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Washington Office of Superintendent of
PUBLIC INSTRUCTION
Chris Reykdal, Superintendent

January 13, 2026

Dr. Deborah Rumbaugh, Superintendent
Marysville School District
4220 80th Street NE
Marysville, WA 98270

Re: Binding Conditions Update

Dear Dr. Rumbaugh:

As recently communicated through formal correspondence, the Marysville School District has been released from Enhanced Financial Oversight as an outcome of their improved financial position. OSPI and Northwest Educational Service District (NWESD) 189 believe that, in addition to the financial performance, the district now has the people and processes in place to continue progress toward financial sustainability.

To ensure the continuance of their current financial trajectory, OSPI and NWESD are re-establishing binding conditions on Marysville School District (MSD). The updated binding conditions for the remainder of the 2025–26 and 2026–27 school years are outlined below.

Binding Conditions

1. Monthly budget status reports presented to the school board must be shared with NWESD and OSPI within one week of the board meeting.
2. A quarterly meeting to review current financial status will be held with NWESD and OSPI to include a review of the following: budgeted to actual expenditures and revenues, enrollment trends, current staffing levels, and updated multi-year cash flow projection through the end of the 2026–27 school year. These meetings will be scheduled by OSPI after considering the required individuals' calendar availability no later than January 31, 2026. These meetings must include, at a minimum, the Superintendent and Business Official of the school district. The President of the School Board is recommended but not required to attend these meetings.
3. No later than April 30, 2026, the district must present to NWESD and OSPI a comprehensive 2-year budget plan, inclusive of revenue and expenditures, enrollment trends, staffing levels, and cash flow projections from current month through the end of

2025–26 school year, and the entire 2026–27 school year.

4. The actual ending general fund balance reported in the F-196 for the 2025–26 school year must be no less than \$7.4 million (approximately 4%).
5. The actual ending fund balance reported in the F-196 for the 2026–27 school year (November 2027) must be at least 5% of actual general fund expenditures reported for that same period.
6. The beginning and ending general fund balance reported in the 2027–28 F-195 as reported no later than August 31, 2027, must be at least 6% of actual general fund expenditures for the applicable fiscal years.

Background

Marysville School District originally requested to be placed on binding conditions in August 2023 when their school board acknowledged that the district was projected to end the 2023–24 school year with a negative ending general fund balance of (\$17,500,637). From August 2023 until August 2024, OSPI and NWESD worked with the district to obtain reliable financial projections and analysis upon which we could establish performance metrics to track performance.

In August 2024, the district was placed on Enhanced Financial Oversight due to the lack of positive financial performance, the inability of staff in key positions to perform well, and the lack of consistent internal financial tools and communication strategies to ensure financial success. A Financial Oversight Committee (FOC) was established to oversee the district, and a special administrator was appointed to provide on-site oversight and guidance for the district.

Under the oversight of the FOC and its special administrator, the district leadership has succeeded in implementing staffing and business process changes that have resulted in dramatic improvement in the current and projected financial projections of the district. Specifically, the district has completed the 2024–25 school year with a total general fund balance of \$5.4 million and adopted a budget for the 2025–26 school year which would further increase their fund balance by \$2 million.

The district should be commended on their continued progress. OSPI and NWESD look forward to continued partnership with the Marysville School District team.

Sincerely,



T.J. Kelly
Chief Financial Officer
Office of Superintendent of Public Instruction