

CHAPTER 26**EDUCATIONAL FACILITIES****Authority**

P.L. 2000 c.43; P.L. 2000 c.72; N.J.S.A. 18A:1-1, 18A:4-15; 18A:6-9; 18A:6-27, 18A:7A-11; 18A:7A-46.1 et seq.; 18A:7F-34; 18A:7G-1 through 13, 15, 20, 26, and 31 through 37; 18A:18A-16, 18, 36 and 39; 18A:17-49 et seq.; 18A:20-1.1 et seq.; 18A:20-4.2; 18A:20-36; 18A:21-1 through 5; 18A:22-18 through 20; 18A:22-27 through 30 and 39; 18A:24-1 et seq.; 18A:33-1 et seq.; 18A:46-1 et seq.; 18A:54-21; 18A:55-2; 40:55D-31; 47:1A-1 et seq.; 52:27D-130; 18A:76-15.

Source and Effective Date

R.2001 d.367, effective October 1, 2001.
See: 33 N.J.R. 1809(a), 33 N.J.R. 3482(a).

Chapter Expiration Date

Chapter 26, Educational Facilities, expires on October 1, 2006.

Chapter Historical Note

Chapter 26, Educational Facilities, was adopted as R.2001 d.367, and Subchapter 2, Long-Range Facilities Plans, was recodified from N.J.A.C. 6:23-2, Subchapter 3, Capital Project Review, was recodified from N.J.A.C. 6:23A-2, Subchapter 11, County Vocational School District Facilities Rehabilitation Fund, was recodified from N.J.A.C. 6:23A-4, Subchapter 12, Operation and Maintenance of Facilities, was recodified from N.J.A.C. 6:22-9, Subchapter 13, Applications for Retroactive Funding of Projects, was recodified from N.J.A.C. 6:23A-3, Subchapter 15, State School Facilities Documents was recodified from N.J.A.C. 6:23A-6, and Subchapter 17, Appeals, was recodified from N.J.A.C. 6:23A-7 by R.2001 d.367, effective October 1, 2001. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS**SUBCHAPTER 1. GENERAL PROVISIONS**

- 6A:26-1.1 Purpose and applicability of rules
- 6A:26-1.2 Definitions

SUBCHAPTER 2. LONG-RANGE FACILITIES PLANS

- 6A:26-2.1 Responsibilities of district
- 6A:26-2.2 Completion of long-range facilities plans
- 6A:26-2.3 Review and approval of long-range facilities plans
- 6A:26-2.4 (Reserved)

SUBCHAPTER 3. CAPITAL PROJECT REVIEW

- 6A:26-3.1 Initiation of a capital project
- 6A:26-3.2 School facilities projects
- 6A:26-3.3 Review and approval of school facilities projects
- 6A:26-3.4 Calculation of preliminary eligible costs for school facilities projects
- 6A:26-3.5 Determination of final eligible costs for Authority school facilities projects
- 6A:26-3.6 Determination of final eligible costs for non-authority school facilities projects
- 6A:26-3.7 Local support of school facilities projects
- 6A:26-3.8 Determination of State support for school facilities projects
- 6A:26-3.9 Design and construction of Authority school facilities projects
- 6A:26-3.10 Design and construction of non-Authority school facilities projects

- 6A:26-3.11 ECPA district community early childhood education facilities projects
- 6A:26-3.12 Initiation of other capital projects
- 6A:26-3.13 Acquisition of land by districts
- 6A:26-3.14 Review, approval, and use of temporary facilities
- 6A:26-3.15 Demonstration projects
- 6A:26-3.16 Emergency stabilization and emergent projects
- 6A:26-3.17 Insurance, damages awards, gifts, grants, other private sources of funds, and municipal surplus

SUBCHAPTER 4. MANAGEMENT OF CAPITAL PROJECTS

- 6A:26-4.1 Capital projects fund
- 6A:26-4.2 Use of capital projects fund to account for a capital project funded in part or in whole by school bonds, short term notes, or pre-EFCFA lease purchase agreements of greater than five years duration
- 6A:26-4.3 Use of capital projects fund to account for a school facilities project not funded in part or in whole by school bonds or short term notes
- 6A:26-4.4 Options where there are insufficient funds to complete a capital project
- 6A:26-4.5 Over-expending a capital project
- 6A:26-4.6 Unexpended bond proceeds
- 6A:26-4.7 Oversight of non-Authority constructed school facilities projects
- 6A:26-4.8 Bidding and awarding of contracts for non-Authority capital projects
- 6A:26-4.9 Submission of change orders for non-Authority projects
- 6A:26-4.10 Change orders for Authority school facilities projects

