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Losing and Gaining Metropolitan Status: So What?

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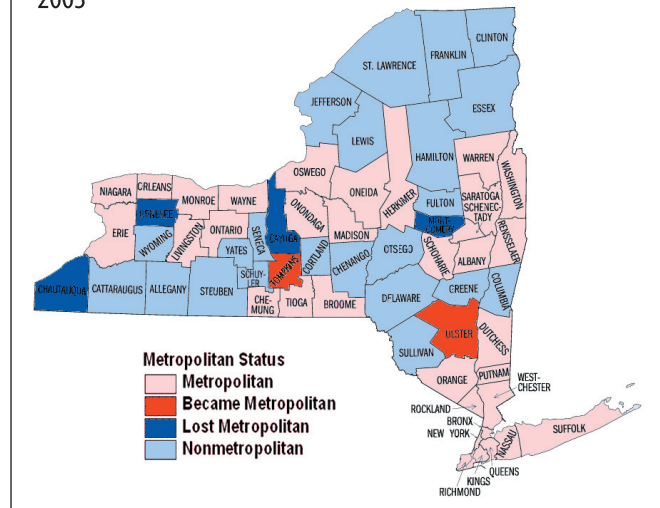
What happens when NYS counties gain or lose metropolitan status? Why should we care?

Answering this last question first, simply put, there are dollars at stake. A county's metropolitan or non-metropolitan status is sometimes used to determine whether it is eligible for various federal government programs. Gaining or losing metropolitan status potentially affects an area's eligibility for various federal programs, development decision-making, and community identity. Private sector economic decisions may also be informed by an area's official metropolitan status which is often seen as an indicator of overall development, effective demand, and/or as evidence that producer services and other complementary inputs are present.

What is "metropolitan status" and how did NYS counties fare between 1990 and 2000?

Because the Office of Management and Budget's (OMB) new core-based classification system uses different criteria than in 1990 for determining which areas are statistically classified as metropolitan, some counties were shifted from one status to another, regardless of their demographic experience during the decade of the 1990s. As of 2000, metropolitan statistical areas must have a core county (or counties) with an urbanized area of at least 50,000 persons. An outlying county qualifies as metropolitan if at least 25 percent of the county's employed workers commute to jobs in the central county and/or vice versa. Only 6 of New York State's 62 counties changed metropolitan status between 1990 and 2000. Four of the counties lost metropolitan status — one was previously a central county, the other three were suburban areas. The two counties that gained metropolitan status were both new central counties (see Figure 1 and OMB, 2000).

Figure 1: Metropolitan Status of Counties in New York; 2003



Are NYS County officials concerned about their changed metro status?

In May 2005, we conducted face to face interviews with elected and appointed officials in the six New York counties that had gained or lost metropolitan status since the 1990 census. We spoke with county executives and administrators, as well as with planners and other county staff. A number of themes emerged in the interviews regardless of whether the particular county had gained or lost metro status. Specific concerns, of course, varied between communities. As might be expected, officials in the new metro counties were generally more positive about their changed status than were those who lost metropolitan status.

	Gained Metro Status		Lost Metro Status	
	Concerns	Possible Opportunity	Concerns	Possible Opportunity
Program Eligibility	Some concerns about losing USDA Rural Development Eligibility	Possibly new sources of funds.	Concerns about CDBG entitlement.	
Funding Levels	More claims on constant pool of funds.	Confidence that RD funds will not be affected.	Concerns about declines in finding levels.	New eligibility for funding from USDA Rural Development.
Community Image		Higher Status. Affirmation of community identity as metropolitan.	Viewed as a downgrade.	Reflects unique community character and independent status. Seen as high performing micropolitan area rather than low performing metropolitan area.
Economic Development		Greater purchasing power to attract new business/industries and residents.	Diminished competitiveness with metro counties. Negative effects on the citing of business/industries. Reduced advertising rates	Market to particular niche
Date Availability		Yearly data from ACS. Community-specific data.	Less frequent data. Effects of data for labor negotiations	Community-specific data.

Our interviews confirmed that county officials were apprehensive about how the new OMB standards would affect their eligibility for and amount of funds and services received from government agencies. Interestingly, these apprehensions were somewhat less pronounced among professional county staff than among county executives, administrators, and other elected officials. Perhaps the symbolic value of gaining or losing status is more salient to the latter, especially those who must stand for election or promote the area to outside interests. Communities that lost metropolitan status were particularly concerned about the effect on HUD's Community Development Block Grant (CDBG) entitlements. Counties that lost metropolitan status were also concerned if their new designation would communicate a lowering of status and affect competitiveness for other programs or grants from states, the federal government, or private investments. Officials in new metropolitan counties voiced some concern about losing eligibility and allocations from USDA's Rural Development (RD) programs, but all of these officials believed that the rural areas within their counties would continue to receive RD funds. In the counties that lost metropolitan status there was hope that the change would benefit their RD eligibility and funding. Officials of all the counties expressed concern that the new OMB standards might affect Medicaid reimbursement, since the local match in New York comes directly from counties. In fact, Medicaid reimbursement was at the top of the agenda in all six counties we visited regardless of their metropolitan status.

Other concerns

County officials speculated that the new metropolitan standards could have economic impacts if used by corporate or private interests to justify industrial or business

location decisions. In counties that lost metropolitan status, there were concerns that a loss of metropolitan status might negatively affect advertising rates if the change is assumed to reflect declines in newspaper readership. In contrast, in Ulster County, a new metropolitan area in the Hudson Valley, the impact was thought to be potentially in their favor. Another important concern mentioned by almost every county was the impact that the new classification system would have on how data are collected by the Census Bureau's American Community Survey. Officials in counties that lost metropolitan status wondered if this change would affect the quality and timeliness of data available to them for planning and decision making.

Conclusions

In the six New York counties where we conducted interviews, there is an awareness of both the changed criteria for metropolitan classification and its potential for impacts within their respective counties. Nevertheless, the metro reclassification issue did not seem to be an extremely high priority. According to the county officials, the pace and direction of growth or decline had been occurring before the new OMB standards became effective and would continue regardless of their metropolitan status or change therein.

Reference

Office of Management and Budget. 2000. "Standards for Defining Metropolitan and Micropolitan Statistical Areas; Notice. Federal Register. 65(249):82228-82238.

*Please visit the CaRDI website for an upcoming *CaRDI Report* by the same authors that examines the issue of changing metropolitan status across the U.S.

