

Rural Business Development Grant Program

Farm Bill Title: VI - Section: 6012

Background

Section 6012 of the Agricultural Act of 2014 (2014 Farm Bill) (P.L. 113-79) consolidates Rural Development's Rural Business Enterprise Grant Program (RBEG) and the Rural Business Opportunity Grant Program (RBOG) into a new program called the Rural Business Development Grant (RBDG) Program. Both RBEG and RBOG programs support training, technical assistance, and planning activities for common eligible applicants, except the RBEG program also allows funding for construction, acquisition, land development, equipment, and capitalization of revolving loan funds to support business startups and working capital needs in rural areas. Both programs are of interest to Federally Recognized Tribes, as each program has traditionally included funds legislatively mandated for Tribes.

USDA Rural Development's Rural Business-Cooperative Service (RBS) is in the process of drafting regulations to implement the consolidation of the two programs. The Agency is planning to keep the two current programs (RBEG and RBOG) "active" until funds are appropriated under the consolidated RBDG program in FY2015.

Summary of Changes

- Combines the Rural Business Enterprise Grant and Rural Business Opportunity Grant programs by striking Sections 310B(c) and 306(a)(11) in the Con Act into the new Rural Business Development Grant.
- Limits funding to not more than 10 percent of amounts appropriated for the purposes previously authorized under the Rural Business Opportunity Grant authority.

Program Funding

Farm Bill Mandatory: None

Farm Bill Discretionary (Authorized): \$65 million for each fiscal year 2014 - 2018

FY 14 RBEG Funding: \$28.8 million (of which \$2.7 million for Tribes)

- o Press Release for FY 14 Tribal RBEG Awards

www.usda.gov/wps/portal/usda/usdahome?contentid=2014/07/0154.xml&contentidonly=true

FY 14 RBOG Funding: \$2.25 million (of which \$1.3 million for Tribes)

FY 15 Actual Funding: TBD based on annual appropriations

USDA makes RBEG grants to public bodies and non-profit corporations so that they may assist small and emerging businesses and/or non-profits in their communities to create and support jobs. RBEG grant funds may be used to develop, construct or acquire land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water and supply and waste disposal facilities; provide technical assistance, establish revolving loan funds, and to create, expand or operate rural distance learning programs that provide educational or job training instruction related to potential employment or job advancement to adult students.

RBEG Program Webpage: www.rurdev.usda.gov/BCP_rbeg.html

RBOG grants are also made to public bodies and non-profit corporations to assist small and emerging businesses and/or non-profits in their communities. RBOG funds may be used to assist in the economic development of rural areas by providing technical assistance, training, and planning for business and economic development.

The 2014 Farm Bill requires USDA to combine the RBEG and RBOG programs into one grant program. The Congressional Record emphasizes that the two programs should continue to operate in essentially the same manner as they operated when they were separate grant programs.

RBOG Program Webpage: www.rurdev.usda.gov/BCP_RBOG.html