

Metropolitan Statistical Area

Proposed Change

On January 19, 2021 the U.S. Office of Management and Budget (OMB) published a proposed rule change to the definition of a Metropolitan Statistical Area (MSA) from the current population requirement of 50,000 to 100,000

This could potentially affect 144 MSAs nationally and 6 MSAs in Michigan, including Berrien County

Upton: Don't Change MSA Populations

March 12, 2021 Local Stories

NEWS TALK SPORTS
94.9 WSJM

Niles, Berrien County push back on census 'micropolitan' status. Money, business are at stake.

By Jeff Parrott South Bend Tribune Mar 17, 2021

South Bend Tribune

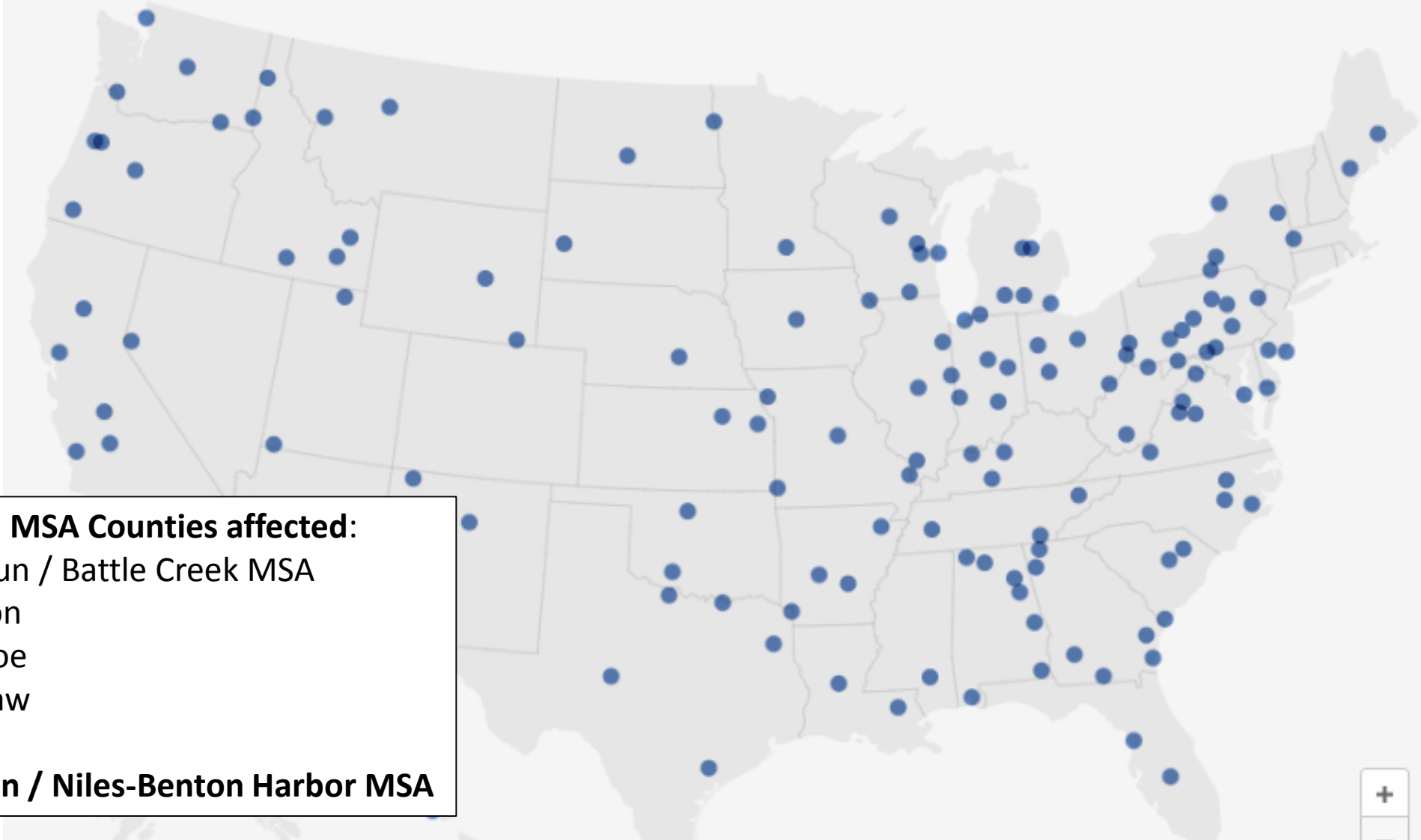
TOP STORY

Officials: Niles-Benton Harbor losing MSA designation would be detrimental

hp The Herald-Palladium

144 cities could lose status as metro areas

Under a federal proposal, a metro area would have to have at least 100,000 people compared with the 50,000-person threshold that was implemented more than 70 years ago. The change could affect these 144 cities.

