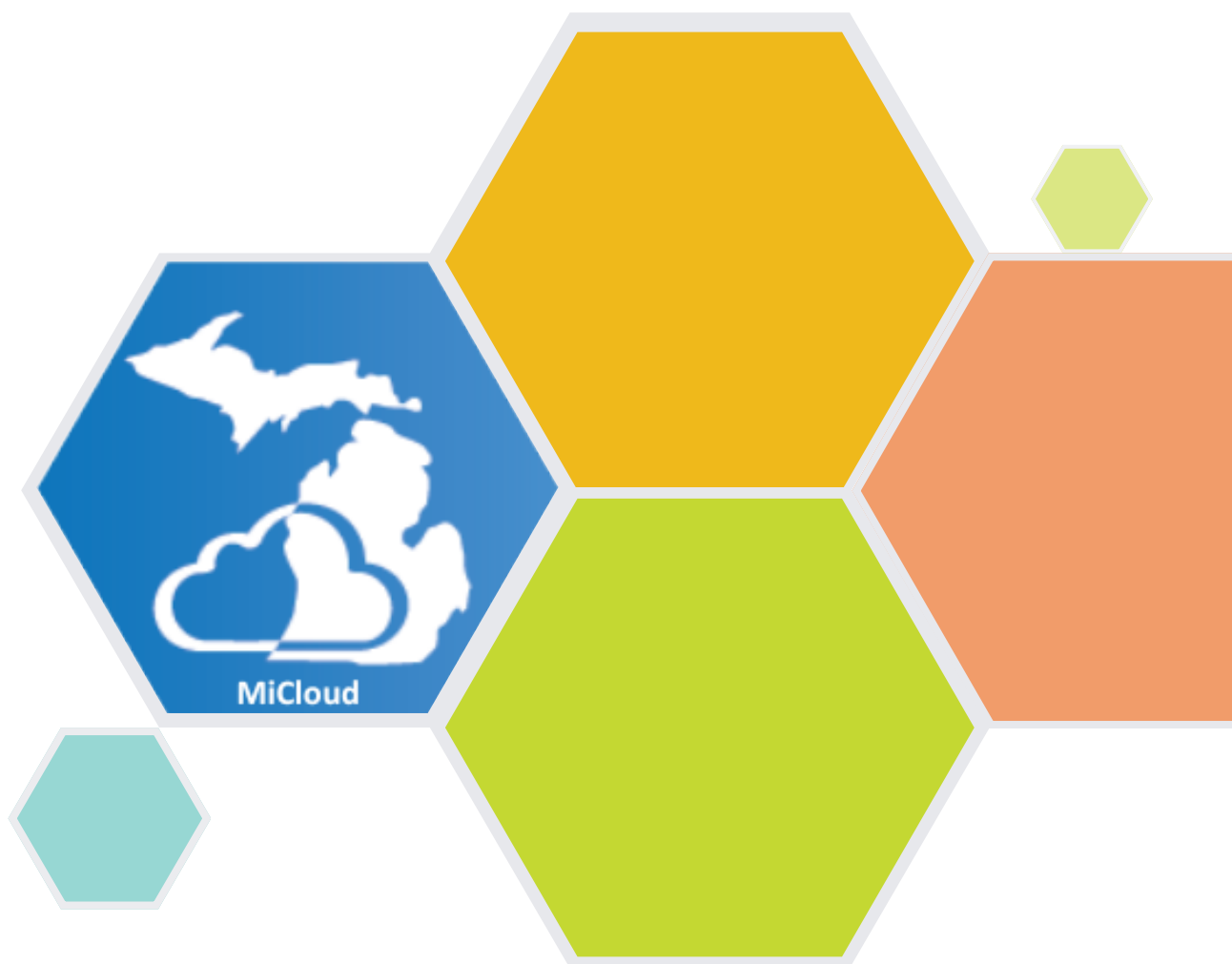


MiCloud 12c- Consolidation Grant 2025-26 Annual Report



www.micloud.org

Table of Contents

- Statutory Reporting Requirement.....Pages 3-6
- Year-Over-Year Progress Dashboard.....Page 7
- Advisory Members.....Page 8
- Strategic Focus on Long-Term SustainabilityPages 9

Statutory Reporting Requirements (MCL 388.1612c)

Grant Purpose

The MiCloud initiative, established as a consolidated service area under the MiCH IT framework and fiscaled by Kalamazoo Regional Education Service Agency (KRESA), is designed to enhance educational outcomes across Michigan by providing all K-12 districts with equitable access to secure, resilient, and cost-effective cloud hosting and data infrastructure. By consolidating platform management services and leveraging critical statewide technical networks like MiSEN and MiSecure, the program systematically eliminates regional disparities in technology access while fortifying institutional cybersecurity. This annual report fulfills the directives set forth under Section 12c of the State School Aid Act, documenting how public resources have been strategically deployed to achieve operational efficiencies, mitigate infrastructure risks, and deliver measurable returns on investment back to Michigan communities.

