



NARC

Building Regional Communities

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March 18, 2021

Acting Director Rob Fairweather
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

RE: Docket ID No. OMB-2021-0001

Dear Acting Director Fairweather:

The National Association of Regional Councils (NARC) appreciates the opportunity to provide comment on behalf of its national membership in response to the January 19, 2021 Federal Register notice, *“Recommendations From the Metropolitan and Micropolitan Statistical Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas”* (FR Doc. 2021–00988; Docket ID number OMB-2021-0001).

NARC serves as the national association for regional planning organizations that work in a broad number of areas including transportation, economic development, workforce, aging services, public safety, and much more. In these various roles, regional planning organizations rely on a variety of publicly available data, including from federal sources, for their planning and modeling functions.

Our members have many concerns about the proposed changes to the designation of MSAs, much of which centers on the committee’s first recommendation to increase the population threshold at which an MSA would be designated from 50,000 to 100,000.

1. The designation of Metropolitan Planning Organizations (MPOs) and the functioning of MPOs

Our members that would lose the MSA designation are concerned about the potential direct and indirect impacts on their MPO designation. Long-standing legislation, codified in 23 U.S.C. § 134, requires that an MPO be designated for each urban area with a population of 50,000 or more. An MPO is the policy board – consisting of local elected and appointed officials, among others – of an organization established as the result of these requirements. The organization itself, consisting of professional planning and policy staff, is responsible for developing a four-year work program known as the Transportation Improvement Plan (TIP) and a 20-year Long-Range Transportation Plan (LRTP), along with other planning requirements as established by Congress. MPOs play a critical role in shaping the future development of a metropolitan area and bring vital federal resources to a region to promote the local decision-making that an MPO engenders.

NARC’s communication with committee representatives gives us confidence that this proposed change in MSA designation will not directly impact the designation of MPOs, but our members remain deeply concerned that this change will harm their ability to meet the requirements of an MPO and greatly

increase the likelihood that Congress will, in the future, modify the population for the designation of MPOs to match that of the MSA. The MSA designation determines which data are collected about and provided to these communities. Without the full array of data these communities are currently receiving, their MPO would struggle to meet requirements regarding economic vitality, environmental protection and energy conservation, system management, and travel and tourism. Data predicated on the MSA designation is also used by regions to develop land use models, traffic plans, and air quality models that are used to reduce greenhouse gas emissions.

2. Other potential harms

In addition to concerns regarding their MPO designation, regional planning organizations have identified a variety of other concerns with the committee's recommendations as well.

A. Data

Sound data is foundational to the work of all regional planning organizations. The proposed change in the designation of certain communities as MSAs will significantly reduce the available data for those communities, making it harder to carry out local and regional planning and modeling functions and making it harder to conduct work in many areas including transportation, housing, economic development, equity, environmental protection, and more. The change in MSA designation will impact how the Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau and likely others collect and disseminate data regarding these re-designated communities and will reduce the amount of available data. The change of designation of even one community within a broader region is likely to negatively affect the ability of our members to do robust and critical planning across the entire region.

B. Community Development Block Grant (CDBG) Program

The CDBG Entitlement Program provides grants on a formula basis to cities and counties to provide adequate housing and expand economic opportunities, principally for low- and moderate-income individuals. These funds are a vital lifeline for a community to improve the quality of life for its citizens. The distribution of CDBG funds is directly tied to the designation of a community as an MSA, so the proposed change would jeopardize the eligibility of communities that are downgraded from an MSA to a micropolitan statistical area. Even if the existing communities are grandfathered into the program, this change would jeopardize the ability of communities that are just now reaching or will soon reach the 50,000 population threshold to receive CDBG funds.

C. Health Care Funding

Both Medicare and Medicaid rely on MSA designations to determine physician and hospital reimbursement rates. A sudden change to the designation of more than 100 communities could be a significant jolt for hospitals and the broader healthcare system on the heels of a massive disruption from the COVID-19 pandemic.

3. Limited Explanation

The Federal Register notice posted in mid-January contains no explanation for why the committee has proposed the change in population threshold for designating MSAs. In the recommendations document submitted by the committee, the justification for this change is nearly as unsatisfying. The committee

notes that “the minimum population required for an urban area to qualify a metropolitan statistical area had not kept pace with population growth of the United States.” Beyond that, there is no explanation of why this change would benefit the nation’s statistical agencies or what improvement in data collection and analysis would result from changing the MSA designation.

In addition, simply doubling the threshold MSA population because the nation’s population has (more than) doubled in the intervening decades fails to consider the varying dynamics that define these communities. It would be helpful, even vital, for OMB to better explain why the communities that will be impacted are better categorized as “larger” micropolitan statistical areas than “smaller” MSAs. Surely some scientific rigor could be applied to this question that helps explain why the fairly arbitrary doubling of the population threshold from what was a fairly arbitrary threshold to begin with is justified and necessary, and why it should be the only factor upon which this decision is made.

Finally, and most importantly, the notice also contains no consideration whatsoever regarding the practical impacts of this change in MSA designation. Past changes in MSA designation have not resulted in such wholesale change in the status of so many communities. To seemingly avoid the sticky mess that is likely to result from changing the MSA designation, OMB includes a statement that it “does not take into account or attempt to anticipate any public or private sector nonstatistical uses that may be made of the delineations.” And while this statement may help the agency sleep better at night, it is impossible to ignore that the changes proposed in this notice could have very real and material impacts on the effected communities. That the notice does not anticipate or contemplate these impacts is a woeful disregard of the important job that the nation’s data agencies play in the policymaking arena.

4. NARC’s Recommendation

COVID-19 has been a particularly uncertain time for the nation as a whole and no less so for the nation’s cities and counties. Uncertainty about budgets, public health, public safety, and the future of mobility are just a few areas that the pandemic has made vastly more challenging. This proposed change would be one additional uncertainty for communities that would lose their MSA designation.

Given the limited explanation for why this change is needed, the dearth of evidence that this change will serve the public good, and the potential harm this change could cause to the communities that would be impacted, *NARC recommends that OMB not accept the recommendation of the review committee on raising the population threshold from 50,000 to 100,000.* At the very least, greater consideration of the benefits and harms needs to be publicly provided so that the vast array of agencies that have some stake in this decision can better determine the costs and benefits. Barring that, we are asked to do the impossible in commenting on a recommendation without enough data.

If you have any questions or would like to discuss our comments further, please contact NARC Deputy Director Erich Zimmermann (erich@narc.org).

Sincerely,



Leslie Wollack
Executive Director