



# 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: April 21, 2026

TIME: 11:53 AM

WSR 26-09-124

**Agency:** Office of Superintendent of Public Instruction (OSPI)

**Subject of possible rule making:**

- WAC 392-123-049 Basis of budgeting and accounting
- WAC 392-123-060 Petition to budget receivable collectible in future fiscal periods
- WAC 392-123-071 Budget extensions—First-class school districts
- WAC 392-123-072 Budget extensions—Second-class school districts
- WAC 392-123-076 Identification of balanced budget
- WAC 392-123-078 Review of first-class school district budgets and budget extensions
- WAC 392-123-079 Review of second-class district budgets and budget extensions
- WAC 392-123-080 Budget determined to be unsound after superintendent's review
- WAC 392-123-095 Budget as noncompliant and unsound
- WAC 392-123-100 Revised budget as not submitted or noncompliant.
- WAC 392-123-105 State board of education action regarding missing or noncompliant budget
- WAC 392-123-150 Interfund loans—Payment of interest

Additionally, new rule language related to (1) procedures for agency response when the financial condition of a school district or charter school is determined to be unsound after superintendent's review, and (2) proceeds from sale of school district real property that are in binding conditions.

**Statutes authorizing the agency to adopt rules on this subject:** Substitute Senate Bill 5412 (Chapter 384, Laws of 2025), RCW 28A.65.465, RCW 28A.150.290, RCW 28A.335.135, RCW 28A.505.040, RCW 28A.505.090, RCW 28A.505.140, RCW 28A.710.220

**Reasons why rules on this subject may be needed and what they might accomplish:** OSPI is considering rulemaking to address school districts' budgeting practices. Additionally, OSPI is considering rulemaking concerning the sale of school district real property who are in binding conditions and to address the charging of interest when districts in binding conditions or under enhanced financial oversight for temporary interfund loan from its capital projects fund in alignment with Substitute Senate Bill 5412 (2025).

**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:**

(If necessary)

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Additional comments:

**Date:** April 21, 2026

**Name:** Chris Reykdal

**Title:** State Superintendent of Public Instruction

**Signature:**