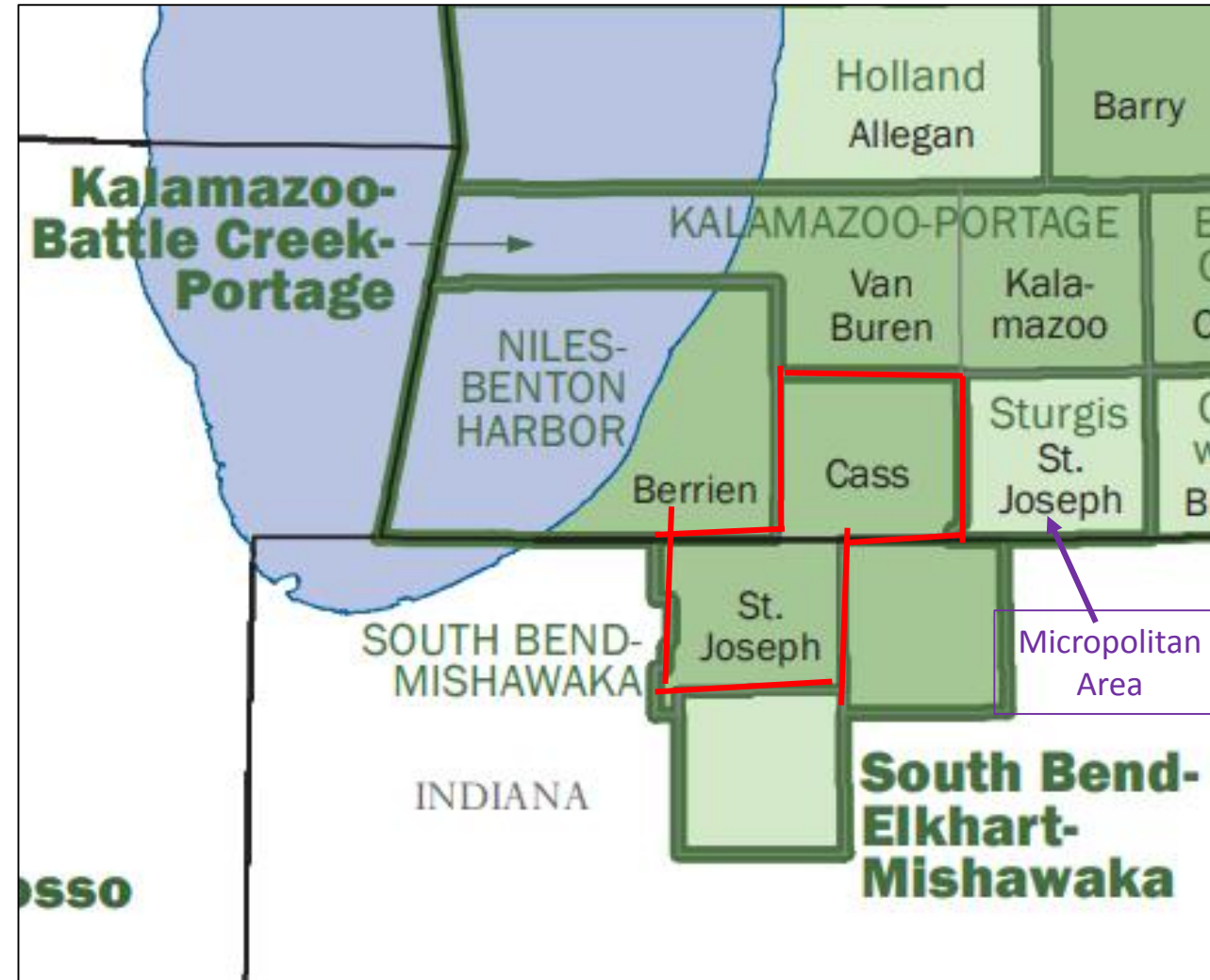


Michigan MSA Counties affected:

- Calhoun / Battle Creek MSA
- Jackson
- Monroe
- Saginaw
- Bay
- **Berrien / Niles-Benton Harbor MSA**

What is a Metropolitan Statistical Area

- An **MSA** is composed of entire counties with at least one census defined urbanized area with a population of 50,000+ and adjacent counties with strong commuting ties.
- A **Micropolitan Statistical Area** is similar but with a population between 10,000 - 49,999
- Berrien County is classified as the Niles-Benton Harbor MSA.
- **Cass County is part of the South Bend MSA**



What is a Metropolitan Statistical Area

- Was initially created by the OMB in 1950 to provide a nationally consistent set of delineations for collecting, tabulating, and publishing Federal statistics for geographic areas.
- Although these geographic areas are designed for statistical purposes only, various federal programs use these areas to determine eligibility and to allocate federal funds.
- Before each decennial census, OMB reviews the standards used in defining the boundaries of these statistical areas to ensure their continued usefulness and relevance and, if warranted, revises them.
- The current proposal will be the first large scale change to the population requirement for an MSA

Why does MSA designation matter?

- Several federal programs directly use MSA status as a criteria for allocating funding (ex. Housing & Urban Development).
- In 2000 the Government Accountability Office (GAO) identified 30+ federal programs that use MSA status.
- Due to the complexity of federal funding, the GAO said it was not possible to assess the full financial consequences of changing the MSA definition.



Why does MSA designation matter — Economic Development

“In Niles, the concern I’ve heard most from folks is it takes us off radar screens that we’re on right now. Many prospects are looking more at metro areas than they are micropolitan areas because they perceive those as being more rural. Berrien feels like it’s pretty urban, especially in Niles, Benton Harbor and St. Joe.”

-Jeff Rea, president and CEO of the Niles Chamber of Commerce

Study: Berrien County among best places for manufacturing

SmartAsset ranks region 28th out of 378

By TONY WITTKOWSKI HP Staff Writer Dec 29, 2020



- Many economic reports use MSA as the basis for analysis.
- Example: A recent report by SmartAsset ranked 378 Metropolitan Statistical Areas for their suitability for manufacturing jobs.
- If Berrien County was not a designated MSA it would not have been identified in the report.

Why does MSA designation matter — Housing & Homeless Assistance

“It could also negatively affect block grant dollars coming to our area. It’s housing assistance and homeless assistance, the list goes on and on.”