SUBCHAPTER 5. REVIEW OF CAPITAL PROJECTS FOR EDUCATIONAL ADEQUACY

- 6A:26-5.1 General provisions
- 6A:26-5.2 Educational specifications
- 6A:26-5.3 Schematic plans and other related project documents
- 6A:26-5.4 Detailed plans and specifications and final plans and specifications
- 6A:26-5.5 Fee schedule
- 6A:26-5.6 Capital projects not subject to educational adequacy review

SUBCHAPTER 6. PLANNING AND CONSTRUCTION STANDARDS FOR SCHOOL FACILITIES

- 6A:26-6.1 Application of the Uniform Construction Code
- 6A:26-6.2 Exceptions
- 6A:26-6.3 Educational facility planning standards
- 6A:26-6.4 Educational facility planning standards for school facilities housing preschool students
- 6A:26-6.5 Private schools for disabled students and schools for disabled students operated by the New Jersey Department of Human Services

SUBCHAPTER 7. LAND ACQUISITION, SCHOOL CLOSING, AND LAND DISPOSAL

- 6A:26-7.1 Approval of the acquisition of land
- 6A:26-7.2 Approval of the acquisition of land in certain districts under the auspices of the Authority
- 6A:26-7.3 Approval for the acquisition of existing facilities
- 6A:26-7.4 Approval for the disposal of land, including rights or interest therein, or improvements thereon
- 6A:26-7.5 Approval for the closing of a school facility

SUBCHAPTER 8. TEMPORARY SCHOOL FACILITIES

- 6A:26-8.1 Temporary facilities standards

SUBCHAPTER 9. CAPITAL RESERVE ACCOUNTS

6A:26-9.1 Capital reserve accounts

SUBCHAPTER 10. LEASE PURCHASE AND LEASE AGREEMENTS

- 6A:26-10.1 Use of lease purchase agreements
- 6A:26-10.2 Costs of lease purchase agreements of five years or less
- 6A:26-10.3 Approval of lease purchase agreements for improvements or additions to school facilities
- 6A:26-10.4 Contents of lease purchase agreement of five years or less
- 6A:26-10.5 Contents of ground lease
- 6A:26-10.6 Approval procedures to refinance a lease purchase agreement
- 6A:26-10.7 Approval procedures for a defeasance of lease purchase agreements
- 6A:26-10.8 Lease purchase agreements entered into prior to July 18, 2000
- 6A:26-10.9 Approval of lease agreements of facilities to be used for school purposes
- 6A:26-10.10 Limitation on multiyear leases of facilities
- 6A:26-10.11 Public hearing for leases of facilities in excess of five years

SUBCHAPTER 11. COUNTY VOCATIONAL DISTRICT FACILITIES REHABILITATION FUND

- 6A:26-11.1 County vocational district facilities rehabilitation fund
- 6A:26-11.2 Application for funds

SUBCHAPTER 12. OPERATION AND MAINTENANCE OF FACILITIES

- 6A:26-12.1 Facilities maintenance requirements
- 6A:26-12.2 Policies and procedures for school facility operation
- 6A:26-12.3 Health facilities, equipment and supplies
- 6A:26-12.4 Safe drinking water
- 6A:26-12.5 Eye protection in schools

