

**WSR 26-05-005  
EMERGENCY RULES  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION**

[Filed February 5, 2026, 10:50 a.m., effective February 5, 2026, 10:50 a.m.]

Effective Date of Rule: Immediately upon filing.

Purpose: The purpose of this emergency rule making is to adopt rules concerning the sale of school district real property that are in binding conditions in alignment with SSB 5412 (2025). Additionally, as provided in this same bill, the emergency rule making would address the charging of interest when districts are in binding conditions or under enhanced financial oversight for temporary interfund loan from its capital projects fund.

The office of superintendent of public instruction (OSPI) will also conduct permanent rule making concerning these rules.

Citation of Rules Affected by this Order: New WAC 392-123-171; and amending WAC 392-123-150.

Statutory Authority for Adoption: SSB 5412 (chapter 384, Laws of 2025); RCW 28A.335.135 and 28A.505.140.

Under RCW 34.05.350 the agency for good cause finds that immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.

Reasons for this Finding: These emergency rules are necessary to ensure that rules are in place to provide transparency and accountability when districts in binding conditions sell real property, to verify the proceeds are used in alignment with OSPI's authorization of the sale, and to limit the sale of real property in these situations to no more than once every 10 years. Additionally, these emergency rules will state that no interest can be charged for an interfund loan from the capital projects fund for districts in binding conditions or under financial oversight.

OSPI will also conduct permanent rule making concerning these rules.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 1, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: February 5, 2026.

Chris P.S. Reykdal  
State Superintendent of Public Instruction

RDS-6989.1

AMENDATORY SECTION (Amending Order 8-76, filed 7/23/76)

**WAC 392-123-150 Interfund loans—Payment of interest.** (1) Interest shall be charged by the loaning fund to be paid by the borrowing fund. The rate of interest shall be not less than the current warrant interest rate prevailing in the county in which the school district is considered to be located. The interest shall be credited to the loaning fund and shall not be transferred to any other fund.

(2) When a school district that is in binding conditions pursuant to RCW 28A.505.110 or under enhanced financial oversight pursuant to RCW 28A.315.221 takes a temporary interfund loan from its capital projects fund, the loaning capital projects fund may not charge interest on the amounts loaned.

NEW SECTION

**WAC 392-123-171 Proceeds from the sale of school district real property when the district is subject to binding conditions.** (1) A school district that is subject to binding conditions designed to improve the district's financial stability may request from the superintendent authorization to sell real property to alleviate the financial burdens that caused or contributed to the imposition of binding conditions or to repay an interfund loan.

(2) Districts must submit a written request to the superintendent of public instruction that includes the following:

(a) The legal and common property description of the real property proposed for sale;

(b) An estimate of the property value;

(c) Confirmation of an appraisal or a date when an appraisal will be secured;

(d) A request for the amount that would be redirected for use to repay an interfund loan;

(e) A request for the amount that would be redirected to alleviate the financial burden that caused or contributed to the binding conditions;

(f) A date that the real property was declared surplus and a copy of the approved board resolution; and

(g) An acknowledgment that the district will be prohibited from any further sales of real property for this purpose for a minimum of 10 years.

(3) The superintendent of public instruction will review the request and notify the district superintendent and board of the decision in writing. If approved, the district will hold one additional public hearing prior to approving a resolution authorizing the sale of real property.

(4) Pursuant to RCW 28A.335.135, any proceeds from the sale of real property permitted by the superintendent of public instruction to be utilized to alleviate financial burdens are restricted to the following purposes:

(a) To address costs associated with unanticipated actual changes in annual average full-time equivalent enrollment that exceed 2.5 percent from the prior school year.

(b) For temporary cash flow needs in the general fund within the school year.

(c) For emergencies or as necessary for the preservation of life, health, and safety.

(d) To repay an interfund loan.

(e) For one-time expenses as preapproved by the office of superintendent of public instruction.

(5) A school district will not use the proceeds provided from the sale of real property for ongoing salaries or benefits.