

August 2024

Capital Projects on Rikers Island

Executive Summary

New York City is mandated to close the jails on Rikers Island by August 31, 2027, an extension from the original deadline of December 31, 2026. As a result, there has been heightened interest in Department of Correction (DOC, or the Department) expenditures to maintain existing infrastructure on Rikers Island, as well as capital expenditures to construct four replacement jails (one each in the Bronx, Manhattan, Queens, and Brooklyn). The new, smaller jails are intended to address fundamental challenges with the Rikers Island facilities, which are located far from courthouses and residential areas, have been found for decades to violate safety standards, and are not designed with modern correctional best practices in mind. The City's plan to close the jails on Rikers Island was predicated on a decrease in the jail population—based on fewer people being arrested and an increase in alternatives to incarceration—to be served by the borough-based jails, which will have a lower capacity than Rikers Island. However, the [Administration](#) stated that the City cannot meet this mandate given increases in [the daily jail population](#) and [delays in the construction of borough-based jails](#).

Traditionally in New York City, most expenditures related to construction and reconstruction of physical infrastructure would be funded in the Capital Budget, which is generally financed through issuance of long-term debt. Projects must meet certain requirements to be capitably eligible, including a minimum value of \$50,000 and a useful life of at least five years. Because the closure date for Rikers Island is less than five years away, no current or future projects meet the useful life requirement unless they will be utilized after the jail complex closes. Because of this unusual circumstance, DOC is increasingly funding maintenance projects through the Expense Budget, which is separate from the Capital Budget and funded by a mix of city (largely taxes), state, and federal funds.

Generally, in New York City, the Expense Budget is used for agency operating costs including personnel and other non-personnel expenses (for items such as office supplies and contractual services). The Expense Budget is generally not intended to cover large-scale infrastructure projects. In closing Rikers Island, some expense funds were always anticipated to be used to cover capital costs. However, the scale of DOC's use of Expense Budget funding to address the safety and functionality of Rikers Island facilities, in addition to documented [operating inefficiencies](#), leaves less funding for other City operations and puts additional pressure on the Expense Budget.

At the request of Freedom Agenda, a project of the Urban Justice Center, the Independent Budget Office (IBO) revisited and expanded upon a previous [report](#) on capital expenditures on Rikers Island. This report provides details about DOC infrastructure projects on Rikers Island in both the Capital and Expense Budgets by analyzing project descriptions that include Rikers Island or those that IBO could conclude are

Introduction

In 2017, the de Blasio Administration pledged to shut down jail facilities on Rikers Island. In October 2019, the City Council legally mandated a plan that would close the Rikers Island complex by December 31, 2026 and establish four smaller, borough-based facilities to operate in its place. (There is no borough-based jail planned for Staten Island.) The new, smaller jails are intended to address [fundamental challenges with the Rikers Island facilities](#), which are located far from courthouses and residential areas, have been found for decades to [violate safety standards](#), and are not designed with modern correctional best practices in mind. The plan for a smaller jail population required both a decrease in the number of people being arrested and an increase in alternatives to incarceration—programs that have been subject to budget cuts this year (see IBO’s reports [here](#), [here](#), and [here](#)). Since then, the deadline to close the jails has been pushed back to August 31, 2027, and the Administration has stated that the City cannot meet this mandate given increases in the jail population and delays in the construction of the borough-based jails. Currently, none of the borough-based facilities are scheduled to open by the [statutory closure deadline](#). The Brooklyn jail is scheduled to open in 2029, the Queens and Bronx jails are scheduled for 2031, and the Manhattan jail does not yet have a completion date. The seven facilities active on Rikers Island (in addition to wards at Bellevue and Elmhurst Hospitals) are currently the City’s only local jails. The timeline for closing current jails presents complications to maintaining existing infrastructure using funds from the City’s Capital Budget.

