

**WSR 24-17-010**  
**PREPROPOSAL STATEMENT OF INQUIRY**  
**SUPERINTENDENT OF**  
**PUBLIC INSTRUCTION**

[Filed August 8, 2024, 10:47 a.m.]

Subject of Possible Rule Making: WAC 392-123-120 Statement of financial condition—Financial position of the school district.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 28A.150.290, 28A.505.140, 28A.710.040, 28A.710.220.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The office of superintendent of public instruction (OSPI) is considering rule making to allow for potential binding conditions to be placed upon a school district or a charter school when the board of directors of a school district or a charter school board provides OSPI with an annual statement of financial condition (i.e., state Form F-196), and the reported information shows that a deficient general fund balance is reasonably foreseeable and likely. The rule amendments would allow OSPI to hold school districts and charter schools that have an actual year-end negative fund balance to the same state monitoring and oversight process as the school districts and charter schools that have a budgeted negative year-end fund balance, because an actual negative year-end fund balance is a greater indicator of financial insolvency than a projected negative year-end fund balance.

Process for Developing New Rule: Early solicitation of feedback and recommendations concerning new or amended rules, and consideration of comments and recommendations in the course of drafting rule language.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Paul Stone, OSPI, P.O. Box 47200, Olympia, WA 98504, phone 360-725-6303, TTY 360-664-3631, email paul.stone@k12.wa.us, website ospi.k12.wa.us.

August 8, 2024  
Chris P. S. Reykdal  
State Superintendent of Public Instruction