MiCloud 12c-Consolidation Grant 2024-25 Annual Report

MiCloud

KRESA
Transforming Futures

www.micloud.org

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Executive Summary

Pursuant to Michigan Compiled Law (MCL) 388.1612c - Consolidation and infrastructure fund; grants for consolidation of services identified in a feasibility study under MCL 388.1611x; infrastructure emergencies, section 5 states *"a report must be submitted to the Michigan Department of Education by not later than June 30, 2025 and include the following:*

- *The amount previously spent on each consolidation of service in the prior fiscal year.*
- *The number of students impacted by the consolidation or consolidation of services.*
- *The vendors, third-party entities, or other educational entities used for consolidation or consolidation of services.*
- *The impact on student learning attributable to money reallocated as a result of the consolidation or consolidation service or services.*
- *A total cost savings produced as a result of the consolidation or the consolidation of services."*

This executive summary provides the highlight of each of these components. The full report provides additional detail and context describing the services, supports, and impact of the consolidation. This annual program and financial expenditure reports align the work of the consolidation grants to the anticipated findings from the 11x feasibility study. In order for the cost savings and return on investment to be fully realized, full implementation is necessary over the course of the next two years and beyond.

Amount Previously Spent $0

Number of Students Impacted 52,730

Entities Used for Consolidation Pg. 9

Student Impact = uninterrupted access to learning resources

Cost Savings ~$313,616 per year*
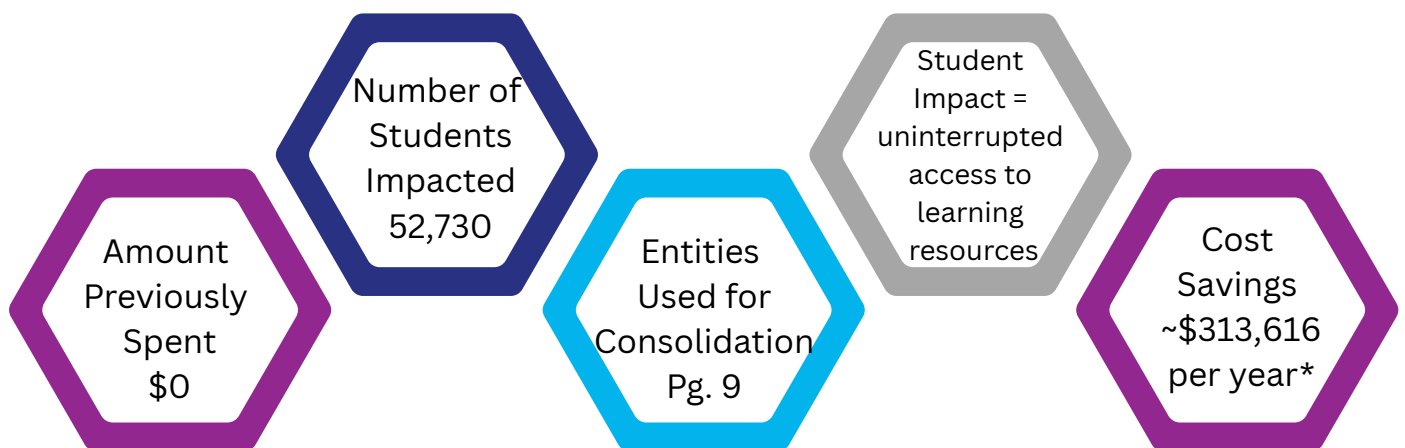
*=see page 10 for details and additional savings