The Capital Budget presents the funding plans for City construction and repair projects, and purchases of land, buildings, or equipment (including information technology in certain circumstances). In New York City, the capital program is generally financed by borrowing money through the sale of bonds.² This is separate from the City’s Expense Budget, which generally covers day-to-day operating expenditures and is financed by City taxes and other revenues, including state and federal aid. For a project to be considered capitolly eligible, it must involve the construction, reconstruction, acquisition, or installation of a physical public improvement with a value of \$50,000 or more and a “useful life”—an estimate of the number of years an asset will remain in service—of at least five years.

Amid the uncertain closure timeline and the useful life requirement for capital eligibility, the Administration [testified](#) in March 2024 that the City no longer uses capital funding to maintain and repair existing infrastructure on Rikers Island. However, [more recent testimony](#) by the Administration stated that some projects have been “co-certified” with DCAS to maintain their capital eligibility, as DCAS is legally required to take control of Rikers Island when jail operations cease (see the “Pathways for Currently Budgeted Capital Projects” section for more details).³ Purchases that can be moved, like equipment or vehicles, also continue to be capitolly eligible. For projects that remain ineligible, DOC has begun to resort to the unusual practice of using operating funds for projects that would traditionally be capitolly eligible, or the Department must forego the projects entirely. Higher expense costs at DOC also mean the City must make a tradeoff between spending on Rikers Island versus spending on other City operations.

Planned or Completed Rikers Island Infrastructure Projects

Projects in the Capital Budget

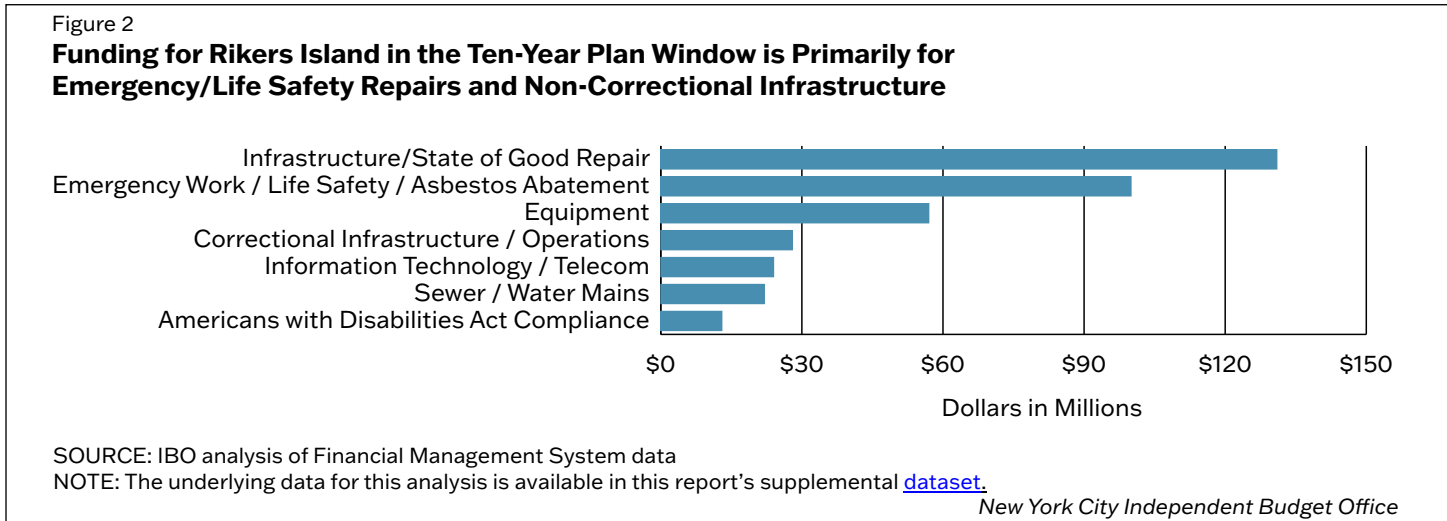
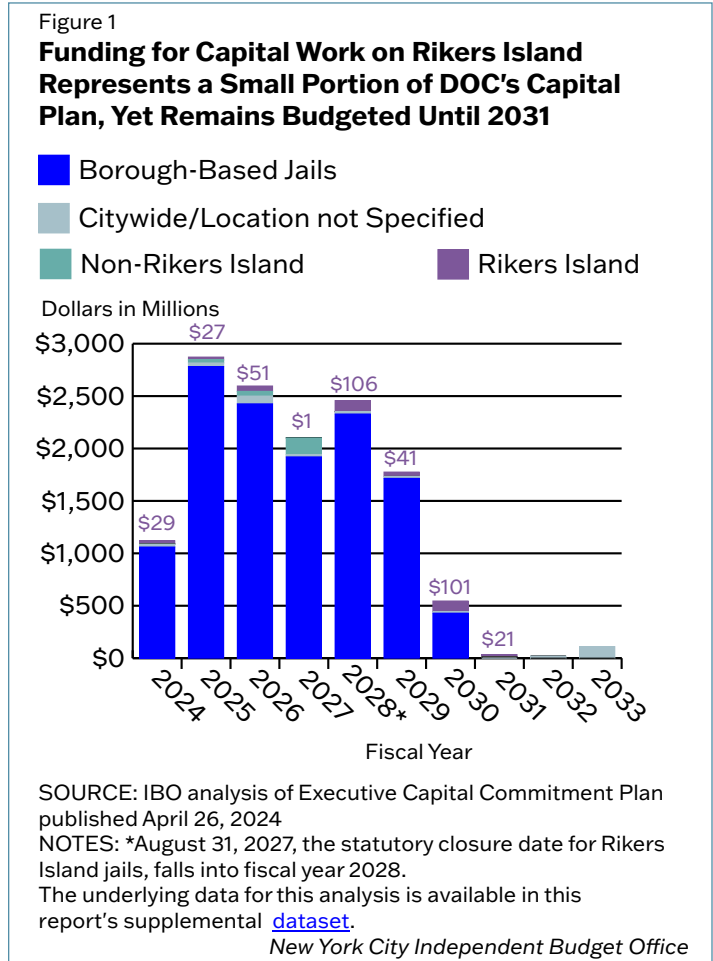
Ten-Year Capital Commitment Plan Analysis. IBO’s analysis began by looking at funding for Rikers Island in DOC’s Capital Budget in the budget line dedicated to Rikers Island, and expanded to include other budget lines that IBO could attribute to work occurring on Rikers Island. In the Capital Budget, agency funding is allocated to unique budget lines. A budget line may represent a discrete project or encompass funding for projects with similar scopes of work.