Pursuant to Michigan Compiled Law (MCL) 388.1612c, this section provides the legally mandated disclosures for the 12c-Consolidation Grant, demonstrating the growth and expansion of the MiCloud initiative from the 2024-25 fiscal year to the 2025-26 fiscal year.

1. Amount Previously Spent in the Prior Fiscal Year

- **2024-25 Reporting Period:** \$0. (Funds were awarded in November 2024 but not released until January 2025, resulting in an abbreviated initial six-month operational window).
- **2025-26 Reporting Period:** Full fiscal year expenditures have been deployed in strict alignment with the MDE Expenditure Report, maximizing infrastructure scaling (AWS), enterprise licensing (Veeam, CubeBackup), and administrative support.

"With the grant we are able to migrate to AWS and avoid spending approximately \$300,000 on hardware"

-Paul Mulder, Technology Director, Allendale Public Schools

"Our district's physical hardware was aging out, and the cost to replace everything this year was just too high to justify... Working with MiCloud allows us to keep our on premise footprint small, which means we can finally stop spending so much on physical servers, extra memory, drives, and all the licensing that goes with them."

-Christopher Cerrudo, Director of Technology, Harbor Springs School District

Statutory Reporting Requirements (MCL 388.1612c)

2. Number of Students Impacted by the Consolidation

- 2024-25 Baseline: 52,730 students enrolled in participating districts.
- 2025-26 Current Reach: 522,557 students served. MiCloud has vastly expanded its footprint to safeguard and support the digital learning environments of over a half-million Michigan learners.

"Since moving to MiCloud for our VEEAM server backups, we have saved money and ended up with a better backup solution than what we had in place before. It has been a win on both cost and capability."

-Ryan J. Landheer - Chief Director, Ravenna Public Schools

3. Vendors, Third-Party Entities, and Educational Entities Used

MiCloud continues to leverage a robust, collaborative ecosystem to consolidate services and drive economies of scale:

- **Core Infrastructure & Software Partners:** Amazon Web Services (AWS), Ingram-Micro, Veeam, and CubeBackup.
- **Statewide Educational & Technical Partners:** Michigan Association of Intermediate School Administrators (MAISA), Michigan State Educational Network (MiSEN), MiSecure (K12 Security Operations Center), and MiDataHub.

"I have worked with MiCloud to help multiple school districts in our region. Each project has been handled professionally and efficiently with a willingness to go above and beyond when they see additional ways to help Michigan Schools."

Doug Olson, Technology Systems Manager, Northwest Education Services

"MiCloud's support and constant communication with our district was excellent. Their technical expertise and continued support has been invaluable and something that I hope that the state will continue to fund in the future. It is amazing what this group has been able to accomplish throughout the state and within our district."

John Ross - Director of Technology, Taylor School District

Statutory Reporting Requirements (MCL 388.1612c)

4. Impact on Student Learning Attributable to Reallocated Money

By centralizing critical IT operational costs, districts have migrated away from capital-intensive, on-premises hardware cycles. Savings are systematically redirected into classrooms to support teachers and student programs. Furthermore, the transition to resilient cloud environments ensures uninterrupted access to digital learning resources, effectively eliminating downtime caused by local infrastructure or hardware failures.

"Our districts are better protected from hardware failure, cybersecurity incidents and accidental deletion after setting up AWS cloud backup locations. As we implement the AWS Cloud Disaster Recovery site our member districts will have the enhanced resilience necessary for uninterrupted student learning. "

-Joshua Hiner, Director of REMC1 & CCISD Director

"MiCloud has, no doubt, made a positive impact in Michigan's education system and given access to resources that districts may not have otherwise been able to use. I don't think that private sector/for-profit vendors could have been nearly as successful as MiCloud's approach."

-John Anderson - Senior Technology Support Specialist, Northwest Education Services



Statutory Reporting Requirements (MCL 388.1612c)

5. Total Cost Savings Produced

\$403,489

A Cost Savings

Through strategic statewide pricing agreements and architectural modernization, MiCloud delivered substantial financial impact—securing \$247,500 in savings via an 82.5% Cube licensing discount and \$136,662 in YTD Veeam licensing savings (projected to reach \$155,989.98 through June 2026), while driving further cost avoidance by reducing direct cloud consumption. Total Projected Savings (through June 2026): **\$403,489.**

53%

Return on Investment

The initiative drives structural fiscal efficiency by offering cloud-based disaster recovery that delivers an estimated **53%** return on investment and a 21% reduction in operational costs.

