

COOPERATIVE EDUCATION AGREEMENT FOR NOVI VIRTUAL

THIS COOPERATIVE EDUCATION AGREEMENT (this “Agreement”) is made this 7th day of May, 2025 (“Effective Date”), by and between **NOVI COMMUNITY SCHOOL DISTRICT**, a Michigan general powers school district, whose address is 25345 Taft Road, Novi, Michigan 48374 (“Novi”) and South Lyon Community Schools, a Michigan general powers school district, whose address is 345 S. Warren St, South Lyon, MI 48178 (the “Participating District”) (individually, a “Party” and collectively, the “Parties”).

WHEREAS, Revised School Code Section 11a, MCL 380.11a, authorizes general powers school districts to enter into agreements, contracts, or cooperative arrangements with other public entities as part of performing the functions of the school district; and

WHEREAS, Revised School Code Section 1282, MCL 380.1282, enables school districts to establish and carry on the grades, schools, and departments they consider necessary or desirable for the maintenance and improvement of their schools and determine the courses of study to be pursued; and

WHEREAS, the Intergovernmental Contracts between Municipal Corporations Act Section 2, MCL 124.2, authorizes school districts, as “municipal corporations,” to join with any other municipal corporation for the operation of any facility or performance of any service that each would have the power to operate or perform separately; and

WHEREAS, State School Aid Act Section 3, MCL 388.1603(7), and Pupil Accounting Manual Section 5-B further authorize school districts to enter into “cooperative education programs,” which are written voluntary agreements to provide certain educational programs for students in certain groups of districts; and

WHEREAS, State School Aid Act Section 21f, MCL 388.1621f, in conjunction with Pupil Accounting Manual Section 5-O-D, authorizes school districts to provide “virtual courses,” which are courses of study that are capable of generating a credit or a grade and are provided in an interactive learning environment where the majority of the curriculum is delivered using the internet and in which pupils may be separated from their instructor or teacher of record by time or location, or both; and

WHEREAS, Novi provides virtual K-12 programming through Novi Virtual (the “Virtual Program”), and the Participating District is desirous of offering the opportunity of enrollment in the Virtual Program to eligible students, who are those students the Participating District has determined meet the requirements for enrollment in the Virtual Program (“Eligible Students”).

NOW, THEREFORE, the Parties agree to the terms and conditions set forth herein.

1. Purpose. Novi will operate a coordinated pilot program through the Virtual Program to deliver virtual educational programming through the use of technology to Eligible Students. The Parties estimate that 30 Eligible Students from the Participating District will participate in the Virtual Program.
2. Term. The initial term of this Agreement shall begin on the Effective Date first written above and end on June 30, 2026, but the Parties must approve this Agreement on an annual basis pursuant to Pupil Accounting Manual Section 5-B.
3. Termination. Either Party may terminate this Agreement at any time, with or without cause, by providing written notice to the other Party. Termination shall become effective at the end of the current contract year (i.e., June 30) and shall not relieve the terminating Party from its obligations under the Agreement until the effective date of termination. Termination shall not relieve either Party of its legal obligations regarding virtual courses, including but not limited to the requirement that the Participating District compensate Novi for virtual courses provided to Eligible Students.
4. Available Courses. Novi will create a course catalog of virtual courses (the “Virtual Course Catalog”) that is substantially similar to the course catalog attached at Appendix A. The Virtual Course Catalog will satisfy all requirements of the Revised School Code, State School Aid Act, and Michigan Pupil Accounting Manual. For core subject areas, all courses in the Virtual Course Catalog will meet grade-level content standards established by the Michigan Department of Education.

Each Party will present the Virtual Course Catalog to its respective Board of Education for review and approval. Once approved by its Board of Education, Novi and the Participating District will include the Virtual Course Catalog as part of any other course catalog provided to Eligible Students and their families. The Parties will provide syllabi, the Virtual Course Catalog, and other Virtual Program information to the Michigan Virtual University for inclusion in the statewide course catalog only to the extent required by law. Novi will also publish the Virtual Course Catalog on its website.

