
SUBSTITUTE HOUSE BILL 2593

State of Washington

69th Legislature

2026 Regular Session

By House Education (originally sponsored by Representatives Rude, Callan, and Pollet; by request of Superintendent of Public Instruction)

READ FIRST TIME 02/04/26.

1 AN ACT Relating to school district accounting, budgeting, and
2 reporting requirements; and adding new sections to chapter 28A.505
3 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.505
6 RCW to read as follows:

7 (1) Beginning in the 2027-28 school year and each fiscal year
8 thereafter, the office of the superintendent of public instruction
9 must place school districts with general fund balances at the end of
10 the year that are below the minimum amounts required by subsection
11 (2) of this section on formal financial monitoring.

12 (2)(a) The office of the superintendent of public instruction
13 shall calculate the actual minimum fund balance thresholds specified
14 in this subsection (2) for each school district for review and
15 adoption by their board of directors.

16 (i) If a school district has 2,000 or more average annual full-
17 time equivalent students, the general fund year ending balance must
18 be no less than six percent of their prior year's state
19 apportionment.

20 (ii) If a school district has fewer than 2,000 average annual
21 full-time equivalent students, the general fund year ending balance

1 must be no less than eight percent of their prior year's state
2 apportionment.

3 (b) For purposes of the calculation, the prior year state
4 apportionment must include total apportionment as calculated no later
5 than April 30th.

6 (3) School districts placed under formal financial monitoring
7 must comply with the reporting requirements in section 2 of this act.

8 (4) The office of the superintendent of public instruction shall:

9 (a) Provide technical assistance to each school district placed
10 under formal financial monitoring to support the school districts and
11 avoid the imposition of binding conditions under RCW 28A.505.110; and

12 (b) Specify whether a school district has failed to meet the
13 minimum general fund balance threshold required by this section in
14 the school district's financial health indicators.

15 (5) The office of the superintendent of public instruction may
16 adopt rules to implement this section and section 2 of this act.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.505
18 RCW to read as follows:

19 (1) Beginning in the 2028-29 school year and each fiscal year
20 thereafter, school districts placed under formal financial monitoring
21 under section 1 of this act must submit monthly financial data to the
22 office of the superintendent of public instruction no later than the
23 last day of the subsequent calendar month.

24 (2) The data must include, at a minimum, the following
25 information for each fund: (a) Monthly expenditures; (b) monthly
26 revenue; (c) end of month cash balance; (d) interfund loan activity;
27 and (e) any other debt or borrowing transactions.

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