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Highlights

Highlights of [GAO-04-758](#), a report to the Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census, Committee on Government Reform, House of Representatives

Why GAO Did This Study

For the past 50 years, the federal government has had a metropolitan area program designed to provide a nationally consistent set of standards for collecting, tabulating, and publishing federal statistics for geographic areas in the United States and Puerto Rico. Before each decennial census, the Office of Management and Budget (OMB) reviews the standards to ensure their continued usefulness and relevance and, if warranted, revises them. While designed only for statistical purposes, various federal programs use the statistical areas to determine eligibility and to allocate federal funds. OMB advises agencies to carefully review program goals to ensure that appropriate geographic entities are used in making these decisions.

GAO was asked to examine the process used for developing the OMB standards issued in 2000 and their effects on certain federal programs. Specifically, GAO agreed to report on (1) the process used to develop the 2000 standards, (2) how the 2000 standards differed from the 1990 standards, (3) how the application of the standards affected the geographic distribution of counties into statistical areas, and (4) the effect of standards on the eligibility and funding allocations for four federal programs.

www.gao.gov/cgi-bin/getrpt?GAO-04-758.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Patricia A. Dalton at (202) 512-6737 or daltonp@gao.gov.

METROPOLITAN STATISTICAL AREAS

New Standards and Their Impact on Selected Federal Programs

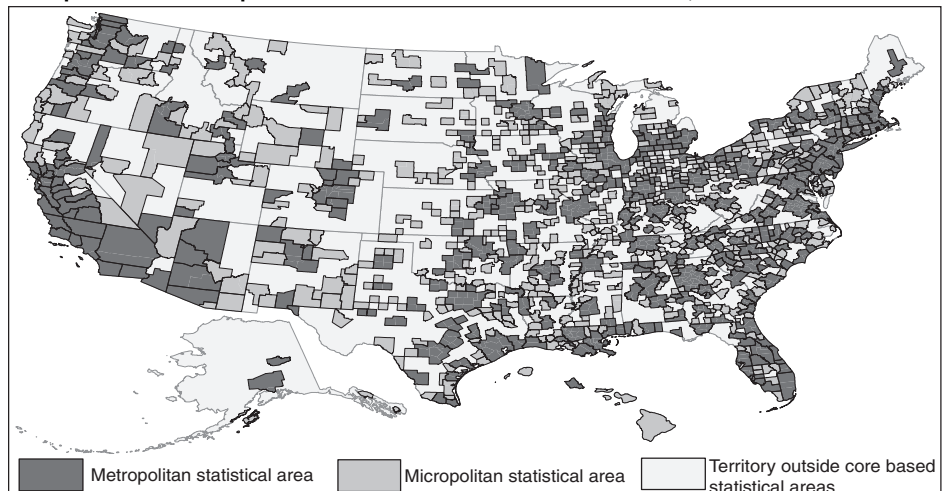
What GAO Found

The new standards for federal statistical recognition of metropolitan areas issued by OMB in 2000 differ from the 1990 standards in many ways. One of the most notable differences is the introduction of a new designation for less populated areas—micropolitan statistical areas. These are areas comprised of a central county or counties with at least one urban cluster of at least 10,000 but fewer than 50,000 people, plus adjacent outlying counties if commuting criteria is met.

The 2000 standards and the latest population update have resulted in five counties being dropped from metropolitan statistical areas, while another 41 counties that had been a part of a metropolitan statistical area have had their statistical status changed and are now components of micropolitan statistical areas. Overall, the 2000 standards have resulted in changes in every state and nationwide statistical coverage has increased. Under the 1990 standards, 847 counties were in metropolitan statistical areas. Now, there are 1090 counties in metropolitan statistical areas and 690 counties in micropolitan statistical areas.

Of the four federal programs GAO reviewed to determine the impact of the 2000 standards, eligibility under one has expanded; eligibility under another is expected to expand in January 2005; the agency overseeing another anticipates under its proposal that program payments for fiscal year 2005 will be affected, but with no net increase in funding; and eligibility under another program is unaffected because the geographic boundaries used to determine eligibility are set by statute. For example, the standards have resulted in new eligibility in fiscal year 2004 for 60 cities to receive a total of \$36.2 million in Community Development Block Grants, which provide funds to revitalize neighborhood infrastructure. This funding increase required a 1.2 percent funding cut for all other grantees because a cut is required to offset increases due to expanded eligibility.

Metropolitan and Micropolitan Statistical Areas of the United States, June 2003



Source: GAO and U.S. Census Bureau.