5. Virtual Course Provider Obligations. Novi shall offer courses from the Virtual Course Catalog through the Virtual Program, which shall be comprised of live instruction, asynchronous instruction, and on-demand work, and which shall be operated in compliance with Section 21f of the State School Aid Act and Section 5-O-D of the Pupil Accounting Manual. Except as otherwise stated in this Agreement, Novi shall provide all learning materials for virtual courses. In addition, Novi shall fulfill all obligations of a virtual course provider, including but not limited to the following:
 - a. Assign each pupil a teacher of record and provide the Participating District with the

personnel identification code from the Center for Educational Performance and Information (“CEPI”) for the teacher of record. Each “teacher of record” shall be employed directly by Novi and shall:

- i. Hold a valid Michigan teaching certificate, substitute permit, authorization, or approval issued by the Michigan Department of Education (“MDE”). In the event that a teacher of record is determined to be inappropriately credentialed and therefore results in a reduced FTE, Novi will reimburse the participating district the amount of the per pupil reduction, up to the cost of enrollment for that course, as it applies to any students in the partner district who were impacted by the reduced FTE in that course.
 - ii. If applicable, be endorsed in the subject area and grade of the virtual course.
 - iii. Be responsible for providing instruction, determining instructional methods for each pupil, diagnosing learning needs, assessing pupil learning, prescribing intervention strategies and modifying lessons, reporting outcomes, and evaluating the effects of instruction and support strategies.
 - iv. Have a personnel identification code provided by CEPI.
- b. Ensure that the virtual course is academic in nature and approved by Novi’s Board of Education.
- c. Assign grades and other marks to Eligible Students in the Virtual Program course. For a course required by Michigan law for graduation, a teacher of record shall not award credit unless the student has demonstrated the level of content proficiency required by law.
- d. Have the virtual course offer an open entry and exit method, or align to a semester, trimester, or accelerated term format. Unless the Parties agree otherwise, the Virtual Program will align with Novi’s academic calendar.
- e. If required by law, not later than October 1 each fiscal year, provide the Michigan Virtual University with an aggregated count of enrollment for each virtual course the provider delivered during the preceding school year and the number of enrollments in which the pupil earned 60% or more of the total course points for each virtual course. To the maximum extent allowed by law, the Parties intend for the Virtual Program to be available under this Agreement only to “Eligible Students” as that term is defined in this Agreement.

- f. Assist the Participating District with pupil accounting documentation for Eligible Students, as necessary.

6. Participating District Obligations. The Participating District shall fulfill all obligations of a primary district under Section 21f of the State School Aid Act and Section 5-O-D of the Pupil Accounting Manual, including but not limited to the following:

- a. Assign a “mentor” to each pupil enrolled in a virtual course and supply Novi with the mentor’s contact information before each academic term. Each “mentor” shall be a professional employee of the Participating District who satisfies the requirements for “mentors” established in Section 21f of the State School Aid Act, MCL 388.1621f, and Section 5-O-D of the Michigan Pupil Accounting Manual. Mentors will be granted access to Virtual Program courses in which the mentor’s student is participating.
- b. Provide compatible devices (e.g., ChromeBooks) and internet access thereon, along with “technology protection measures” (i.e., a technology that filters internet access) on its devices to protect minors from visual depictions that are obscene, child pornography, or harmful to minors.
- c. Use foundation allowance or per-pupil funds to pay Novi for the expenses associated with the Virtual Program.
- d. Grant appropriate academic credit for successful course completion and count credit toward graduation and subject area requirements.
- e. The Participating District shall maintain all responsibility for administration of any state-mandated testing or assessments, and for all required reporting of data derived from testing, assessments, or otherwise. Novi shall have no responsibility for such administration or reporting of state-mandated testing or assessments.
- f. Eligible Students may use Novi’s ROAR Center for conducting course-related periodic testing and retrieving learning materials.
- g. The Participating District shall remain solely responsible for the provision of special education and related services, including the evaluation of students for such services, the development of Individualized Education Programs, the development of 504 Plans, the implementation of such plans, providing a free appropriate public education, and all costs associated with providing special education and related services. Upon the Participating District’s request, Novi will

assist with the implementation of supplementary aids and 504 Plan accommodations as necessary for Eligible Students to access the Program.

Novi expressly disclaims any responsibility to provide special education or related services to Eligible Students.

Novi will promptly notify the Participating District if Novi has reason to suspect that an Eligible Student participating in the Virtual Program may be a student with a disability.

Novi will, at the request of a Participating District, provide information necessary for the Participating District to complete an evaluation or Individualized Education Program (“IEP”) for an Eligible Student participating in the Virtual Program who is or may be a student with a disability.

- h. If the pupil is enrolled in more than two (2) virtual courses in an academic term, semester, or trimester, the Participating District must meet each of the following conditions:
 - i. The Participating District determines that enrollment is in the best interest of the pupil.
 - ii. The pupil agrees with the Participating District’s recommendation.
 - iii. The Participating District must develop an educational development plan (“EDP”) with the pupil following MDE guidance. For pupils in grades K-6, the EDP should include the following:
 - (1) The pupil’s preferred learning style.
 - (2) The pupil’s interests.
 - (3) Areas of academic development.
 - (4) Areas of personal/social development.
 - (5) A timeline and measures for the development of the above items.
 - (6) Postsecondary and career goals as applicable.

