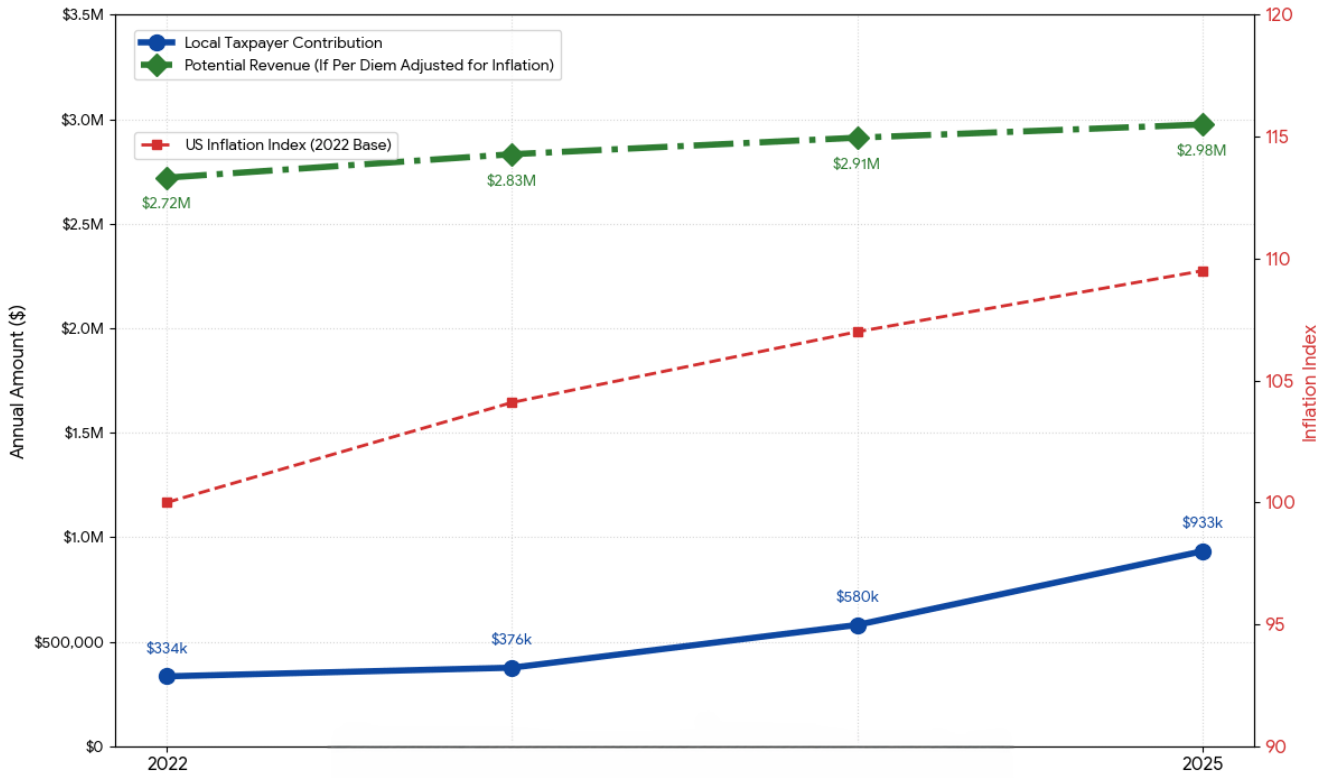


In addition to the complex problems created by inflation, local jails throughout Kentucky are challenged by a daily per diem rate for state incarceration in local facilities which has been raised only once since it was implemented in 2008, and currently sits at \$35.34. Had this rate kept up with inflation since it's inception, the real equivalent in 2026 dollars would be \$47.32, nearly \$12 higher per day, per bed, than currently allocated.

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Averaging 171 state inmates in the past two years, the net loss to inflation in real dollars comes to nearly \$750,000 annually. While the Kentucky State Legislature has worked this session on a fix for this serious issue, these solutions have not yet been implemented. Fortunately, it is to be assumed that relief will be coming in a renegotiated local per diem rate which will fall more in line with the costs of today.