Rather than solely reviewing projects by budget line, as in IBO’s [prior analysis](#), the current methodology

includes qualitative review of all DOC projects to identify work occurring on Rikers Island regardless of which budget line was funding the project. Using publicly available project descriptions, IBO categorized DOC’s capital projects as follows: “Rikers Island,” “Non-Rikers Island,” “Borough-Based Jails,” and “Citywide Work / Location not Specified.” Additionally, projects co-certified with DCAS are identified in this report as occurring on Rikers Island.⁴ For the remaining citywide projects or those without a specified location, IBO was unable to verify whether the project includes work on Rikers Island. Given the consolidation of DOC jails on Rikers Island in recent years, it is possible that many of the projects identified by IBO as occurring citywide are intended for, or occurring on, Rikers Island. Across the plan window, \$356 million (3% of DOC’s total Capital Budget) was associated with projects IBO classified as citywide or not having a specified location.

As of the Executive Capital Commitment Plan released in April 2024, DOC’s total Capital Budget was \$13.6 billion across the ten-year plan window (2024–2033), of which IBO identified \$376 million for projects on Rikers Island.⁵ The vast majority of DOC’s Capital Budget (\$12.7 billion) is allocated for construction of the borough-based jails. This does not include correctional projects funded outside of DOC’s budget, such as [Health + Hospitals therapeutic housing beds](#) for people in DOC custody.

