FEMA has supported many activities through its $7.4 billion in public assistance-related funding to the New York City area. Activities funded include grants to state and local governments for emergency response, such as debris removal, and permanent work, such as the repair of disaster-damaged public facilities. FEMA also provided public assistance-related funding specifically directed by Congress that would not otherwise have been eligible for assistance (e.g. reimbursing costs of instructional time for students who lost school time after the terrorist attacks). The major uses for this funding are as follows:

- $1.7 billion for debris removal operations and insurance.
- $2.8 billion to repair and upgrade the transportation infrastructure of Lower Manhattan.
- $0.6 billion to the New York City Police and Fire Departments for such purposes as emergency efforts and replacing destroyed vehicles.
- $0.3 billion to miscellaneous city agencies for a wide range of activities (e.g., instructional time for students and building cleaning).
- $0.7 billion for non-New York City agencies for many purposes (e.g., office relocations and repair of damaged buildings).
- $1.2 billion available on June 30, 2003, for public assistance-related reimbursements to New York City and state (work to be decided).

The provision of public assistance to the New York City area differed in three significant ways from FEMA’s traditional approach.

FEMA and New York City officials agreed that FEMA’s public assistance approach in the New York City area creates uncertainties regarding the delivery of public assistance in the event of another major terrorist event. They differed on the effectiveness of using the public assistance program as currently authorized as the vehicle for federal disaster response to a future major terrorist event. Key New York City officials said that the program needed major revisions, while FEMA officials said it worked well along with the congressional prerogative to provide additional assistance. Nevertheless, FEMA has begun to consider ways to redesign the program to make it better able to address all types and sizes of disasters, including terrorist attacks.