SUBCHAPTER 13. APPLICATIONS FOR RETROACTIVE FUNDING OF PROJECTS

- 6A:26-13.1 General provisions

SUBCHAPTER 14. WITHHOLDING OF STATE SUPPORT FOR NON-COMPLIANCE

- 6A:26-14.1 Withholding of State support for non-compliance

SUBCHAPTER 15. STATE SCHOOL FACILITIES DOCUMENTS

- 6A:26-15.1 Right-to-know requests

SUBCHAPTER 16. CERTIFIED EDUCATIONAL FACILITIES MANAGER

- 6A:26-16.1 Certified educational facilities manager

SUBCHAPTER 17. APPEALS

- 6A:26-17.1 Appeals of Commissioner's determinations

SUBCHAPTER 1. GENERAL PROVISIONS**6A:26-1.1 Purpose and applicability of rules**

These rules are adopted by the New Jersey State Board of Education to implement Sections 1 to 12, 57 and 58 of the Educational Facilities Construction and Financing Act (EFCFA), P.L. 2000, c.72, and to implement P.L. 2000, c.43, as well as to consolidate, conform and update other rules relating to educational facilities in this State. These rules supersede and, in part, are comprised, with amendment, of the rules adopted by the Commissioner of Education to implement Sections 1 to 12, 57 and 58 of EFCFA. These rules are adopted in order to ensure that the educational facilities in the State are safe, healthy and educationally adequate to support the delivery of the thorough and efficient education to which all students are entitled, as defined by the Core Curriculum Content Standards. These rules apply to all district boards of education "districts" in the State. To the extent these rules are inconsistent with any other rules in Titles 6 and 6A of the New Jersey Administrative Code, these rules shall take precedence.

6A:26-1.2 Definitions

As used in this chapter, unless the context clearly indicates otherwise, the following words and terms shall have the following meanings:

"Abbott district" means an Abbott district as defined in N.J.S.A. 18A:7F-3.

"Additional costs" means the additional construction costs beyond the area cost allowance for construction or the costs beyond reasonable estimated actual costs for rehabilitation if such costs are the result of factors outside the control of the district, provided that either type of costs results from design factors that are required to meet the facilities efficiency standards and are approved or authorized pursuant to N.J.S.A. 18A:7G-5(g) or 18A:7G-6(c).

"Additional space" means space in excess of the facilities efficiency standards.

"Adjusted gross square footage" means the gross square footage of a facility less excluded spaces.

"Application for State School Aid" or "ASSA" means the application filed by a district pursuant to N.J.S.A. 18A:7F-33, on a form issued by the Commissioner, pursuant to which the district sets forth student enrollment by category and other pertinent information.

"Approved area for unhoused students" means the product of the area allowance per FTE student times the number of unhoused students.

(10) Have floor covering of either carpet which meets the requirements of the UCC or asbestos-free resilient flooring;

(11) Have interior ceiling and wall materials which are certified free of toxic materials;

(12) Be provided with an electric smoke detection unit which has an audible alarm for each 900 square feet or portion thereof or for each instructional space and which is tied in to the main building fire alarm system; and

(13) Be situated on a site approved by the Division pursuant to N.J.A.C. 6A:26-5.4(c) and, if land is acquired for the temporary facility, approved by the Division pursuant to N.J.A.C. 6A:26-7.1.

ii. Nonconformance to requirements in (d)2i(1) through (13) above which is found during an evaluation of any pre-manufactured unit placed in service after June 4, 1986 or in a subsequent future inspection of a unit approved according to (d)2i(1) through (13) above shall be corrected within 30 days of such evaluation. Staff of the Division or county offices of education shall order a unit immediately abandoned if the district fails to correct deficiencies with respect to such requirements.

iii. A self-propelled van or other pre-manufactured mobile unit used for instruction shall:

(1) Have mechanical ventilation and exhaust which provides air change per occupant per hour in accordance with the UCC;

(2) Have interior ceiling and wall materials that are certified non-toxic and non-combustible;

(3) Contain a minimum of 100 square feet;

(4) Have electric heat which provides a temperature 68 to 72 degrees Fahrenheit;

(5) Provide at least 50 footcandles of uniformly distributed artificial illumination;

(6) Have a minimum ceiling height of seven feet;

(7) Have two means of clear and unobstructed egress which are remote from each other;

(8) Be provided with door hardware which is lever-operated and fully operable from the interior and exterior at all times;

(9) Be provided with an electric smoke detection unit which has an audible alarm that can clearly be heard within the unit;

(10) Be furnished with an electric hook-up cable which is copper, a maximum of 28 feet in length and contain a 220 volt four-prong receptacle which is plugged into an approved twist-type outlet;

(11) Be furnished with a 2A-10BC fire extinguisher which is maintained in operating order at all times;

(12) Be furnished with electrical fixtures which meet the UCC;

(13) Have electrical wire of a minimum size to meet the UCC;

(14) Have floor covering of either carpet which meets the requirements of the Uniform Construction Code (UCC) or asbestos-free resilient flooring;

(15) Be furnished with furniture and equipment which is stabilized while in transit;

(16) Pass an annual inspection by the New Jersey Motor Vehicle Commission;

(17) Be evaluated and approved annually by the county superintendent of schools; and

(18) Be furnished with wheel chocks to assure that the unit will not move in any direction when parked.

iv. Nonconformance to requirements in (d)3iii(1) through (18) above which is found during an evaluation of any van and/or mobile unit placed in service after June 4, 1986 or a subsequent future inspection of a van and/or mobile unit approved according to the standards set forth in this subsection shall be corrected within 30 days of such evaluation. Staff of the Division or the county superintendent shall order a van and/or other mobile unit immediately abandoned if the district fails to correct deficiencies.

v. Pre-manufactured vans or mobile units in service greater than five years will be evaluated by the county superintendent of schools in consultation with the Division. If such evaluation indicates that a unit cannot meet the provisions of this subsection, it shall be abandoned.