Much of the funding budgeted for work on Rikers Island is to maintain existing infrastructure rather than expand correctional operations or capacity. Given public commitment by both the [Administration and the Council](#) to move to borough-based jails, this is to be expected. The majority of Rikers Island projects funded in the Capital Budget (\$231 million or 62%) are for facility maintenance: emergency work,



life safety projects, asbestos abatement, and general state of good repair work. IBO classified projects as expanding correctional operations if they explicitly increase capacity of existing jail facilities or involve the creation of new correctional infrastructure. In this category, IBO identified \$28 million for projects including a “New [Emergency Services Unit] Compound at Rikers” (\$9 million) and a “New K9 Facility at Rikers” (\$3 million). The [Emergency Services Unit](#) is tasked with responding to emergencies both on and off Rikers Island. The [K9](#) Unit conducts facility searches and patrols the grounds on Rikers Island using dogs, often along with other response units such as the Emergency Services Unit. (See the “Reallocate Funding” section below for more about these projects.)

Prior Year Capital Commitments for Rikers Island.

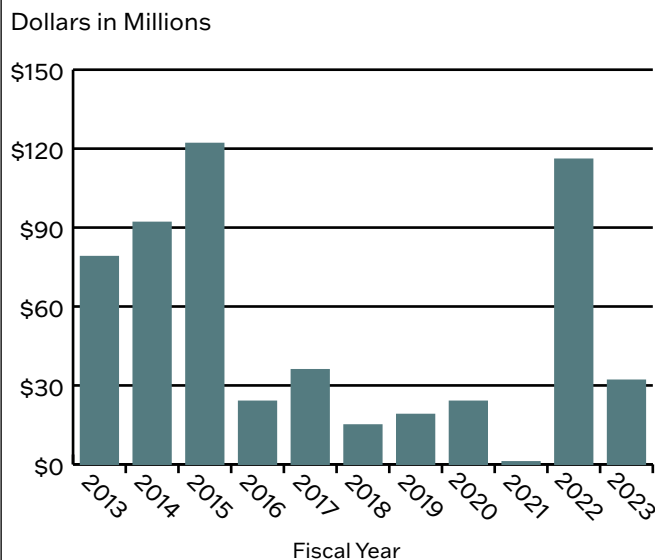
To see how budgeted funding for current and upcoming DOC projects compares with the past, IBO reviewed capital commitments associated with work on Rikers Island over the past ten years. Capital expenditures on Rikers Island grew 54% from 2013 to 2015, to a peak of over \$122 million. Commitment levels dropped significantly in 2016 to \$24 million, which the Administration attributes to the cancellation or completion of several large projects, and remained relatively constant through 2020. Commitments were much higher in 2022 (\$116 million), and still somewhat higher in 2023 (\$32 million), likely reflecting the approaching useful life requirement for capital assets. Nearly all commitments in these years are associated with emergency work at various jail facilities on Rikers Island. IBO requested, but did not receive, detailed scopes of work from authorized certificates to proceed for emergency capital projects with commitments in 2022 and 2023. The Administration confirmed to IBO that these projects broadly included: “locker room renovations; infirmary renovations; dorm room renovations; heating, ventilation, and air conditioning (HVAC) work; creation of program centers; and sewer replacement.” Without detailed scopes of work, IBO is unable to verify particulars about these projects.

Infrastructure Repairs in the Expense Budget

DOC’s Maintenance and Repairs Budget. DOC funds infrastructure projects that are not eligible for capital funding through the Expense Budget. To assess recent changes in maintenance and repairs spending, IBO reviewed DOC’s Expense Budget and actual spending, finding that both have increased markedly since 2019.⁶ The structure of DOC’s budget only allows analysis of maintenance costs at the citywide level; it was not possible for IBO to disaggregate expense spending by facility. It also was not possible for IBO to determine to what extent the spending described below would be capital eligible if the City were not legally required to close Rikers Island jails by 2027.