Student & Educator Support

Value Proposition

By protecting 3,975 servers and ensuring uninterrupted learning resources for 522,557 students, MiCloud eliminates the localized infrastructure maintenance burden, so IT staff can focus directly on **supporting educators and student success.**

Year-Over-Year Progress Dashboard

(12c-Consolidation Grant Impact*)

Performance Indicator	Fiscal Year 2024-25 (Baseline)	Fiscal Year 2025-26 (Final Status)	Variance/Growth Impact
 Net Grant Expenditures	\$0.00	\$3,739,503.10 (YTD Actual)	37% Expended
 Direct Student Impact	52,730 students	522,557 students served	+469,827 additional students protected by resilient cloud infrastructure.
 ISD Partners & Accounts	27 ISDs / LEAs combined	51 ISDs (232 AWS Accounts)	Established centralized control across nearly all Michigan Intermediate School Districts.
 Local Districts Supported	Included in baseline above	287 LEAs (196 AWS Accounts)	Significant local penetration, replacing vulnerable on-prem hardware footprints.
 Statewide Projects	2 projects completed	17 Projects (54 AWS Accounts)	Direct cloud enablement for critical state systems (e.g., MICIP, MIEWIMS, MIREAD).
 Other Supported Entities	N/A	7 Entities (6 AWS Accounts)	Expansion into ancillary educational support structures.
 Total Managed AWS Cloud Infrastructure	76 AWS Accounts	488 Total AWS Accounts	+412 secure AWS environments systematically deployed and managed.
 Local Cost Reductions	Disparate vendor pricing	\$384,162+ Saved YTD	Combined scale of Veeam (\$136,662) and Cube (\$247,500) procurement savings passed to local budgets.

Advisory Members

The MiCloud initiative maintains an agile and robust program governance structure to ensure transparency of public funding, legal compliance (including FERPA data privacy protections), and cross-program collaboration. The program is continually guided by the MiCloud Advisory, which coordinates technical, administrative, and legislative alignment across the state.

- **Lead Agency & Fiduciary:** Kalamazoo RESA (KRESA)
- **Strategic Governance Body:** Michigan Association of Intermediate School Administrators (MAISA)
- **Technical & Network Advisory Partners (non-voting):**
 - Michigan State Educational Network (MiSEN)
 - MiSecure K12 Security Center
 - MiDataHub Leadership
 - Ingram Micro
 - Amazon Web Services
- **Regional Ecosystem Stakeholders:** Representative IT leadership from participating Intermediate School Districts (ISDs) across all MDE regions.

Region	Name	Organization
1	Trae Forgette	Marquette-Alger RESD
2	Andy Wolfe	Northwest Education Services
3	Andrew Rosema	Kent ISD
4	Patrick Loshaw	Saginaw ISD
5	Tom Kuras	Huron ISD
6	Dan Lietz	Ingham ISD
7	Corey Spade	St. Joseph County ISD
8	Nicholas Hay	Monroe County ISD
9	Christopher Hammond	Oakland Schools
10	Chad Rider	Wayne RESA
	Tom Johnson/Amanda Stoel	MAISA
	Matt McMahon/Bryan Smith/ Merri Lynn Colligan	MICH IT (MiSecure, MiDataHub, MiSEN)
	Brian Schupbach	Kalamazoo RESA (Fiscal)
	Rex J. Thelen/Fred Sharpsteen	Partners (Ottawa ISD/Mecosta-Ocseola ISD)
	Derek Root/Adam Krembel	AWS/Ingram Micro

Strategic Focus on Long-Term Sustainability: Critical Recommendations

To safeguard the state's significant investment and maintain technological momentum, MiCloud is actively transitioning from an incubator grant model toward a permanent infrastructure utility. Our long-term sustainability strategy centers on three distinct pillars:

1. Monetizing the Value Proposition & Financial ROI

The initial 11x-Feasibility Study projected a 21% total cost of ownership (TCO) reduction for cloud disaster recovery and up to a 58% reduction for comprehensive digital transformation. By executing a "Lift and Shift" model followed by strict cloud resource optimization (right-sizing workloads), MiCloud is realizing an average of 30-35% average savings proving that centralized management minimizes waste. The post-grant financial model will transition to a shared-cost utility subscription, allowing districts to permanently replace unpredictable local capital expenses (CapEx) with stable, subsidized operational expenses (OpEx).

2. Technical Resilience and Ecosystem Integration

Sustainability is reinforced by deeper integration into Michigan's existing educational technology bedrock. The current Proof of Concept (POC) with MiSEN to establish AWS DirectConnect private connections will link district data centers directly to their AWS Cloud environments. This minimizes data egress costs, simplifies district technology architecture, and ensures long-term institutional reliance on the platform.

3. Closing the Digital Equity Gap

A critical barrier to cloud migration in smaller or rural LEAs is the lack of specialized local engineering talent. MiCloud provides a sustainable solution by acting as an "extension of the bench" through enterprise-quality managed services (such as automated server patching and backups). By upskilling local staff via custom AWS training while providing centralized infrastructure management, MiCloud ensures that a district's geographic location or local budget size no longer dictates its cybersecurity posture or technical resilience.

"I hope the funding can be secured for 10+ years for our districts to utilize this great resource."

-Peter Klein, Technology Services Director, Clinton County RESA



For more information, contact:
Michael Coats, Executive Director
michael.coats@micloud.org

These materials were developed in partnership with MAISA and KRESA under a grant awarded by the Michigan Department of Education.

www.micloud.org