The Cost Shift: Local Tax Burden vs. Stagnant State Inmate Revenue
(Projected Revenue Loss vs. Actual Taxpayer Contribution)



Source: Kentucky Association of Counties - December 13, 2024

However, even despite the weight of inflation on our facility, our local taxpayer contribution has maintained a relatively even pace with the US Inflation Index, as seen above. Even more striking by comparison is where the fiscal state of our facility would be had those state funds been tied to the index or a COLA. In which case, our facility would be nearly completely self-sufficient.

LIMITING COSTS PER BED

In determining the effectiveness of funds used at the PCDC, the most straightforward and simple comparison is to break expenses down to a cost per bed. This allows for all aspects of the facility from staffing to healthcare to be counted as one, and carved out as a manageable number per individual housed in the detention center. For comparison’s sake, KACO offers statewide data up to 2024, which can be used as a benchmark for our own facility.

Kentucky Jail Cost Per Bed Breakdown

Adjusted to exclude Fayette and Jefferson counties so the bed count matches the scope of the KACo FY2024 finance slides.

Bottom line: Using an adjusted bed count of 18,458, the average FY2024 cost per bed was \$20,284 in total expenditures, \$2,238 in medical spending, and \$7,964 in county general fund support.

Methodology

The statewide jail figures report lists **21,515 total jail beds**. The KACo financial presentation says its expenditure, medical, and general fund figures **exclude Fayette and Jefferson counties**, so those two counties were removed before calculating cost per bed.

Bed Count Adjustment

Step	Description	Beds
1	Statewide total jail beds	21,515
2	Less Fayette County	(1,266)
3	Less Jefferson County	(1,791)
4	Adjusted comparable bed count	18,458

FY2024 Cost Per Bed

Category	FY2024 Amount	Beds Used	Average Per Bed
Total expenditures	\$374.4M	18,458	\$20,284
Medical spending	\$41.3M	18,458	\$2,238
County general fund support	\$147.0M	18,458	\$7,964

Source Notes

- Statewide total beds: 21,515; Fayette: 1,266; Jefferson Detention Center: 1,791; adjusted comparable total: 18,458.
- FY2024 amounts from KACo slides: expenditures \$374.4M; medical \$41.3M; county general fund support \$147.0M.
- Formula: average cost per bed = FY2024 category amount / 18,458 adjusted beds.

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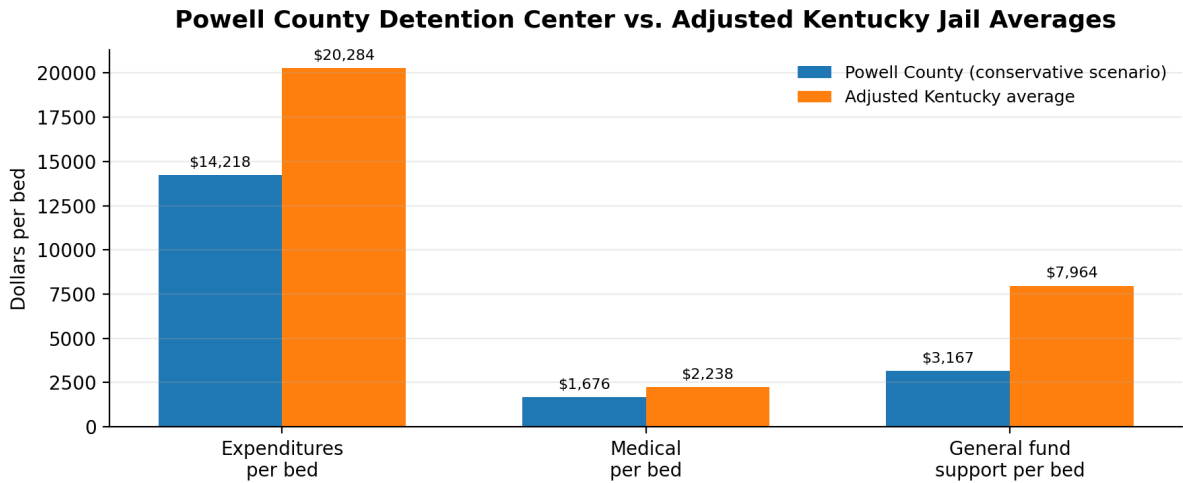
Comparatively, by every measured metric, the Powell County Detention Center is exceeding expectations, and creating one of the most cost-effective local facilities in the Commonwealth.