As of the Adopted Budget released in June 2024, the budget for maintenance and repairs increased by 350%, from \$6 million in 2019 to \$28 million in 2024. Actual spending on repairs also grew more than three-fold—by 328%—from \$5 million in 2019 to \$22 million in 2023, the last year for which actuals have been finalized. The total maintenance and repairs budget for 2025 through 2027 hovers around \$19 million annually, much higher than in 2019 but lower than both 2023 spending and the 2024 budget. The Administration [testified](#) that DOC’s current budget only partly meets the infrastructure needs on Rikers

Figure 3
After Declining in 2016, Commitments for Work On Rikers Island Increased in 2022



SOURCE: IBO analysis of Financial Management System data
New York City Independent Budget Office

Island, so it is probable that additional funds will be added in future budget cycles, as was the case in the Executive Budget released in April 2024. Within the maintenance budget, higher contractual services costs—services not provided by City employees, but by external vendors—account for much of the change. DOC spent \$80,000 on contractual services for maintenance in 2019 (1.5% of the maintenance budget), growing to \$14 million in 2023 (62%) with \$11 million budgeted for 2024 (39%).

Payments to Other Agencies for Rikers Island Repairs. Outside of DOC’s budget codes explicitly designated for maintenance costs, analyzed above, IBO also identified \$33 million paid by DOC to the Department of Design and Construction in 2023, as part of an intracity agreement for [Americans with Disabilities Act compliance work](#), cell door replacement, and emergency repairs. Intracity spending occurs when a City agency transfers funding to another City agency, which then manages the work, whether that is completed in-house or further contracted to an external vendor.

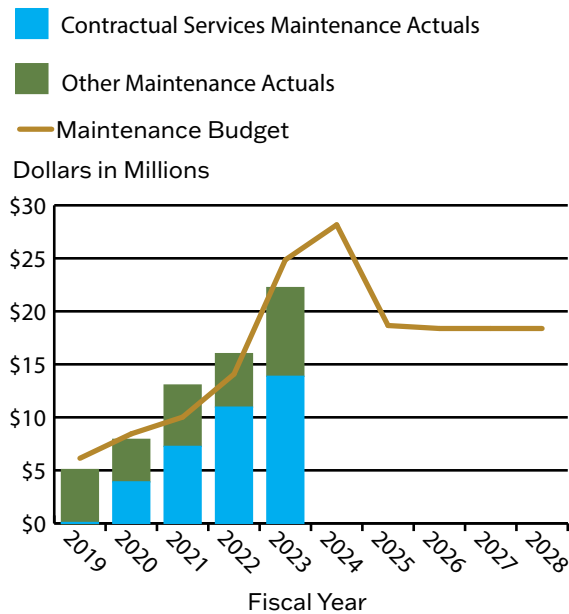
Pathways for Currently Budgeted Capital Projects

As the deadline for closing Rikers Island draws closer and the Administration works to identify other potential uses for buildings and infrastructure once the jails close, IBO is monitoring planned capital work. IBO further examined the \$376 million in planned funding for Rikers Island to determine how much was associated with projects that have been co-certified with DCAS, and for those that have not, whether any funding has been committed to date. Of the \$376 million in planned funding, \$57 million (15%) is associated with projects that have been co-certified with DCAS, and \$319 million (85%) is tied to projects that have not been co-certified.

Within funding for projects that have not been co-certified, \$94 million is related to projects with no prior year commitments. These projects do not have registered contracts with the Comptroller, implying that design or construction work has not yet begun. The remaining non-certified projects (\$225 million) have prior year commitments. These are projects that have remained capitably eligible through the traditional process or began prior to the establishment of the capital eligibility deadline for projects on Rikers Island. Projects with prior year commitments have contracts registered with the Comptroller, meaning that work has begun in some capacity. However, without detailed project schedules, IBO is unable to verify the status of these projects. Funds may still be needed for projects with prior year commitments if they remain capitably eligible—such as portable equipment—or if they are substantially complete and in the construction close-out process.

