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March 19, 2021

Dominic J. Mancini
Deputy Administrator
Office of Management and Budget
725 17th St. NW
Washington, DC 20503

RE: FR Doc. 2021-00988: Request for Comments on Recommendations from the Metropolitan and Micropolitan Statistical Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas

Dear Deputy Administrator Mancini:

The Kentucky League of Cities (KLC) represents over 375 municipalities and thousands of elected and appointed city officials. City leaders formed the League nearly 100 years to represent their interests in Frankfort and Washington, D.C. On behalf of our members, I encourage you to reject the proposed rule that would increase the minimum city population from 50,000 to 100,000 to qualify as metropolitan statistical area (MSA).

Kentucky has 215 municipalities within the state’s current metropolitan statistical areas. Twenty-eight of those cities would lose their recognition as part of a metropolitan statistical area if the Office of Management and Budget (OMB) approves the proposed regulatory change. OMB purports that MSA determinations only exist for statistical purposes; therefore, OMB does not and should not consider ways in which agencies or private entities use MSAs. According to the notice and request for comment:

OMB establishes and maintains these areas solely for statistical purposes. In reviewing and revising these areas, OMB does not take into account or attempt to anticipate any public or private sector nonstatistical uses that may be made of the delineations. These areas are not designed to serve as a general-purpose geographic framework applicable for nonstatistical activities or for use in program funding formulas.

In one of his first executive actions, President Joseph R. Biden issued an executive order entitled “Modernizing Regulatory Review” on January 20, 2021. It read, in part, that regulatory changes should:

...ensure that the review process promotes policies that reflect new developments in scientific and economic understanding, fully accounts for regulatory benefits that are



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difficult or impossible to quantify, and does not have harmful anti-regulatory or deregulatory effects...

By ignoring the potential impact on public policy, the current proposal to modify the metropolitan statistical area determination blatantly ignores the executive order's directive to quantify impacts and ensure no harmful effects result. The order further states that regulations should:

...take into account the distributional consequences of regulations, including as part of any quantitative or qualitative analysis of the costs and benefits of regulations, to ensure that regulatory initiatives appropriately benefit and do not inappropriately burden disadvantaged, vulnerable, or marginalized communities...

The Community Development Block Grant (CDBG) program uses MSAs as one way to qualify as an entitlement community. The funds go to communities to use in low- and moderate-income areas. The City of Elizabethtown, Kentucky, would lose its distinction as an MSA and its several hundreds of thousands it receives in consistent, predictable CDBG funding. Stripping the community of this dedicated funding – simply because of a bureaucratic definition change – would negatively impact this city and its low- and moderate-income residents. CDBG is not the only federal program tied to the definition of MSAs.

A 2014 report of the Congressional Research Service (CRS) entitled “Metropolitan Area Designations by OMB: History, 2010 Standards, and Uses” stated:

In principle, metropolitan area delineations are to be used solely for descriptive, statistical purposes. In practice, however, they can have a use unintended by OMB, in formulas for allocating certain federal grant program funds. For this reason, among other reasons, CBSAs [core-based statistical areas] can attract congressional attention because they can be important to congressional constituents. No straightforward procedure exists for calculating the exact amount of money distributed through all federal grant programs whose funding formulas incorporate metropolitan area designations, or for determining how changes in these designations might affect the total funding allocated to a specific jurisdiction. Even identifying comprehensively which programs use metropolitan area designations would require reviewing the statutes, regulations, and formulas associated with all programs. If such identification were feasible, it would be only the beginning of any attempt to determine whether inclusion in, or exclusion from, a particular metropolitan area or its components translates directly into an increase or decrease in the money a particular jurisdiction might receive from all federal grant programs whose funding formulas rely on these designations. The question then would have to be addressed program by program and posed to department or agency program staff.



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Because OMB has not considered the policy impacts on communities, the demographics served by federal programs, or how many federal programs use MSA standards, the agency has failed to meet the criteria outlined by President Biden on his first day in office. As a result, we respectfully ask that you reject the proposed rule without significantly more information about its direct impacts on cities and their residents.

Thank you for considering our request, and I look forward to your response. If you have any questions regarding our concerns, please reach out to our Director of Public Affairs Bryanna L. Carroll at 859-977-3700 or bcarroll@klc.org.

Sincerely,

J.D. Chaney
Executive Director/CEO