POWELL COUNTY DETENTION CENTER
 Conservative Cost-Per-Bed Comparison Against Adjusted Kentucky Jail Averages

Bottom line: Even under a deliberately conservative scenario, PCDC performs well below the adjusted Kentucky average in total spending per bed, medical spending per bed, and local taxpayer support per bed.

PCDC remains below state averages even when tested under worst-case local assumptions.

EXPENDITURES PER BED	MEDICAL PER BED	GENERAL FUND SUPPORT PER BED
\$14,218	\$1,676	\$3,167
State avg. \$20,284	State avg. \$2,238	State avg. \$7,964
29.9% below state average	25.1% below state average	60.2% below state average



Method used

- Powell assumptions: 300-bed facility; \$4,265,276 total expenditures; \$502,812 medical; \$950,000 general fund support.
- State benchmark: FY2024 KACo jail finance figures excluding Fayette and Jefferson; adjusted statewide bed base: 18,458.
- This approach intentionally uses a higher local support figure to present a conservative comparison.

Taxpayer burden

PCDC: 22.3%
of total expenditures

State average: 39.3%

This data shows that the Powell County Detention Center is:

- **Operating Far Below Statewide Norms:** The \$3,167 annual per-bed contribution from the Powell County Fiscal Court is 60% lower than the statewide average
- **Keeping Medical Costs Low:** Maintaining a healthy population through in-house care and dedicated supervision has allowed our facility to operate at a cost 25% lower than the statewide average.
- **Focused on Staffing:** By adjusting shifts and schedules, utilizing staff in multiple roles, and investing in retaining veteran employees, the PCDC has managed to accomplish all of these things while maintaining a lower-than-expected staffing cost compared to statewide averages. Per the Department of Corrections, the average local jail allocates 60-70% of its budget for staffing costs. In our most recent budget, 55% of our financial expenditures are allocated to staffing. This puts our facility a full 10% below the median of the state average, illustrating how effective a lean, veteran workforce can be in modern corrections.
- **Utilizing Minimal Local Taxpayer Contributions:** From 2023-2026, the Powell County Detention Center has generated \$10,527,154 in revenue, all of which has been poured back into the daily operations of the facility. (*Source: KY Department of Corrections*). Statewide, the typical supplemental funding for local facilities from the general fund sits at an average of \$7,964 per bed annually. However, through these measures, the reduction of annual expenses to the county taxpayer saves Powell County Residents \$4,797 per year, per bed, compared to the rest of Kentucky.
- **Subsidizing the Local Government Workforce:** Between the local animal shelter, transfer station, county maintenance crews, mowing, tourism agencies and other county projects the PCDC allocates resources of on average 14 full-time laborers per week throughout our community. At a base rate pay of \$15/hr, these supervised workers save the Powell County Fiscal Court's various entities \$436,800 in salary each year. When accounting for full time employees with benefits (approximated at 25% due to cost fluctuations), that brings the total of employee salary savings to \$546,000. While these funds may not appear in a ledger as revenue, their absence would most certainly create either a severe lack of funds or services in our community, with one or the other necessarily having to be sacrificed.

CONCLUSION

While it is the mission of all of us employed at the Powell County Detention Center to become a cost-neutral facility, all of the factors lined out above currently make that goal unrealistic. However, it is important to maintain perspective on what the PCDC is doing right, and how it plans to move into the future. As a short recap:

POWELL COUNTY DETENTION CENTER

OPERATIONAL EXCELLENCE & TAXPAYER VALUE



Even while operating at a \$750,000 annual deficit in state payments lost to inflation, the Powell County Detention Center maintains a strong value-for-dollar ratio for the people of Powell County. Beyond just dollars and cents, having such a thriving facility on hand employs as many as 50 members of our community at a time, drastically reduces travel time for law enforcement following an arrest, and keeps local residents home, with family and a support system. With projected state revenue increases and ongoing efforts to expand recidivism reduction efforts, we can expect the PCDC to maintain its role at the forefront of corrections in Kentucky, and to continue to be a source of pride for our citizens.

Teddy Lacy
Powell County Jailer

AFTERWARD

All information in this document supplied by the Powell County Detention Center internal reports, the Kentucky Association of Counties, The Kentucky Department of Corrections and Justice Cabinet. Sources are specified when available, other internal documents available upon request.