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Submitted Electronically Via www.regulations.gov

March 18, 2021

Mr. Dominic J. Mancini
Administrator (Acting),
Office of Information and
Regulatory Affairs
U.S. Office of Management and Budget
1650 Pennsylvania Avenue NW
Washington, DC 20503

Mr. James D. Fitzsimmons, Ph.D.
Chief, Population Geography Staff
Population Division
U.S. Census Bureau
4600 Silver Hill Road
Suitland, MD 20746

Re: OMB-2021-0001 - Recommendations from the Metropolitan and Micropolitan Statistical Area Standards Review Committee Regarding Changing MSA Population Designation

Dear Mr. Mancini and Mr. Fitzsimmons:

The Independent Community Bankers of America (ICBA)¹ welcomes this opportunity to comment on the Office of Management and Budget's (OMB; agency) recommendations which OMB received from the Metropolitan and Micropolitan Statistical Area Standards Review Committee related to OMB's metropolitan and micropolitan statistical area standards. These standards determine the procedures for delineating and updating the statistical areas as new data become available to the agency.

¹ The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. ICBA is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.

With nearly 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ more than 700,000 Americans and are the only physical banking presence in one in three U.S. counties. Holding more than \$5 trillion in assets, over \$4.4 trillion in deposits, and more than \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers' dreams in communities throughout America. For more information, visit ICBA's website at www.icba.org.

The Nation's Voice for Community Banks.®

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Background

Currently, a metropolitan statistical area must contain a Census Bureau-delineated urban area with a population of 50,000 or more, while a micropolitan statistical area must contain a Census Bureau-delineated urban area with a population of 10,000 to 49,999. The classification provides a nationally consistent set of delineations for collecting, tabulating, and publishing Federal statistics for geographic areas.

OMB's notice states the agency establishes and maintains these areas solely for statistical purposes. OMB also states the agency does not consider or attempt to anticipate any public or private sector nonstatistical uses that may be made of the delineations, either as general-purpose geographic frameworks applicable for nonstatistical activities or for use in program funding formulas.

OMB seeks comments on whether to increase the minimum urban area population of cities that qualify as Metropolitan Statistical Areas (MSA) from 50,000 to 100,000 population as recommended by the Micropolitan Statistical Area Standards Review Committee.

ICBA Comments

ICBA believes that while it is appropriate for OMB to periodically review such issues, this proposed change should be delayed, and further study should be conducted to fully understand the impacts and implications of changing the MSA designation. Many local and state representatives and officials believe such a change would reduce their ability to compete for or be eligible for funding for various grant and loan programs.

The change could impact the economic viability and success of many communities served by community banks. A significant majority of community banks are in rural areas and seek to assist these rural communities through private loans in combination with various federal and state programs designed to assist rural communities, with eligibility often based on population size. These efforts are important for attracting new businesses to locate to their communities while attracting and maintaining an adequate labor force and viable population thresholds.

The term "non-metro" typically means "rural" and much economic analysis and research is based on these delineations. Contrary to OMB's assertion that the change would only be "statistical" in nature, many federal programs often use OMB standards in their definitions of which locations are rural or urban and these designations influence eligibility for various programs, scoring criteria, funding formulas and other administrative aspects. Many believe that federal programs tend to emphasize larger populations when awarding federal dollars making it more difficult for rural communities to identify, compete for and access federal funding.

OMB's change, if enacted, would cause 144 cities to lose their designation as metropolitan and cause 250 counties to be reclassified from metropolitan to micropolitan. This change would broaden the number of "nonmetro" counties and cities and add to the number of locations competing for scarce federal dollars currently allocated to rural areas and thus likely further crowd out rural, remote communities. Many rural communities have fewer staff and resources to compete with larger population centers for federal or state program dollars and often face higher levels of poverty and include minority populations which would be further disadvantaged by OMB's proposed changes.

Conclusion

ICBA believes the proposed change needs further study by a variety of experts to ensure the implications are fully understood. It would also be useful for OMB to conduct a series of listening sessions with rural and urban stakeholders to ensure concerns are adequately vented and alternatives are properly considered. There appear to be many complex aspects to the issue of how to designate areas as metropolitan and non-metropolitan beyond simply altering a population designation. By conducting a thorough review of the metropolitan definition that goes beyond just changing the population criterion, OMB would have the input necessary to evaluate the non-statistical consequences of any potential population changes. Members of Congress may also desire to closely review this topic to better understand potential implications of the proposal.

The proposed change if adopted could negatively impact local planning and coordination efforts, grant funding and availability, transportation, housing, hospitals and health care, economic development, educational access, city budgets, economic and physical infrastructure, and many other aspects of daily life for many American communities.

Thank you for your attention to this letter.

Sincerely,

/S/

Mark Scanlan
Sr. V.P., Agriculture and Rural Finance

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