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March 17, 2021

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

Dominic Mancini
Deputy Administrator
Office of Information and Regulatory Affairs
757 17th Street NW
Washington, DC 20504

RE: Unintended Consequences of the Proposed Changes to the 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas [Docket ID No. OMB-2021-0001]

Dear Acting Director Fairweather and Deputy Administrator Mancini:

The League of Wisconsin Municipalities, representing over 600 cities and villages and their elected leaders, urges you to reconsider the recommendations from the Metropolitan and Micropolitan Statistical Area Standards Review Committee which modify the 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas. While it is reasonable that *“OMB does not take into account or attempt to anticipate any public or private sector nonstatistical uses that may be made of the delineations and that these areas are not designed to serve as a general-purpose geographic framework applicable for nonstatistical activities or for use in program funding formulas,”* it is extremely important to a number of Wisconsin cities that the Office of Management and Budget fully understands the unintended consequences that this recommendation would have on local communities, most of which are determining how to rebound and rebuild their economies after a lengthy national pandemic.

When deliberating the costs and benefits of implementing the recommendations from the Metropolitan Standards Review Committee, please consider the following elements impacting Wisconsin cities:

1. First, the reclassification from Metropolitan to Micropolitan could impact cities in the investment arena. Companies looking at desirable places to locate often look to MSAs. Therefore, the loss of this status, could have impacts on attracting new businesses to a city. This impact will be intensified as communities recover and rebuild their local economies. How can Congress and President Biden move to provide needed relief directly to municipalities and then allow the removal of a critical economic development tool used to attract new business right on the heels of a pandemic and subsequent recovery? As a ‘nonstatistical use’ this unintended consequence seems to heavily outweigh any benefit derived from the redesignation.
2. In addition, we have heard that there is a strong possibility that municipal hospitals might receive lower reimbursement rates from Health and Human Services (HHS) if they are no longer in an

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MSA. Again, our health care industry, especially hospitals caring for our most fragile citizens, will be dealt another blow immediately following the vaccine distribution gaining momentum and the industry beginning to recover. Not to mention, reduced reimbursement rates would be a long-term impact of the statistical designation that our health care industry in impacted communities has not had time to financially plan and prepare to accommodate.

3. Finally, several cities, including Fond Du Lac, Janesville, Oshkosh, Sheboygan, and Wausau in Wisconsin, have concerns that they might lose their eligibility for Community Development Block Grant (CDBG) funds. According to the National Community Development Organization, this recommended redesignation would result in communities becoming ineligible for CDBG funding.

Several of our local elected leaders have used CDBG funds for improving housing, affordable housing accessibility, public facility improvements in low-income areas, assistance to non-profits working with very low-income clientele, and job creation just to name a few. The work that communities can accomplish using CDBG funding should be supported as it elevates neighborhoods. The ability for these communities to compete for critical funding should not end as the result of an ill-advised statistical determination.

It is noteworthy that the American Rescue Plan just required direct payments to municipalities above 50,000 in population to be calculated using the CDBG formula which links to the Metropolitan Statistical Area determinations. Whether the Office of Management and Budget condones the practice, the MSA designations have a much greater impact on municipalities than mere statistical information generation. The MSA is used as a general-purpose geographic framework applied for nonstatistical activities and utilized in program funding formulas. Please keep that in mind as you deliberate.

Thank you for considering our thoughts and recommendations as you review the recommended modification to the Metropolitan Statistical Area. We strongly urge you to continue to utilize the current population parameters for determining MSA's. If you have questions or need more information about Wisconsin cities and villages, please contact Curt Witynski, League Deputy Executive Director, at 608-354-3003 or witynski@lwm-info.org or Toni Herkert, Director of Government Affairs, at therkert@lwm-info.org

Sincerely,



Jerry Deschane,
Executive Director
League of Wisconsin Municipalities