

## The BG-1”Project Application” Process

KDE’s District Facilities Branch (DFB) routinely receives questions related to school construction projects. They include:

- Is a BG-1 Project Application needed for every project?
- How do I start the process?
- Who fills out and submits the forms?
- What does KDE expect when submissions are made?
- How long will the review take?

### Is a BG-1 Project Application needed for every project?

Section 162.060 of the Kentucky Constitution states, “The chief state school officer shall be furnished a copy of all plans and specifications for new public school buildings contemplated by boards of education and for all additions to or alterations of old buildings”. 702 KAR 4:160 Capital Construction Process is the regulation addresses these issues.

A BG-1 is required for **all** projects that:

1. Uses a restricted fund source (Support Education Excellence in Kentucky (SEEK) capital outlay funds, Facility Support Program of Kentucky (FSPK) funds (KRS 157.620), School Facilities Construction Commission (SFCC) funds or building funds (KRS 160.476) **or**
2. Proposes construction of a new building, addition, or alteration of an existing building that requires design by a design professional (KRS 322.360 and/or 323.033) for a building or building system **or**
3. Proposes a guaranteed energy savings contract (GESK) per KRS 45A.352.

No work is to be performed without a KDE approved BG-1 with the exception of emergency projects. Refer to 702 KAR 4:160 Section 2 for guidance for submitting an Emergency BG-1

### How do I start the process?

ALL projects are to be initiated by creating a project and an initial BG-1 Project Application Form (BG-1) in the FACPAC system. **This applies to all schools, offices, athletic buildings (including bleacher and stadium seating installation), storage facilities, bus garages or any building being constructed, added onto or renovated regardless of how the work will be funded (including booster projects).**

### Who fills out and creates the forms?

Projects and initial BG-1’s are completed by the district officials. The experience of these individuals and their familiarity with KDE procedures vary widely. A summary of the BG-1 submission process follows and identifies some common issues we observe in our administration of this process.

### What does KDE expect when submissions are made?

The Project is a one page online form with the District Name defaulted and the BG-1 number assigned. The district enters the project title, construction delivery method, adds any third parties and if applicable adds notes.

The BG-1 Project Application Form is a multi-page online document. The first section requires the following information:

- The facility for which the work is to be undertaken.

- Whether or not the project is listed on the District Facility Plan (DFP). If it is on the DFP, the priority is to be identified. This is necessary to determine if the proposed funds are appropriate for the proposed project regarding statutory compliance for their expenditure.
- A description of the work.

The second section requires:

- A cost breakdown of the project including the estimated construction cost, professional fees, contingencies, equipment and other items that will be included in the overall cost.
- Identification of the fund sources that are proposed for the project and supporting documentation, when applicable. (i.e. for donations – External Partner Agreement; for residual funds – project closeout documentation, YTD Project Budget Report from the MUNUS system and SFCC approval of residual fund transfer to new project).
- Signatures of the superintendent, finance officer, and chairman of the board of education.

All BG-1's must be approved by the local board. Board meeting minutes or a "board order" are to be available upon request by KDE. The BG-1 is to be submitted online to the FACPAC system for review and approval. For submission details refer to New Instructions for FACPAC available on the [Facilities Construction webpage](#).

Note: When submitting a revised BG-1 form, provide the reason for the revision. (i.e. change in project scope, update cost estimate during design, reconcile with bids, increase contingency, reconcile with project closeout, change in fund source, or etc.)

After a BG-1 is received DFB reviews it to confirm that the application is complete. If the application is incomplete, the BG-1 will be returned to the district through FACPAC with comments on issues to be corrected.

The District Facilities Branch conducts weekly BG-1 reviews. Applications are reviewed to determine the appropriate guidance to provide to the district.

- The proposed project is reviewed relative to the district's current DFP.
- The proposed funding is reviewed. If restricted funds are used, the scope of work is compared to the DFP relative to the regulatory requirements of the fund source(s).
  - If a problem is identified, the review is stopped and the district is contacted to resolve the issue. After the issue is resolved, the review process resumes.
  - If SFCC funds are used, SFCC approval is requested.
- The project costs are reviewed to insure that the items needed for the project are listed.
  - If a problem is identified, the review is stopped and the district is contacted to resolve the issue. After the issue is resolved, the review process resumes.

After DFB determines that the proposed work is appropriate related to the proposed fund source(s), the BG-1 is approved by the DFB Branch Manager and it is forwarded to the District Financial Management Branch (DFMB) for review.

- DFMB reviews the project funding to determine that the district has the funds available for the project.
  - If a problem is identified, the review is stopped and the district is contacted to resolve the issue. After the issue is resolved, the review process continues.

After DFMB determines that the funds are available, the BG-1 is approved by the DFMB Branch Manager and forwarded on to the Director of the Division of District Support for final review. Should any questions remain, these are resolved before final approval is given.

After final approval is obtained, the district is notified through FACPAC A procedural checklist outlining the submittals and steps that the district must follow during the project accompanies the initial BG-1 approval in the district's dashboard. .

How long will the review take?

The regulation provides up to thirty (30) days for the BG-1 process. The review process can be shortened by submitting accurate and complete submittals. For more information, refer to the [Financial Aspects of 702 KAR 4:160 Construction Process](#) and [Guidelines of Best Practices](#) documents available on the Facilities Construction webpage at <http://education.ky.gov/districts/fac/Pages/Construction.aspx>.

For assistance contact the following KDE staff

For BG-1 and BG-5 related questions:

- General submission and status questions: Denise Hartsfield at [denise.hartsfield@education.ky.gov](mailto:denise.hartsfield@education.ky.gov) or (502) 564-4326, extension 4401
- Project specific questions, after a BG-1 has been approved the district assigned District Facilities Branch Project Manager. Refer to the [KDE District Facilities Branch Project Managers List](#) and contact information on KDE School Facilities webpage at <http://education.ky.gov/districts/fac/Pages/default.aspx>;

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