



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

April 7, 2011

**MEMORANDUM**

TO: Local and Intermediate School District Superintendents, Public School Academy Directors

FROM: Carol Wolenberg, Deputy Superintendent *Carol*

SUBJECT: Deficit Elimination Plan Requirements

The Department has developed new requirements related to districts that end a school year with a deficit fund balance or adopt a budget that reflects a deficit. The requirements stipulate that a Deficit Elimination Plan (DEP) is due to the Department 30 days after the deficit district is notified by the Department that a DEP is required or 30 days after the school aid budget for the year is passed, whichever is later. These requirements have been developed pursuant to the language in State School Aid Act Section 102 (MCL 388.1702). The actual requirements are available online at:

[http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605-106599--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html)

Questions related to these requirements should be directed to Jeff Kolb at [kolbj2@michigan.gov](mailto:kolbj2@michigan.gov) or (517) 373-1908.

cc: Michigan Education Alliance

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909  
[www.michigan.gov/mde](http://www.michigan.gov/mde) • (517) 373-3324