COVID-19 and the New York City Budget
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Introduction

• The Coronavirus Aid Relief and Economic Security Act was enacted on March 27th, 2020, and there was over 25,000 confirmed cases of COVID-19 in NYC already.
• The CARES Act allocated money to the local governments by population.
• NYC received $1.4 billion from the CARES Act and spent over 95% of within the first 4 months of receiving it.

The Budget

• In article written by wallethub.com, it states that, “New York got less than $24,000 per positive case while Alaska received over $3.3 million.”
• NYC had a really hard time keeping up with the costs of COVID-19. NYC had cut funding to its agencies and funds in order to make up for lost revenue.

PPE & Other Necessities

COVID-19 has pushed NYC to invest thousands of dollars into Personal Protective Equipment. Sadly, there have been mishaps with the city funds and the equipment that city agencies purchased. For example, in articles published in thecity.nyc, COVID-19 emergency equipment has been misplaced, put in storage gathering dust, or is not safe to use.

Table 1 above shows that NYC had a big drop in small business revenue because of Coronavirus. Leading to small businesses closing and many people losing their job.

Table 2 above illustrates that NYC had used majority of the federal aid for Coronavirus within the first 4 months of receiving it.

References

https://tracktherecovery.org/
https://wallethub.com/edu/states-most-least-dependent-on-the-federal-government/2700
https://www.thecity.nyc/

Conclusion

• The CARES Act should have allocated money to local and state governments by confirmed cases not population because it was needed by the places that were harder hit.
• All governments must budget for usual and infrequent financial events; however, NYC fails to budget for these unusual events resulting in the fiscal disaster that it faced amidst COVID-19
• In the Comprehensive Annual Financial Report, it is difficult to pinpoint where exactly the federal aid from the CARES Act was allocated.