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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

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March 17, 2021

The Honorable Dominic J. Mancini
Deputy Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget
Executive Office of the President
725 17th Street NW
Washington, DC 20503

Dear Mr. Mancini:

I am writing to express my concern regarding recommendations from the Metropolitan and Micropolitan Statistical Area Standards Review Committee to the U.S. Office of Management and Budget (OMB) changing standards for delineating metropolitan and micropolitan statistical areas.¹ Based on the committee's recommendations, on January 19, 2021, OMB issued a proposal that would require an increase of the population threshold for metropolitan statistical areas (MSA) from 50,000 people to 100,000 people. If this change was finalized, communities in my home state of Michigan and across the country could lose access to vital federal resources that they rely upon.

Currently, OMB's proposal would result in the following six regions in Michigan losing MSA status: Battle Creek, Bay City, Jackson, Midland, Monroe, and Niles-Benton Harbor. This would result in a reduction of MSAs in Michigan from 14 to eight. As a result, these regions, and the surrounding communities, could face significant negative impacts as a result of a lack of federal funding and the creation of federally supported local data.

Although OMB claims that it "establishes and maintains these areas solely for statistical purposes," the impact of this recommendation on Michigan communities could be substantial and far-reaching. For example, through a Federal-State cooperative agreement with the U.S. Bureau of Labor Statistics, the Michigan Department of Technology, Management and Budget's Bureau of Labor Market Information and Strategic Initiatives (LMISI) produces statistical information for all MSAs. If this OMB recommendation is implemented, the LMISI will no longer produce monthly industry employment data or annual occupation and wage data for Michigan's six regions losing MSA status. Moreover, as publicly reported earlier this month, the change in MSA status could modify federal funding formulas that are tied to a MSA designation, such as for housing, transportation, and even Medicare reimbursement programs.²

¹ <https://www.federalregister.gov/documents/2021/01/19/2021-00988/recommendations-from-the-metropolitan-and-micropolitan-statistical-area-standards-review-committee>

² <https://apnews.com/article/wisconsin-bismarck-census-2020-north-dakota-sheboygan-ad77e15f0f8cd13b8e398d2ca8339ca7>

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It is imperative that communities in Michigan and around the country do not suffer a loss in benefits due to this proposed change in MSA definition. I ask that OMB withdraw this proposal and fully evaluate the impact of this recommendation on the regions that would lose MSA status and disclose their findings before making any changes. OMB should consider not only direct losses in services or funding from the federal government, but also potential unintended consequences such as difficulty in recruiting business investments without MSA status. Michigan's communities—and communities across our nation—must not be left vulnerable at a time when support from the federal government is so important.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary C. Peters", written over a horizontal line.

Gary C. Peters
Chairman