- Rick Huff, Niles City Manager

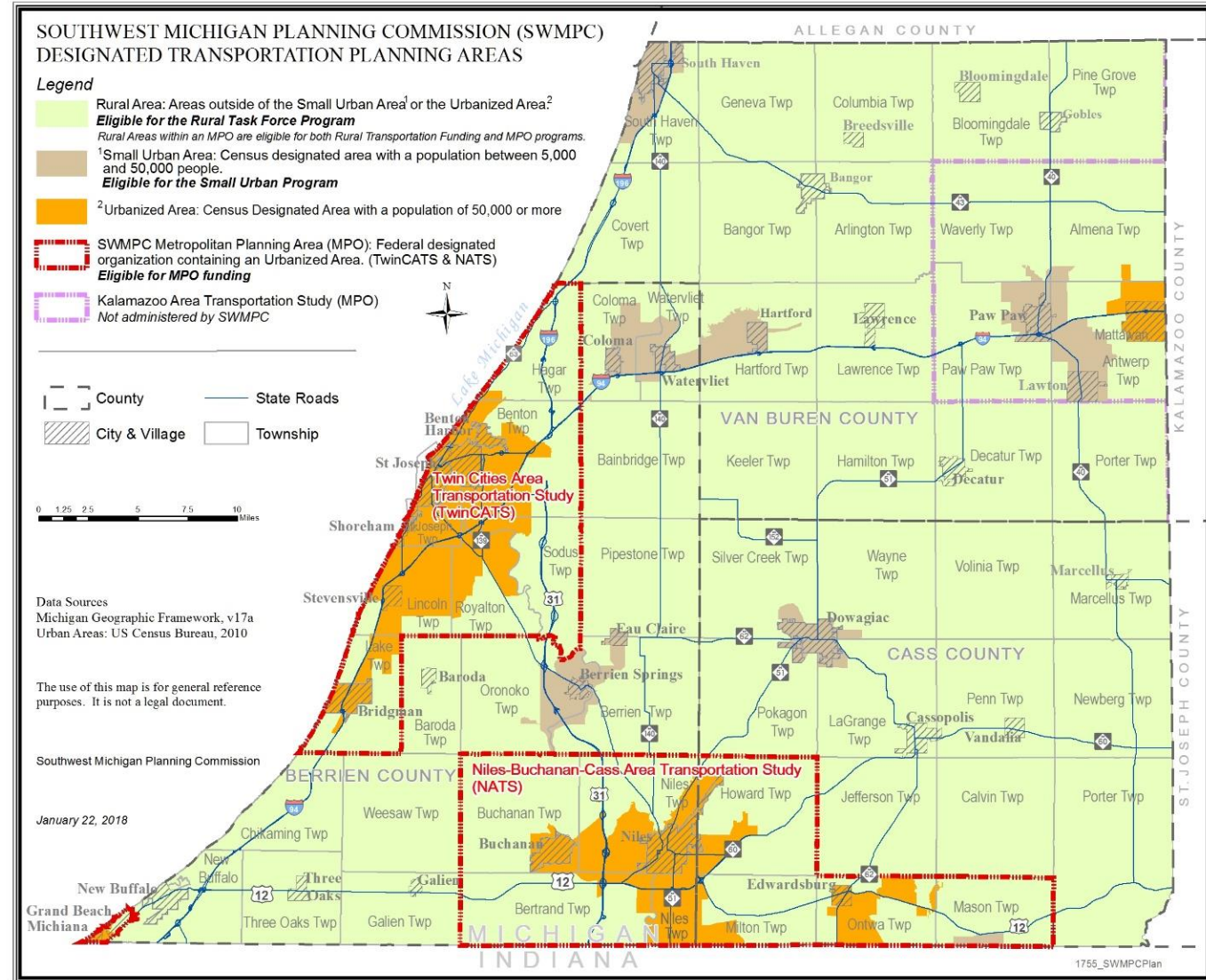
In 2020 the City of Niles received a \$278,000 Development Block Grant which was partially based on Niles being part of the South Bend MSA.



MPO Transportation Planning

The FAST Act divides certain funds by census defined urbanized area population (not dependent on the OMB defined MSA)

The current law specifies that urbanized areas with a population of 50,000+ must have an Metropolitan Planning Organization (MPO) (i.e. NATS)



Where do we go from here?



- Comment period ended on March 19, 2021 with OMB receiving 571 comments, almost everyone against the change
- Congressman Fred Upton along with many other representatives and senators have voiced opposition
- Berrien County Commission has signed a resolution opposing the change
- Numerous new articles, op-eds, policy analysis have been written against the change

Change the definition of a Metropolitan Statistical Area (MSA) from the current population requirement of 50,000 to 100,000

U.S. Rep. Fred Upton

Letter to Biden administration's acting OMB director

"As we continue to emerge from the pandemic we must focus our energy on policies that improve the wellbeing and economic opportunities for all Americans and request you do not implement the recommendation,"