



PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (October 2017)
(Implements RCW 34.05.310)**

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: August 08, 2024

TIME: 10:47 AM

WSR 24-17-010

Agency: Office of Superintendent of Public Instruction (OSPI)

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; RCW 28A.505.140; RCW 28A.710.040; RCW 28A.710.220

Reasons why rules on this subject may be needed and what they might accomplish: OSPI is considering rulemaking 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 the superintendent of public instruction 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 the superintendent 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.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) 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:

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(If necessary)

Name:
 Address:
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Additional comments:

Date: August 8, 2024	Signature: 
Name: Chris Reykdal	
Title: State Superintendent of Public Instruction	