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Washington Office of Superintendent of  
**PUBLIC INSTRUCTION**  
Chris Reykdal, Superintendent

k12.wa.us

June 18, 2024

Zachary Robbins, Superintendent  
Marysville School District  
4220 80th Street NE  
Marysville, WA 98270

Re: Financial Oversight Committee

Dear Superintendent Robbins and Board Vice President Krebbs:

This letter is to notify you that I will be convening a Financial Oversight Committee in accordance with Revised Code of Washington (RCW) 28A.315.221 to review the financial situation of the Marysville School District (MSD) and make recommendations on a path forward for financial stability. In accordance with RCW 28A.315.025, I have determined that the district is financially insolvent because it is reasonably foreseeable that unless action is taken, MSD's financial situation will result in a deficit general fund balance within three years and the district is unable to prepare and execute a satisfactory financial plan.

On May 23, 2024, my office notified you that the district's revised comprehensive financial plan was in compliance with the original binding conditions agreement dated August 18, 2023. At the same time, we said "[t]o be in compliance with the August 2023 binding conditions agreement, the district must now implement the budget reductions and adjustments described in the revised plan." Since that letter, the district's actions have not been consistent with the plan submitted. It has not met fund balance targets and has lost personnel in key leadership positions leaving gaps that cannot quickly be filled.

These facts lead me to the conclusion that MSD is unable to fully comply with its plan to regain financial stability. Specifically:

1. The comprehensive financial plan includes the closure of two schools and eliminating some educational programming following the 2024–25 school year in order to save \$2,098,030. However, at a public meeting shortly after submitting this plan and receiving approval from OSPI, district leadership said nothing has been finalized and did not present any options on how the district would make up the roughly \$2 million savings identified in the plan.

2. The comprehensive financial plan shows a month-end general fund balance without loan proceeds of \$6,013,074. However, on May 31, the Snohomish County Treasurer's Office showed an ending net cash balance of \$5,298,506, nearly 12% lower than MSD estimated.
3. On May 23, 2024, MSD notified its Chief Financial Officer that her contract would not be renewed. On June 13, 2024, the district's Executive Director of Human Resources resigned effective immediately. On June 17, 2024, the school board President announced he was stepping down. These departures leave three significant gaps in the district's leadership structure that could significantly impede the district's ability to operationalize and implement its revised financial plan as approved.

As detailed in OSPI's April 29, 2024, letter, since MSD agreed to binding conditions in August 2023, OSPI and Northwest Educational District (NWESD) 189 have consistently provided or offered to provide MSD assistance in helping the district on a path towards financial solvency. The Financial Oversight Committee is another step in that process and will provide an independent review of MSD's financial plan.

The Financial Oversight Committee will be made up of two representatives from OSPI, one representative from an educational service district (ESD) outside of NWESD 189, and one nonvoting representative from NWESD 189. I will name the Committee members in a separate correspondence.

I am tasking the Financial Oversight Committee with reviewing the financial condition of MSD and providing me with recommendations. This review may involve members of the Committee meeting with MSD leadership to go over financial records, asking questions about what led to the district's financial situation, and discussing possible solutions that would lead to financial stability.

Per RCW 28A.315.221, this review shall involve a public hearing, or multiple public hearings, within MSD in order to receive public comment and discuss financial plans. Following the public hearing(s), the Financial Oversight Committee will make a recommendation on next steps which may include corrective actions, placing the district under enhanced financial oversight, and/or dissolution of the district.

As detailed in our previous correspondence, enhanced financial oversight may include:

1. Development of an alternative financial plan by the Financial Oversight Committee that complies with all binding conditions.
2. Appointment of a special administrator to oversee and carry out financial conditions required of the district.
3. Review and approval of MSD's contracts and agreements prior to school board approval, inclusive of employment contracts.

Superintendent Robbins and Board Vice President Krebbs

June 18, 2024

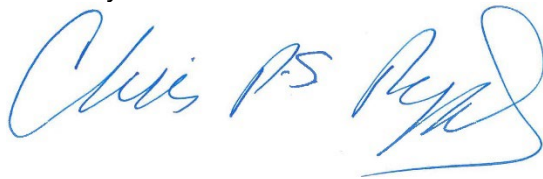
Page 2

4. Delayed release of a percentage of apportionment funds sufficient to meet the final fund balance requirement outlined as a binding condition over the 2024–25 and 2025–26 school years.

I am hopeful that convening the Financial Oversight Committee will lead to a solution that brings the district back into financial stability in a manner that represents the needs of the students and the values of the community. I ask that you and members of the community work with the Committee to assist them in gaining a full understanding of the situation and help them come to a workable solution.

Should you have any questions, please contact T.J. Kelly, OSPI Chief Financial Officer, at [thomas.kelly@k12.wa.us](mailto:thomas.kelly@k12.wa.us).

Sincerely,



Chris Reykdal  
Superintendent of  
Public Instruction

cc: Larry Francois, Superintendent, Northwest ESD 189