Introduction

MiCloud, as a service area of the MiCH IT system, supports the core purpose of ensuring all Michigan children learn. This is achieved by fostering "Magic Moments" where educators and students connect, utilizing modern technology for secure hosting, transport, and data interoperability, and improving access to high quality educational experiences by addressing disparities and inequities.
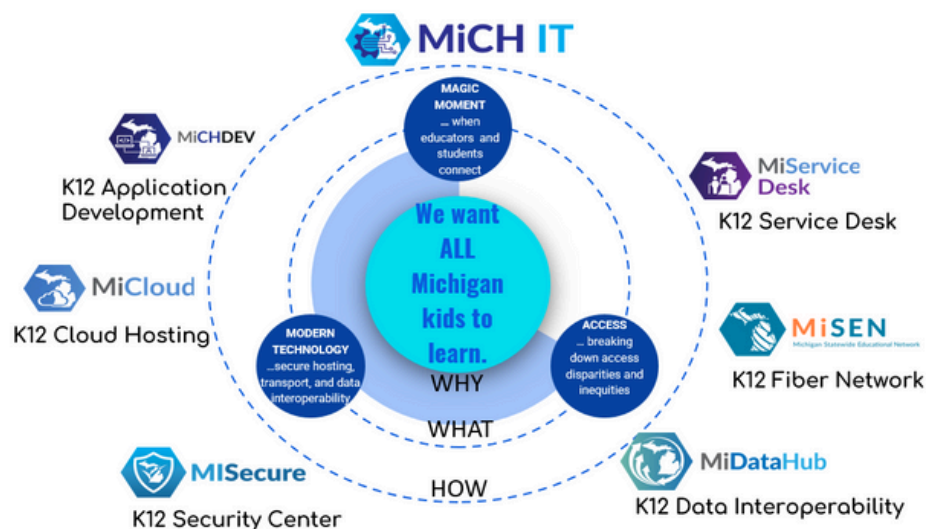
WHY?

Michigan's K-12 educational institutions are poised to leverage existing strengths and collaborative spirit to fortify their technology infrastructure. MiCloud believes every Michigan school district deserves access to modern, secure, and resilient technology that empowers exceptional learning environments and protects vital student data, regardless of their size or resources. Its core purpose is to harness the collective power of Michigan's schools, ensuring all have equitable access to high-quality, secure, and cost-effective cloud services, thereby enhancing educational outcomes for every student and fostering long-term technological resilience.

HOW?

MiCloud will achieve its purpose by consolidating cloud hosting and platform management services and leveraging economies of scale and existing statewide support structures like MINOC, MiSecure, and MISEN. This will involve a strategic, incentivized transition to cloud-based solutions, beginning with disaster recovery services for critical servers and expanding into broader digital transformation efforts. Drawing on the proven success of Kalamazoo RESA (KRESA)'s cloud operations, which demonstrated significant server reduction and cost savings, MiCloud will implement a tiered financial incentive strategy to accelerate adoption and ensure a sustainable pathway to the cloud for all ISDs and districts. The initiative will also prioritize comprehensive training and professional development for local IT staff, coordinate cybersecurity efforts with MiSecure, and provide continuous engagement with stakeholders to ensure seamless migration and ongoing support.

WHAT?

The MiCloud initiative will offer a unified, scalable, and secure cloud solution for Michigan's 56 intermediate school districts(ISDs), 537 local education agencies (LEAs), and 293 public school academies (PSAs). This will result in substantial cost savings, with projections estimating a 21 percent reduction in Cost of Operation for disaster recovery and a 58 percent reduction for digital transformation, leading to a potential ROI ranging from 29 percent to 73 percent. Specific services offered will include off-site data backup, robust disaster recovery, managed services (such as automated server patching and database management), and professional services for application migration and custom integrations. By centralizing these critical IT functions, MiCloud will enhance data security and privacy, improve operational efficiency, and provide equitable access to advanced technology for all schools, ensuring uninterrupted teaching and learning with minimal downtime.

CONSOLIDATION OF SERVICES

The MiCloud initiative is a vital consolidation of cloud hosting and platform management services for ISDs and LEAs. This consolidation aims to create a unified, scalable, and secure solution that addresses current challenges such as aging hardware and data security concerns. The overarching goal is to provide a sustainable pathway to the cloud, specifically Infrastructure as a Service (IaaS), thereby enhancing operational efficiency, reducing costs, and ensuring equitable access to cutting-edge technology and security features, regardless of a district's size, location, or financial and technical resources.

