



Ideas + Action for a Thriving Central Coast

March 12, 2021

VIA ELECTRONIC FILING

Robert S. Fairweather
Acting Director
Office of Management and Budget
1650 Pennsylvania Ave NW
Washington, DC 20504

Dominic Mancini
Deputy Administrator
Office of Information and Regulatory Affairs
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Washington, DC 20006

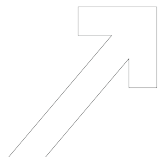
RE: Opposition to OMB Proposed Change to MSA Threshold from 50,000 to 100,000 [Docket ID No. OMB-2021-0001]

Dear Acting Director Fairweather and Deputy Administrator Mancini:

REACH is an action-oriented economic impact organization serving the Central Coast of California. We appreciate the opportunity to comment on the Office of Management and Budget's (OMB) review of the recommendations it received from the Metropolitan and Micropolitan Statistical Area Standards Review Committee. We oppose adopting the review committee's recommendation to increase the metropolitan statistical area (MSA) from a minimum population of 50,000 to 100,000 people as it would have significant and far reaching economic impacts on our regions ability to 'build back better.'

Raising the minimum MSA population cutoff from 50,000 to 100,000 would undermine the consistency in the collection and tabulation of federal statistics and interrupt the flow of federal aid to our communities at a time when they are desperately needed. Although OMB has made changes to the statistical program in the past, removing the MSA designation for 140 medium sized cities would make it more difficult to allocate federal aid to the places where it is needed the most. Interrupting the flow of federal aid will be particularly harmful for our region, especially now during the COVID-19 economic recovery. The funding implications include:

- **Economic Development** – Current funding formulas for Community Development Grant Block Programs (CDBG) @ ~\$4M+ could be affected. Additionally the data collection would disrupt the transparency and accuracy of information to our tourism and real estate industries. For example, tourism marketing and real estate investors rely on MSA data that would be diluted and less effective under this proposed change.
- **Transportation** – Our region's urban areas qualify for \$16M/year which may be in jeopardy with this change. A redefinition of regions will reduce transit funding, operations, and effectiveness and will negatively impact transit riders, transit services, the larger motoring public, and increase greenhouse gases.



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- **Affordable Housing and Social Programs** — Continuum of Care (CoC) operations could be negatively impacted resulting in reduced funds for affordable housing and social programs.
- **Healthcare** – There could be negative impacts associated with healthcare reimbursement including reduced medical reimbursement, reduced quality of care, and reduced access to physicians.

In addition to concerns with interrupting the flow of federal aid to our community, raising the minimum MSA population cutoff would do little to return the population balance between metropolitan and micropolitan areas back to the even split that existed when the MSAs were first conceived more than 70 years ago. We appreciate that the percentage of the population captured in an MSA is going to continue to increase with the continued urbanization of the United States; the proposed change, however, would only make a marginal difference from a statistical perspective but would create unwarranted changes on the distribution of federal assistance.

Maintaining consistency in the MSA program is also helpful for local governments and businesses who depend on long term trend data to better understand the economies in these areas. Having consistent, long term data sets can be invaluable to businesses by giving them the tools to easily compare changes in labor markets and an area's economic conditions. Long term data sets are also helpful for local governments as they implement policies to raise employment rates and administer aid during the economic recovery.

As we collectively work on the economic recovery, it is particularly important to nurture pro-growth policies for businesses, families, and communities like ours. 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.

Thank you for the opportunity to provide our comments and please let me know if you have any questions.

Sincerely,



Melissa James
President/CEO
REACH