In evaluating the potential outcomes for planned funding, a project’s status (based on prior commitments and co-certification) will likely impact whether the project proceeds, and if so, whether expense or capital funding is utilized. IBO has identified three possibilities for Rikers Island capital projects going forward—maintain eligibility, use expense funds, or reallocate funding—which are described below.

Figure 4
Both the Maintenance Budget and Actual Spending Have Increased More than Three-Fold Since 2019, Driven by Higher Spending on Contractual Services



SOURCE: IBO analysis of Financial Management System data
New York City Independent Budget Office

Figure 5
Of the \$376 Million in Planned Funding for Work on Rikers Island, 15% Has Been Co-Certified
Dollars in Millions

Project Status	Planned Capital Funding
Co-Certified Projects	\$57
Equipment	10
Infrastructure/State of Good Repair	37
Sewer / Water Mains	10
Non-Certified Projects	\$319
Prior Year Commitments	\$225
Americans with Disabilities Act Compliance	\$12
Correctional Infrastructure/Operations	20
Emergency Work/ Life Safety/ Asbestos Abatement	48
Equipment	35
Infrastructure/State of Good Repair	91
Information Technology/Telecom	7
Sewer/Water Mains	13
No Commitments to Date	\$94
Americans with Disabilities Act Compliance	1
Correctional Infrastructure/Operations	8
Emergency Work/ Life Safety/ Asbestos Abatement	52
Equipment	12
Infrastructure/State of Good Repair	3
Information Technology/Telecom	18
Grand Total	\$376

SOURCE: IBO analysis of Executive Capital Commitment Plan published April 26, 2024
New York City Independent Budget Office

Maintain Capital Eligibility. Portable equipment and vehicles are capitally eligible regardless of the Rikers Island closure timeline, assuming they meet the useful life and cost thresholds. Projects that are not mobile may be eligible through co-certification with DCAS. Thus far, \$57 million of the \$376 million (15%) identified by IBO has been co-certified, which the Administration confirmed requires agreement from DCAS that the project will be utilized for non-correctional operations on Rikers Island and will meet the useful life requirement. Examples include repairs to sewer systems, water mains, and electrical feeders. Eligibility for co-certification is determined on a case-by-case basis for each certificate to proceed.⁷ Should new infrastructure needs arise that meet the Administration’s criteria, those projects may become eligible for capital funding. While IBO cannot assess whether individual projects will be eligible for co-certification, the majority of the \$94 million in projects with no prior commitments broadly fits within eligible categories as defined by OMB for co-certification, as the projects are not explicitly designated for the expansion of correctional facility operations. These projects may therefore be more likely to be co-certified in the future.

Use Expense Funds. The Administration may decide that some projects not eligible for capital funding are essential for jail operations or to meet legal requirements. In those instances, funding may be allocated in the Expense Budget. While expense funding is often utilized to cover ineligible portions of otherwise capitally eligible projects, it is unusual for it to be used to cover the cost of entire capital projects. Debt-financing allows the City to pay off the costs of capital projects over time, whereas using expense funding would require all

costs incurred within a given year to be supported by existing revenue. Doing so could increase the impact on DOC’s Expense Budget, which means DOC may need to request additional funds to cover those costs. The Administration is already increasingly paying for some projects through the Expense Budget (as was anticipated in the original Rikers Closing plan). Considering DOC’s increased maintenance and repairs spending—due to extended timelines and increased costs—that trend may continue.

Reallocate Funding. Given the closure timeline and threshold for co-certification, some capitally ineligible, non-essential projects may not continue. Funds for these projects may be transferred to other capitally eligible projects. For example, the Administration confirmed that the “New [Emergency Services Unit] Compound at Rikers” budgeted for 2030 will not move forward. This project should therefore no longer be included in the Capital Budget.

