



STAFF REPORT
Board Meeting of July 21, 2021

AGENDA ITEM: 4-H

PREPARED BY: Jeff Findley, Principal Regional Planner

SUBJECT:

Update on Office of Management and Budget (OMB) Proposed Change to Metropolitan Statistical Area (MSA) Threshold

Enclosure: Yes

Action: Information and Discussion Only

SUMMARY:

The United States Office of Management and Budget (OMB) issued a Federal Register Notice in January 2021 on 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. The OMB was proposing to change the population threshold for Metropolitan Statistical Area (MSA) from 50,000 to 100,000.

A [Federal Register Notice](#) published on Friday, July 16, 2021, includes the following announcement about the proposed change in metropolitan areas:

Recommendation 1: Raise the minimum MSA core population threshold from 50,000 to 100,000.

OMB Decision: OMB does not accept the initial recommendation to raise the MSA core population threshold in the 2020 standards, and has decided to leave the current threshold of 50,000 in place. A change to the fundamental criteria that determine whether an area is considered metropolitan would cause disruption to statistical programs and products, and would be difficult for the statistical agencies to implement. OMB decided that there is insufficient justification at this time to raise the threshold to 100,000 and that further research is necessary before deciding whether to change the criteria that determine whether an area is considered metropolitan. Finally, we also note the Standard Review Committee's subsequent modification of their initial recommendation recognizing the value of additional research before modifying the threshold.

The proposal would have negatively impacted the Madera Region as it would no longer would have been considered an MSA and would have dropped in status to a Micropolitan Statistical Area. The proposed change may also have adversely impacted the Metropolitan Planning Organization (MPO) status for the Madera Region. Certain transportation funding, including transit may have been in jeopardy due to a change in MSA status.

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 had a detrimental impact on growth and economic development throughout the entire Madera Region.

The proposal would have also adversely impacted 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). MCTC, Kings County Association of Governments, San Luis Obispo Council of Governments and the National Association of Regional Councils led a concerted effort to inform the public concerning the damaging impacts the proposed rule could have created. According to the Federal Register notice, only 21 commenters supported the change while more than 700 commenters opposed it.

FISCAL IMPACT:

No fiscal impact to the approved 2021-2022 Overall Work Program and Budget.