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Mr. Dominic J. Mancini, Deputy Administrator
U.S. Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Subject: Opposition to OMB Proposed Change to MSA Threshold

On January 19, 2021, the Office of Management and Budget (OMB) requested public comment on the recommendations it received from the Metropolitan and Micropolitan Statistical Area Standards Review Committee for changes to OMB's metropolitan and micropolitan statistical area standards. The proposal to raise the minimum Urbanized Area population threshold used to establish a Metropolitan Statistical Area (MSA) from 50,000 to 100,000 people would have severe impacts in two areas: federal funding and reporting of transportation planning data. This proposal if implemented will mean that the Madera Region will no longer be considered an MSA.

The federal register notice and appendix did not clearly identify any specific reason for the proposed change. The only possible justification offered by the 2010 Metropolitan and Micropolitan Statistical Area Review Committee, in the appendix of the federal register notice, simply stated that it was observed that the United States had increased population 2.2 times since 1950 while the population threshold to qualify a Metropolitan Statistical Area had not. The proposed 100,000 population threshold recommended appears arbitrary and not based on any quantifiable or statistically valid reason. If the doubling of the country's population was justification enough to change the metropolitan statistical area standards, one might have assumed recommendations for change should have occurred at that point rather than waiting another 20 years for this proposal.

In terms of financial impacts, this new threshold would change the status of the Urbanized Area in Madera County to a Micropolitan Statistical Area and eliminate the region's access to FTA Section 5307 funding, including the important Small Transit Intensive Cities funding that helps provide higher levels of transit services than would otherwise be financially feasible. It would also adversely impact the funding for MPOs and transit providers in these other California counties (with MSA name): Butte (Chico), Kings (Hanford-Corcoran), San Luis Obispo (San Luis Obispo-Paso Robles) and Napa (Napa).

Member Agencies: County of Madera, City of Madera, City of Chowchilla

The Madera Region also uses MSA geography data in our programs and planning that would no longer be reported, including labor market conditions, per capita income, unemployment rates, etc. This important data is used by companies when evaluating relocation to an area to project viability. This data is also used by real estate investors to study housing trends and population movement.

The recommended change states that the potential criteria being proposed are not designed “for use in program funding formulas.” The reality is that this type of criteria will be used for such purposes and cannot be separated and dismissed entirely from this proposed redesignation. The proposed MSA change along with other current efforts underway by the U.S. Census Bureau may create a ripple effect and have unintended harmful consequences to local communities. There are a multitude of funding sources that would affect communities least able to meet the demands of their large, but now not qualifying urban cores. MSA delineations are often used to establish eligibility for certain grant programs, or as an element in program formula and matching funds requirements. If a statute mandates a particular program use of metropolitan area designations, the department or agency administering the program has no choice but to apply the designations in accordance with law. Two main funding sources frequently cited as being affected by MSA designations are Federal Transportation and Highway Department funds and Department of Urban and Housing Development's (HUD) community development block grants.

To provide necessary services to residents of the Madera Region, local agencies depend on a variety of federal funding programs that utilize metropolitan and urban area statistical status as a qualification. If Madera is no longer defined as an urban area or MSA, we may no longer qualify for programs that support low and moderate-income persons, public transportation, public health and transportation planning and programming. We estimate that the financial impact to our community, in relation to this change, could result in losses in the millions of dollars annually.

Negatively impacts Federal Funding

The Madera County Transportation Commission (MCTC) serves as the Metropolitan Planning Organization (MPO), Regional Transportation Agency (RTPA), and transportation commission for Madera County. The MCTC is responsible for the development and adoption of the Regional Transportation Plan and Transportation Improvement Program. The MCTC, in its role as the MPO for our region, programs an average of \$7 million in transportation funding annually, and the OMB's proposal potentially jeopardizes that MPO authority.