- i. The Participating District shall assume responsibility under applicable law for obligations that are not expressly set forth in this Agreement.

7. Enrollment in Program. Novi allows Eligible Students to enroll in the Virtual Program in accordance with Section 21f of the State School Aid Act. Novi and the Participating District, as provided above, shall ensure that each student's participation is consistent with all State School Aid Act and Pupil Accounting Manual requirements, including any parent consent requirement, virtual course limits, technology access requirement, mentor requirement, and EDP requirements. The Participating District shall allow its students to enroll in Virtual Program courses, except as prohibited by Section 21f(5) of the State School Aid Act. If a student is denied enrollment in the Virtual Program, the Participating District will provide the student with all legally required appeal opportunities.
8. Counting Pupils in Membership. Eligible Students who enroll in the Virtual Program shall remain enrolled and counted in membership of the Participating District. The requirements of Section 5-O-D of the Pupil Accounting Manual shall be met in order to claim pupils in membership and receive state aid for the participation in Virtual Program courses. As part of those requirements, the Participating District shall report through CEPI's Teacher Student Data Link ("TSDL") a complete listing of all courses provided to all pupils in membership, each pupil's course enrollment information using local coding and the school codes for the exchange of data, and the names of the teacher of record and mentor for each course. Upon request from the Participating District, Novi shall provide any other information needed from CEPI that Novi has in its possession.

The Participating District expressly acknowledges that the failure to comply with reporting requirements may result in a loss of state aid. The Participating District is solely responsible for any loss of state aid related to an audit or other finding that a student participating in the Virtual Program was not eligible to be counted in the Participating District's membership.

9. Payment. The Participating District shall pay to Novi a fixed amount per virtual course per student on our [25-26 pricing model](#), which is generally based on a proration of all FTE. Unless both Parties agree otherwise, payments will be made quarterly. Late payment will bear interest at the maximum rate statutorily permitted. The Participating District remains responsible for payment at the above rate after October 1, even if an Eligible Student exits the Program after that date for any reason.

Participating districts who provide written communication to Novi Virtual of a student's unenrollment will be reimbursed/not charged based on the following timelines:

- i. On or before the second Friday of September, districts will be refunded/not charged for 100% of payment, including registration fee for unenrolled students that were enrolled in Novi Virtual courses in the previous school year. If the unenrolled student was not enrolled in Novi Virtual courses in the previous school year, then districts will be refunded/not charged for all course fees, with the exception of the registration fee
- ii. On or before the third Friday of September, districts will be refunded/not charged for all course fees, with the exception of the registration fee
- iii. After the third Friday of September, districts will receive no refunds and will be charged all semester fees, including the registration fee

10. Program Administration. Novi shall have sole and exclusive authority to administer the Virtual Program as it sees fit, including but not limited to establishing operating policies for the Virtual Program; determining the type, quality, schedule, and scope of courses offered; calculating operating costs; and performing other functions necessary to operate the Virtual Program. Eligible Students will be subject to the NCSD Handbook and Code of Ethics and Acceptable Internet Use Policies while participating in the Virtual Program. Eligible Students may be exited from the Virtual Program and returned to in-person instruction at the Participating District if the student (a) is not making adequate progress in the virtual setting, as solely determined by Novi; or (b) has violated a condition of the Virtual Enrollment Consent Form. To the extent possible and to minimize student disruptions, Novi will endeavor to exit students at the end of the semester or other marking period. In the event a student is exited, Novi shall provide advance written notice to the Participating District. Such action is not intended nor shall it be construed as a change of placement.
11. Student Education Records. Novi will receive Eligible Students' personal data, including "personally identifiable information" or "education records", as defined by the Family Educational Rights and Privacy Act ("FERPA"), 20 USC 1232g, 34 CFR Part 99, as an incident of the Virtual Program. The Participating District shall ensure that its annual FERPA notices (e.g., its opt-out form for directory information disclosures, per Revised School Code Section 1136, MCL 380.1136) are consistent with this provision. In addition, Novi Virtual administrators and teachers shall be deemed "school officials determined to have a legitimate educational interest" under 34 CFR 99.31(a)(1), within the Participating District's policies and procedures. In accordance with this "school official" exception, Virtual Program administrators and teachers: (1) are performing an institutional function or service that the Participating District has outsourced to it and which would otherwise be performed by Participating District personnel; (2) have a legitimate educational interest in the FERPA-protected information; (3) are under the direct control of the Participating District with respect to the use and maintenance of education records; and (4) will comply

with the applicable regulations concerning re-disclosure of personally identifiable information.