Funding transfers between capital projects are common practice and can be used to reallocate resources when project shortfalls or surpluses exist. If the \$94 million in projects without prior commitments are not co-certified, funding for those projects could be reallocated to other projects. In addition, non-certified projects with prior commitments total \$224 million across the ten-year plan window. As noted above, without detailed project schedules IBO is unable to verify the completion status of these projects. It is possible that a portion of this funding is associated with projects that are substantially complete and have finalized the close-out process. In this case, transferring funding to capital eligible projects, such as co-certified projects or the borough-based jails, may be appropriate. As an example, “New K9 Facility” is complete, and the Administration confirmed that funds remaining in the budget will be reallocated in future plans.

Conclusion

While much of the recent attention to DOC’s Capital Budget has focused on the cost and timeline for the borough-based jails, at least \$376 million remains allocated to capital projects on Rikers Island. This funding is largely for emergency and state of good repair work to address the safety and functionality of the facilities; IBO identified few Rikers Island capital projects explicitly related to expanding correctional operations.⁸ Commitments for projects on Rikers Island increased substantially from prior years in 2022, the last full year in which all capital projects were eligible, before decreasing again in 2023.

Because of the five-year useful life requirement and the August 2027 closure deadline for facilities on Rikers Island, the current capital eligibility status of most of these projects is unclear. Some projects remain eligible, whether through traditional procedures or co-certification. Others may proceed using expense funds, as appears to be occurring based on maintenance spending trends. Projects currently dedicated to Rikers Island could also be canceled and have funding rolled over to other projects. How effectively the Administration manages these projects as the closure deadline approaches—balancing budgetary constraints with the need to promote safety for people who live, work, and visit the facilities—will impact both the City budget and the state of Rikers Island jails.

Endnotes

¹Capital commitments represent dollar amounts of contracts awarded and registered by the City Comptroller. Commitments differ from capital liquidations which indicate actual cash outlays.

²Other municipalities and states, including [New York State](#), finance capital projects through a mix of bonds and “pay-as-you-go” expense dollars. Issuing long-term debt for long-term projects is considered more equitable, as current taxpayers help pay for the use of facilities that may have been built before they were City taxpayers. Additionally, because capital projects vary considerably in size, complexity, and cost, the stream of expenditures can be considerably “lumpier” than it is for Expense Budget items. To pay for the entire capital program as part of the general budget would require erratic changes in tax rates from year to year — an undue and unpredictable burden on taxpayers.

³Per the [Renewable Rikers Act](#), enacted by the City Council in February 2021, DOC is required to assess land use on Rikers Island every six months and transfer unused parcels to DCAS, with all parcels transferred by August 31, 2027. At the Executive Budget hearing on May 17, DOC [testified](#) that the agency had not found any land not in active use for transfer since the beginning of the Adams Administration. [Several parcels](#) were transferred under the de Blasio Administration.

⁴A list of these projects was provided to IBO by the Administration.

⁵While FY24 has ended, commitments may still be reflected in this year until it is formally closed from an accounting standpoint. At the time of publication, year to date commitments for FY24 may not ultimately reflect final commitments for FY24. As such, IBO references the budgeted amounts for FY24 rather than full year to date commitments.

⁶The City’s Expense Budget is structured as follows, in descending order of specificity: unit of appropriation (or U/A), budget code, then object code. For this analysis, IBO included DOC’s “maintenance and repairs” budget code, as well as a new budget code as of the April 2024 Executive Budget for “life safety maintenance.” These budget codes appear under three different, but similar, U/As: “Operations,” “Operations - OTPS,” and “NYC DOC Jail Operations - OTPS.” To learn more about U/As, see [IBO’s explainer](#).

⁷A certificate to proceed is a record of approval from the Mayor’s Office of Management and Budget that sets the terms and conditions for the capital project and informs the Comptroller of the amount of obligations to be used for financing. See [IBO’s Guide to the Capital Budget](#) for more information. (Please note that the eligibility threshold for capital projects was raised from \$35,000 to \$50,000 after this guide was published.)

⁸For example, the “New [Emergency Services Unit] Compound at Rikers” and “New K9 Facility at Rikers” projects previously discussed.