Amended by R.2004 d.214, effective June 7, 2004.
See: 36 N.J.R. 243(a), 36 N.J.R. 2733(b).
Rewrote the section.

SUBCHAPTER 9. CAPITAL RESERVE ACCOUNTS

6A:26-9.1 Capital reserve accounts

(a) Pursuant to EFCFA, boards of education or boards of school estimate were required, through the adoption of a board resolution, to have established a capital reserve account by October 15, 2000 in order to maintain such an account. If not already on file, a true copy of the establishing resolution shall be filed with county superintendent of schools.

(b) The permitted and prohibited uses of the capital reserve account shall be as follows:

1. The funds in the capital reserve account shall be used to implement capital projects in a district's LRFPP required pursuant to N.J.S.A. 18A:7G-4(a) and N.J.A.C. 6A:26-2.

2. The funds in the capital reserve account may not be used for current expenses pursuant to N.J.S.A. 18A:22-8.2.

(c) Appropriations and transfers to the capital reserve account shall be permitted as follows:

1. A district board of education or a board of school estimate, as appropriate, may appropriate funds in the district's annual budget to meet the needs of its LRFPP not met by State support. The district's spending growth limitation as established pursuant to N.J.S.A. 18A:7F-5 shall be adjusted by the amount of funds appropriated in the annual budget year to the capital reserve account. Funds appropriated into the capital reserve account in the annual budget certified for taxes shall not become part of the prebudget year net budget for purposes of calculating the spending growth limitation of the subsequent year pursuant to N.J.S.A. 18A:7F-1 et seq.

2. A district, at its option, may satisfy the withdrawal approval requirements set forth in (e) below when funds are deposited into the capital reserve account in the annual budget pursuant to (b)1 above using the designated line item, supporting documentation, and a statement of purpose in the advertised budget. The statement of purpose shall include:

- i. The amount of the deposit;
- ii. A description of the future capital project and purpose; and
- iii. A statement that "The amount represents expenditures for construction elements or projects that exceed the facilities efficiency standards determined by the Commissioner as necessary to achieve the core curriculum content standards."

3. Upon submission of a district's LRFPP to the Department, a district may deposit funds into the capital reserve account at any time by board resolution through:

- i. The transfer of undesignated, unreserved general fund balance; or
- ii. The transfer of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. No transfer of undesignated, unreserved fund balance shall be made by districts subject to the provisions of N.J.A.C. 6:19-2.5(b).

4. Audited excess undesignated, unreserved general fund balance shall not be deposited into a capital reserve account and shall be reserved and designated in the subsequent year's budget pursuant to N.J.A.C. 6:19-2.5(c).

(d) The amount of funds held in the capital reserve account shall:

1. Not exceed the amount needed to implement the capital projects in a district's LRFPP not met by State support.

i. The amount under (d)1 above shall be adjusted annually in the district's Quality Assurance Annual Report (QAAR) pursuant to N.J.A.C. 6:8-2.1.

ii. If the amount in the capital reserve exceeds the amount under (d)1 above, the district shall withdraw the excess and reserve and designate it in the subsequent year's budget.

iii. As part of a district's annual audit mandated by N.J.S.A. 18A:23-1, public school auditors shall, pursuant to procedures developed by the Commissioner, verify that the amount in the capital reserve account at any time during the year does not exceed the amount under (d)1 above. All excess amounts in the capital reserve account identified in the annual audit shall be reserved and designated in the subsequent year's budget.

(e) A district may withdraw funds from the capital reserve account at any time in accordance with the following:

1. By board resolution to the line items in the capital outlay major account/fund to fund pre-development or other pre-application costs associated with architects, lawyers and construction managers for school facilities projects included in the approved LRFPP;

i. In accordance with N.J.A.C. 6A:26-4.2(a), a district board of education that used capital reserve for such costs in a capital project funded in part or in whole by bond proceeds has the option to reimburse the general fund from the capital projects fund after approval of the referendum or resolution.

