

Changes in Metropolitan Statistical Area Designations

Introduction

Early this year a federal committee proposed a significant change to the way metropolitan statistical areas (MSAs) are determined across the United States. Since 1950, MSAs have been designated around urban areas with populations of more than 50,000 inhabitants. Now, that threshold could be raised to 100,000 persons – dropping over 140 cities across the country out of MSA status. Among those are seven MSAs in Alabama that would fall short of the new population requirement. While the extent of the effects of this update has yet to be thoroughly examined or understood, it is clear that federal funding based on MSA status may be at stake for areas changing from urban to rural designation.

History

The Office of Management and Budget (OMB) and the Census Bureau both provide federal statistics and data on the country's population spread, much of which is updated decennially with the national census. The two vary in methodology but are closely related in the ways their information affects policy. The Census Bureau focuses on creating an urban versus rural distinction based on population density and distance from a “core” dense populated area, while OMB groups areas into metropolitan versus non-metropolitan categories that can potentially encompass both urban and rural lands. OMB incorporates the Census Bureau's urban classification system to determine micropolitan and metropolitan statistical areas.[1]

The general concept of an MSA is that of an area containing a large population nucleus and adjacent communities that have a high degree of integration with that nucleus. This integration is mostly measured through daily workforce and other commuter traffic flow.

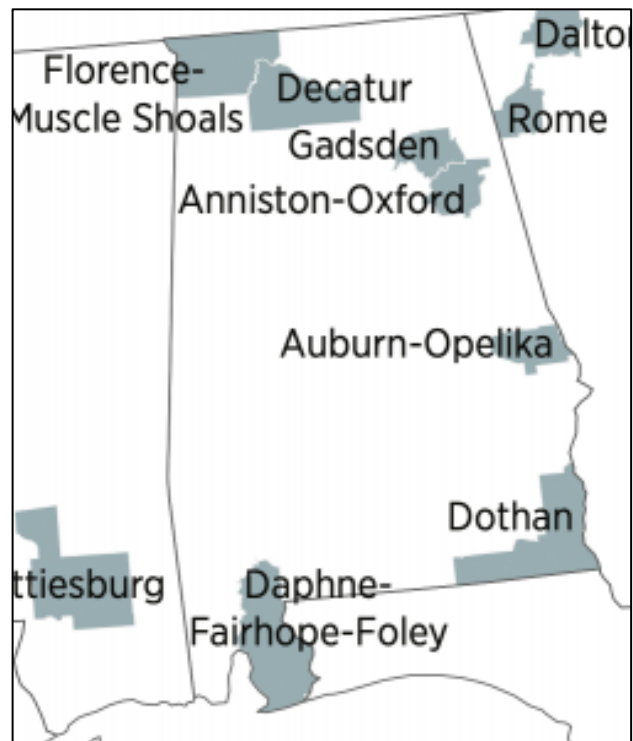


Figure 1: Metropolitan Statistical Areas With a 2010 Urbanized Area Population Between 50,000 and 99,999 (detail), Office of Management and Budget
<https://www.regulations.gov/document/OMB-2021-0001-0004>

MSAs currently consist of one or more counties that contain a city of 50,000 or more inhabitants, a threshold which has been in place since 1950. Counties that contain the principal concentration of population are components of the MSA while additional counties can qualify to be included in the area by meeting both a specified level of commuting to the main counties and other urban population statistics.[2]

Proposed Update

OMB periodically reviews the metrics used to make MSA determinations and recommends changes when an interagency review committee believes standards are outdated. In early 2021, the committee recommended the following change in regard to MSA designations: “The minimum urban area population to qualify a metropolitan statistical area should be increased from 50,000 to 100,000.”[3]

If this change is adopted, seven areas in Alabama currently designated as MSAs would lose that standing (Figure 1). Anniston-Oxford, Auburn-Opelika, Daphne-Fairhope-Foley, Decatur, Dothan, Florence-Muscle Shoals, and Gadsden all have populations between 50,000 and 100,000, meaning they would fall short of the new threshold for MSA status.[4] The same is true for 137 other currently designated MSAs across the United States, many of which are voicing opposition to the proposed change.[5]

The extent of fallout by a loss of MSA status remains unclear for most populations. The OMB overtly states that it “does not take into account or attempt to anticipate any public or private sector nonstatistical uses” that come from its designations, and that MSAs “are not designed to serve as a general-purpose geographic framework applicable for nonstatistical activities or for use in program funding formulas.”[6]

But the committee also included in its proposed changes a recognition that “some federal and state agencies use the Census Bureau’s urban area classification for nonstatistical uses such as allocating program funds, setting program standards, and implementing aspects of their programs,” and warned that those agencies “should be aware that the changes to the urban area criteria also might affect the implementation of their programs.” In short, funding could be on the line.

Economic and Regulatory Factors

Communities at risk of losing their MSA designation are concerned that they will lose opportunities to obtain federal funding. Currently designated MSAs are not the only ones that could be impacted by the proposed changes. Some rural counties are also concerned that with more micropolitan areas there will be increased competition for federal funding that is designated for rural areas.[7]

A sample of federal funding and grant provisions that take MSA status into account for allocations includes:

- Housing Opportunities for Persons with Acquired Immunodeficiency Syndrome (42 USCS § 12903)
- Rural Emergency Medical Service Training and Equipment Assistance Program (42 USCS § 254c-15)
- Rural Housing Stability Grant Program (42 USCS § 11408)
- Urban Development Action Grants (42 USCS § 5318)
- Assistance with Respect to Housing for Low and Moderate Income Families (12 USCS § 1701x)
- Grants to Improve the Commercial Value of Forest Biomass for Electric Energy, Useful Heat, Transportation Fuels, and other Commercial Purposes (42 USCS § 15855)

Other federal policies and regulations that consider MSA designations include:

- Hazardous Air Pollutants (42 USCS § 7412)
- Payments to Hospitals for Inpatient Hospital Services (42 USCS § 1395ww)
- Designation of Enterprise Zones (42 USCS § 11501)
- Minimum Federal Fleet Requirements (42 USCS § 13212)
- Access to Broadband Telecommunications Services in Rural Areas (7 USCS § 950bb)
- Air Traffic Controllers (49 USCS § 44506).

Acknowledgement

This report was prepared by Trayce Hockstad and Justin Fisher for the Alabama Transportation Institute at the University of Alabama. Produced by the Transportation Policy Research Center, a unit of the Alabama Transportation Institute.

[1] <https://www.census.gov/programs-surveys/metro-micro/about.html>.

[2] <https://www2.census.gov/geo/pdfs/reference/GARM/Ch13GARM.pdf>.

[3] <https://www.federalregister.gov/documents/2021/01/19/2021-00988/recommendations-from-the-metropolitan-and-micropolitan-statistical-area-standards-review-committee>.

[4] <https://www.al.com/news/mobile/2021/03/seven-alabama-cities-could-go-from-metro-to-micro-under-proposal.html>.

[5] https://www.washingtonpost.com/national/bye-bismarck-144-cities-could-lose-status-as-metro-areas/2021/03/06/786b92b4-7e82-11eb-8c5e-32e47b42b51b_story.html.

[6] <https://www.federalregister.gov/documents/2021/01/19/2021-00988/recommendations-from-the-metropolitan-and-micropolitan-statistical-area-standards-review-committee>.

[7] <https://apnews.com/article/wisconsin-bismarck-census-2020-north-dakota-sheboygan-ad77e15f0f8cd13b8e398d2ca8339ca7>.