12. Transportation. Novi shall not be responsible for the transportation of any Eligible Students.
13. Athletics. Eligible Students may participate in or join the Participating District's clubs, activities, and athletics. The Participating District shall be responsible for any MHSAA eligibility or NCAA clearinghouse issues.
14. Liability. Each Party shall have and retain liability to third parties for injuries sustained or damages incurred on its own premises and through the actions of its own employees or agents, any of its obligations under this Agreement, or under law, except such liability that may arise by reason of the actions or omissions of the other Party, its agents, or employees. Nothing herein shall be construed as a waiver of governmental immunity.
15. Insurance. Each Party shall maintain the following insurance coverages covering all insurable risks associated with the obligations under the Agreement:
 - a. Workers' Compensation Insurance that meets Michigan statutory requirements.
 - b. Comprehensive General Liability Insurance, covering actions, activities, and performance of obligations assigned under this Agreement; coverage to be broad form including contractual liability and not excluding sexual harassment and molestation.
 - c. Errors and Omissions and Professional Liability Insurance for the Party's respective employees.
 - d. Umbrella Excess Liability, including Commercial General Liability.
 - e. Any other insurance coverage each Party may determine appropriate in consultation with its respective insurance carrier.
16. Financial Compliance. The Virtual Program shall be operated in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*; the State School Aid Act, MCL 388.1601 *et seq.*; and all other laws pertaining to the financial operation of such a program.
17. Dispute Resolution. The Parties will meet in good faith to resolve any disputes related to this Agreement. If a meeting does not resolve the dispute to both Parties' satisfaction, the Parties will participate in facilitated mediation with a mutually agreed-upon mediator. If the Parties cannot agree on a mediator, or if mediation does not resolve the dispute to both

Parties' satisfaction, the dispute may be submitted to binding arbitration, the decision from which shall be the sole and exclusive remedy for disputes between the Parties under this Agreement. Such arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The arbitrator's fee shall be shared equally between the Parties. All Parties may have legal representation, but shall be individually responsible for their respective legal expenses. A judgment on the arbitrator's award may be entered in any court of competent jurisdiction. The Parties expressly agree that this arbitration agreement precludes them from filing claims against the other in court and effectively waives any right to a jury trial.

18. Successors and Assigns. This Agreement shall not be assigned, or subcontracted, without the written consent of the other Party, which may be reasonably withheld. If consent has been provided in advance of any assignment or subcontract, this Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the Parties.
19. No Joint Employment. The terms of this Agreement will not be construed in any manner whatsoever so as to create a joint employer relationship between Novi and the Participating District. Novi employees will not be considered employees of the Participating District at any time, or vice versa, because of this Agreement.
20. Bargaining. This Agreement is an intergovernmental agreement to consolidate or otherwise collaborate regarding one or more functions or services through the use of technology to deliver educational programs and services, as permitted by Public Employment Relations Act Section 15, MCL 423.215(11) and MCL 423.215(3)(h).
21. Nondiscrimination. The Parties agree not to discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. The Parties further agree not to discriminate against any individual, including any Eligible Student, because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this paragraph may be regarded as a material breach of contract.
22. Waiver. Failure by either Party, at any time, to require performance by the other Party, or to claim a breach of any provision of this Agreement, will not be construed as a waiver of any subsequent breach, will not affect the validity and operation of this Agreement, and will not prejudice either Party with regard to subsequent action to enforce the terms of this Agreement.
23. Severability. If any provision of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of this

Agreement will not be affected, impaired, or prejudiced thereby, unless the provision(s) removed materially impact the basic intent of this Agreement.

24. Governing Law. This Agreement and the rights and obligations of the parties hereunder will be governed by and construed in accordance with the laws of the State of Michigan.

25. Counterparts. This Agreement may be executed in one or more counterparts, including facsimile and electronic signatures, each of which will be deemed to be an original, but all of which constitute one and the same agreement.

26. Entire Agreement. This Agreement sets forth the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes all previous oral or written agreements and understandings on the subject matter between the parties. No provision of this Agreement may be modified except in writing executed by both Parties.

[SIGNATURES APPEAR ON FOLLOWING PAGE.]

This Cooperative Education Agreement has been executed by the duly authorized officers of the Parties as of the date first above written.

**NOVI COMMUNITY SCHOOL
DISTRICT, a Michigan general powers
school district**

By: _____

Benjamin Mainka

Its: Superintendent

_____, a
Michigan general powers school district

By: _____ Its: _____

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Appendix A

See attached Novi Virtual Catalog.

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