2. By board resolution to the line items in the capital outlay major account/fund to fund the local share less any excess costs of a school facilities project as determined in accordance with N.J.A.C. 6A:26-3;

3. By board resolution to the capital projects fund pursuant to N.J.A.C. 6A:26-4, after receiving voter, board of school estimate or capital project review board approval, as applicable, of the capital reserve use and specific amount in an approved referendum or resolution pursuant to N.J.A.C. 6A:26-3.7;

4. By board resolution after receiving voter, board of school estimate or capital project review board approval, as applicable, to the line items in the capital outlay major account/fund to fund excess costs of a school facilities project and to fund the local funding for other capital projects as determined in accordance with these regulations;

i. Voter, board of school estimate, or capital project review board approval may be obtained through the original budget certified for taxes, which shall include a statement of purpose in the advertised budget or through a special appropriation process.

ii. The statement of purpose or special question shall include the capital project's total costs, final eligible costs and amount requested for withdrawal for excess costs. It shall also include a description/purpose of the capital project, or portion thereof, which the excess costs will fund. It shall further include a statement that "The amount represents expenditures for construction elements or projects that exceed the facilities efficiency standards determined by the Commissioner as necessary to achieve the core curriculum content standards."

iii. If requesting a withdrawal for multiple capital projects, the statement of purpose or special question shall separately include the required information identified in (e)3i and ii above for each such capital project.

iv. Amounts approved by the voters, board of school estimate or capital project review board shall be used exclusively for the purpose or purposes contained in the associated statement or question.

v. Approved amounts which remain unexpended or unencumbered at the end of the school year shall be returned to the capital reserve account or anticipated as part of the designated general fund balance of the subsequent school year budget or reserved and designated in the second subsequent school year budget.

5. By board resolution and after receiving Commissioner approval in accordance with N.J.A.C. 6A:26-3.13, and voter, board of school estimate or capital project review board approval pursuant to (c)2 above and this subsection, to the line items in the capital outlay major account/fund for the purchase of land; or

6. By board resolution for the transfer of funds to the debt service account for the purpose of offsetting locally funded principal and interest payments for bonded projects which are included in the district's LRFP.

(f) Notwithstanding (e) above, a district may apply at any time to the Commissioner for approval to withdraw funds from its capital reserve account. A district may make a withdrawal pursuant to this subsection only upon receipt of written approval of the Commissioner. To obtain Commissioner approval, a district shall establish to the satisfaction of the Commissioner that an emergent condition exists

necessitating an immediate withdrawal of capital reserve account funds.

(g) The capital reserve account shall be administered and accounted for as follows:

1. The capital reserve account shall be established and held in accordance with Generally Accepted Accounting Principles and is subject to annual audit pursuant to N.J.S.A. 18A:23-1 et seq.

2. If the cost to complete an approved school facilities project not funded in whole or part by school bonds exceeds the local share less excess costs, those costs up to 10 percent above the local share less excess costs may be withdrawn from capital reserve in accordance with (e)1 above.

3. Funds withdrawn for the local share of a school facilities project not using school bonds or loan bonds for all or part of the local share which received a grant pursuant to N.J.S.A. 18A:7G-15 shall be transferred to the capital projects fund and accounted for separately with the corresponding grant. Any unexpended transferred capital reserve funds remaining after completion of such school facilities projects must be returned to the capital reserve account or anticipated as part of the designated general fund balance of the subsequent school year's budget or reserved and designated in the second subsequent year's budget for tax relief.

4. The capital reserve account shall be increased by the earnings attributable to the investment of the account's assets pursuant to N.J.S.A. 18A:21-3.

i. Anticipated investment income shall be included in the original annual general fund budget certified for taxes as miscellaneous income.

ii. Investment earnings shall be included in the maximum amount of capital reserve permitted in (d) above.

5. A separate account shall be established in the general fund for bookkeeping purposes only in order to account for increases to and withdrawal from the capital reserve account and its balance. The capital reserve account shall be reflected on the annual audit's balance sheet in the general fund as follows:

i. Dr:Capital Reserve Account; and

ii. Cr:Reserved Fund Balance—Capital Reserve Account.