This adjustment jeopardizes a wide-range of public and private policy and programming related activities and decisions. This change “raises the bar” to qualify as a Metropolitan Statistical Area and will be detrimental for small urban areas (i.e. the MSA's downgraded to “Micropolitan Statistical Areas). Larger urban areas will use this information as a cudgel to reduce funding to Micropolitan Statistical Areas. If the

proposal is approved, it could be the first step toward federal programs adjusting their population thresholds when it comes to distributing money to communities, leading to funding losses for the former 144 MSA areas in the country.

- Transportation – Our region’s urban area qualifies for over \$7 million/year which may be in jeopardy with this change.
- Economic Development - Current funding formulas for Consolidated Development Grant Block Programs (CDBG) could be affected.
- Continuum of Care (CoC) operations could be negatively impacted resulting in reduced funds for affordable housing and social programs.
- Urban transit agencies receive funding, programmed through MPOs and in conjunction with FTA. Rural transit agencies receive less funding, programmed through Caltrans. Caltrans cannot keep up with the current number of rural transit operators’ programming and procurements. A redefinition of regions will reduce transit funding, operations, and effectiveness and will negatively impact transit riders, transit services, the larger motoring public, and greenhouse gases.

Support the economic vitality of the metropolitan area...	<i>Requires quality data</i>
Increase the safety of the transportation system ...	<i>Requires MPO funding</i>
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Increase accessibility and mobility of people and freight	<i>Requires MPO funding / transit funding</i>
Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between (regional) transportation improvements and state and local planned growth and economic development patterns	<i>Requires quality data / modeling</i>
Enhance the integration and connectivity of the transportation system ...	<i>Requires MPO funding</i>
Promote efficient system management and operation	<i>Requires quality data / MPO funding</i>
Enhance travel and tourism	<i>Requires quality data / MPO funding</i>

Disregards the goals within Federal Fixing America’s Surface Transportation Act (2015)

Removal of the MSA designation hinders certain goals identified within the FAST Act, including:

- Regions use the MSA data to prepare and plan for the best future and to support the goals of the FAST Act. Regional funding is critical to turn that planning into reality.
- Regions, and their consultants, use this data to develop land use, traffic, and air quality models to reduce greenhouse gases, to plan effectively, and to support the goals of the FAST Act, as required, and in conjunction with, the US EPA, FTA, and FHWA.

Negatively impacts Tourism and the Economy

MSA data is critical to the success of the regions. The reason stated for the change is that “it will better serve data users.” In fact, the result will be the opposite. Removal of the MSA designation will result in less data, lower frequency, and diluted data through aggregation. Real estate developers and industrial site selectors study population movement, spending patterns, unemployment rates, per capita income and housing patterns. MSA designations are often used as a benchmark in such studies. For job creation, industry recruitment and community identity, it is important that the Madera Region retain the MSA designation. The loss of the MSA designation could have a detrimental impact on growth and economic development throughout the entire Madera Region.

- Companies use MSA data to identify desirable regions to relocate or expand into and project the viability.
- Tourism agencies advertise based on MSA information, both in the region and across the U.S. Mobile location data providers use MSA data as part of their overall dataset that is used to help ad targeting. Reduced accuracy results in inefficient spending. Media companies use MSA data to target audiences.
- Real estate investors use the data to study housing trends and population movement.
- Labor market information, per capita income, unemployment rates, fuel usage, etc. is critical to MSAs. California’s Economic Development Department relies on MSA-level data.
- Aggregating data into fewer MSAs results in a dilution of the data for multiple regions – leading to less than useful information for both. Similarly, reporting a disaggregated set of data less often is ill-suited to the needs of the region.

The risk to vital services within our community, our state and the millions of impacted Americans across this country far outweigh any limited statistical value that might be gained from this proposal. We urge you **not** to adopt the recommendation of the Metropolitan and Micropolitan Statistical Area Standards Review Committee to increase the minimum urban area population to qualify as a Metropolitan Statistical Area from 50,000 to 100,000.

We appreciate your consideration of our comments and how this proposal could impact our area. If you have any questions, please contact me at (559) 675-0721 or patricia@maderactc.org.

Sincerely,



Patricia Taylor, Executive Director
Madera County Transportation Commission