(h) Funds in capital reserve accounts in existence prior to July 18, 2000 shall be subject to EFCFA and this subchapter, and shall be utilized for the original purpose for which the funds were deposited.

1. If the original purpose is outside the scope of the district's approval LRFP, such funds shall be accounted for separately in the capital reserve fund and must be

appropriated as revenue for such purposes in the annual budget certified for taxes. Unexpended capital outlay appropriations up to the amount of such capital reserve funds appropriated shall be restored to the capital reserve account for use pursuant to this subchapter. Expenditures are deemed as being charged first to unrestricted capital outlay fund sources with capital reserve account appropriations expended last. No additional funds shall be deposited into the capital reserve account pursuant to (c) above for such pre-July 18, 2000 purposes.

2. If the original purpose is within the scope of the district's approved LRFP, withdrawals shall be made pursuant to (e) above except that if voter, board of school estimate or capital project review board approval of excess costs or an other capital project was obtained when the funds were deposited into the capital reserve account, such approval shall satisfy the requirement for approval of excess costs or other capital projects in (e)2 above.

Amended by R.2004 d.214, effective June 7, 2004.
See: 36 N.J.R. 243(a), 36 N.J.R. 2733(b).
Rewrote the section.

SUBCHAPTER 10. LEASE PURCHASE AND LEASE AGREEMENTS

6A:26-10.1 Use of lease purchase agreements

(a) A district may acquire improvements or additions to school facilities through lease purchase agreements of five years or less provided that the lease purchase agreement provides for the funding in full to the district upon commencement of construction of the school facilities project. Districts shall not enter into lease purchase agreements of more than five years duration.

(b) Subject to (a) above, a district may utilize a lease purchase agreement of five years or less to fund the local share or total costs of a school facilities project receiving State debt service aid or to provide the local funding for an other capital project as long as:

1. There are no contingencies pursuant to which such funding could be withheld in whole or in part; and

2. In funding the local share or total costs of an Authority constructed school facilities project, the district does not encumber what has been lease purchased in favor of another party, such as the lender or trustee unless said interest is subordinated to that of the Authority.

(c) Lease purchase agreements in excess of five years duration entered into prior to July 18, 2000 may continue in effect through the term of the agreement. However, as of July 18, 2000, no lease purchase agreement entered into by a district for improvements or additions to school buildings or for equipment shall exceed five years duration.

(d) A district may acquire equipment, as provided in N.J.A.C. 6A:26-3.2(a), through lease purchase agreements of five years or less and which are not subject to the ground lease requirements of N.J.A.C. 6A:26-10.5. Lease purchase agreements for acquisition of equipment do not require Commissioner approval, but shall be filed with the county superintendent of schools and shall include:

1. The lease purchase agreement which shall contain the following provision:

"Payments shall be subject to the annual appropriation of funds sufficient to meet the required payments or shall contain an annual cancellation clause pursuant to N.J.S.A. 18A:20-4.2(f)";

2. A resolution of the district board of education approving the application and authorizing submission to the county superintendent of an application form prescribed by the Commissioner; and

3. Evidence acceptable to the Department that the district has procured the equipment in accordance with N.J.S.A. 18A:18A-1 et seq.

Amended by R.2004 d.214, effective June 7, 2004.
See: 36 N.J.R. 243(a), 36 N.J.R. 2733(b).
Rewrote the section.

6A:26-10.2 Costs of lease purchase agreements of five years or less

(a) All payments by a district, as well as other costs arising from a lease purchase agreement of five years or less, shall not be considered to constitute debt service and shall not be eligible for State debt service aid under EFCFA and/or this chapter.

(b) Payments of lease purchase agreements of five years or less shall be recorded as an expenditure of the General Fund of the district.

6A:26-10.3 Approval of lease purchase agreements for improvements or additions to school facilities

(a) Districts shall submit all lease purchase agreements of five years or less to fund the local share or a portion of the total costs of a school facilities project for improvements or additions to a school facility that has no excess costs to the Division for approval pursuant to this section. No lease purchase agreement of five years or less that will fund excess costs of a school facilities project for improvements or additions to a school facility or the local funding of an other capital project shall be submitted to the Division for approval. If the Division cannot approve a lease purchase agreement, the district shall frame a separate question to authorize the lease purchase agreement and obtain voter or board of school estimate approval to enter into the agreement. No lease purchase agreement of five years or less for a capital project shall be executed by a district unless it has received written approval of the Division, or the voters or board of school estimate, as appropriate.