Core Service Offerings: Backups, Migration, and Training

The MiCloud initiative provides a comprehensive suite of services essential for a seamless transition to a cloud-based environment. These include:

- **Off-site Data Backup:** Providing secure and reliable off-site data backup to protect critical information.
- **Disaster Recovery (DR):** Implementing robust disaster recovery processes and procedures to safeguard and restore critical IT infrastructure and data in the event of disruptions such as cyberattacks or system failures.
- **Managed Services:** Offering automated server patching and database management to streamline operations and reduce manual intervention.
- **Professional Services:** Assisting with application migration and custom integrations to ensure compatibility and functionality in the cloud environment.
- **Training:** Delivering comprehensive training programs, including workshops and awareness sessions, to equip staff and users with the necessary skills for managing and utilizing the new cloud infrastructure. This includes promoting cloud certifications to build internal expertise within ISDs and LEAs.

CONSOLIDATION OF SERVICES, CONT.

Phased Approach from Adoption and Growth

The implementation of MiCloud will follow a phased approach designed to ensure a smooth transition and demonstrate growth over the initial six months of adoption:

Assess: Total Cost of Ownership (TCO) Assessment - The initial phase focuses on understanding the compelling financial reasons for districts to migrate to the cloud. KRESA's successful model has demonstrated significant cost savings by reducing their total number of servers by 34% over two years and transforming 84% of their servers to reduce cloud costs by 64%. MiCloud will conduct TCO assessments for individual districts, highlighting the potential for a 21% reduction in TCO for disaster recovery and a 58% reduction for digital transformation. This assessment will clearly articulate the return on investment (ROI), which is projected to range from 29% to 73% for digital transformation efforts. This initial step answers "Why would you want to move?" by quantifying the economic benefits.

Mobilize: Discovery and Product Planning - Once the value proposition is clear, the mobilization phase involves detailed discovery and product planning. This includes communicating available resources and leveraging established relationships with educational organizations such as ISDs, REMC, MACUL, MAISA, MAEDS, and the Tech-C listserv to reach schools and districts. MiCloud has establish clear participation requirements and processes for migrating to the cloud. This phase is crucial for tailoring solutions to specific district needs and planning the migration roadmap.

Migrate: "Lift and Shift" Transition - The migration phase will primarily involve a "lift and shift" approach, where applications and data are moved to the cloud with minimal changes to their underlying architecture. This rapid migration allows organizations to quickly benefit from cloud infrastructure. While initially providing limited cost savings, this step addresses the prohibitive upfront costs of transitioning existing on-premises data centers to a cloud solution, which often makes it impossible with existing budgets. Incentives will be crucial during this phase to encourage early adoption and build critical mass, with greater incentives offered to early cohorts.

Modernize: Cost Optimizations and Right-Sizing Infrastructure - Following the initial migration, the modernization phase focuses on optimizing cloud resources for maximum cost efficiency and enhanced performance. This involves re-engineering and re-architecting workloads to achieve even greater efficiencies. KRESA's experience demonstrates the power of digital transformation in reducing direct cloud consumption. MiCloud will assist districts in optimizing and scaling hosting resources as needed, leading to considerable cost savings. This continuous optimization ensures long-term sustainability and maximizes the benefits of cloud adoption.

Impact

Students Impacted
52,730 students are enrolled in a school that has received MiCloud consolidation services.

52,730

ISDs and LEAs
Implemented, scheduled, or interested in backups, migration, or both for 2025-26.

188

AWS Accounts
Accounts have been backed up or migrated as of June 30, 2025.

76

20

Statewide Projects
MiCloud consolidation efforts are also providing a value proposition to statewide projects, such as MiCIP, MiEWIMS, and MiREAD.

Michigan's **Top10** Strategic Education Plan

- **Improve the health, safety, and wellness of all learners** by enhancing data security and privacy.
- **Provide adequate and equitable school funding** by achieving substantial cost savings through centralized IT services, allowing funds to be redirected to classrooms, teachers, and student programs.

Student Impact

MiCloud directly impacts students by ensuring consistent, uninterrupted access to teaching and learning resources, as well as allowing districts to reinvest savings into enhanced teaching and learning resources and services.

Current Engagement
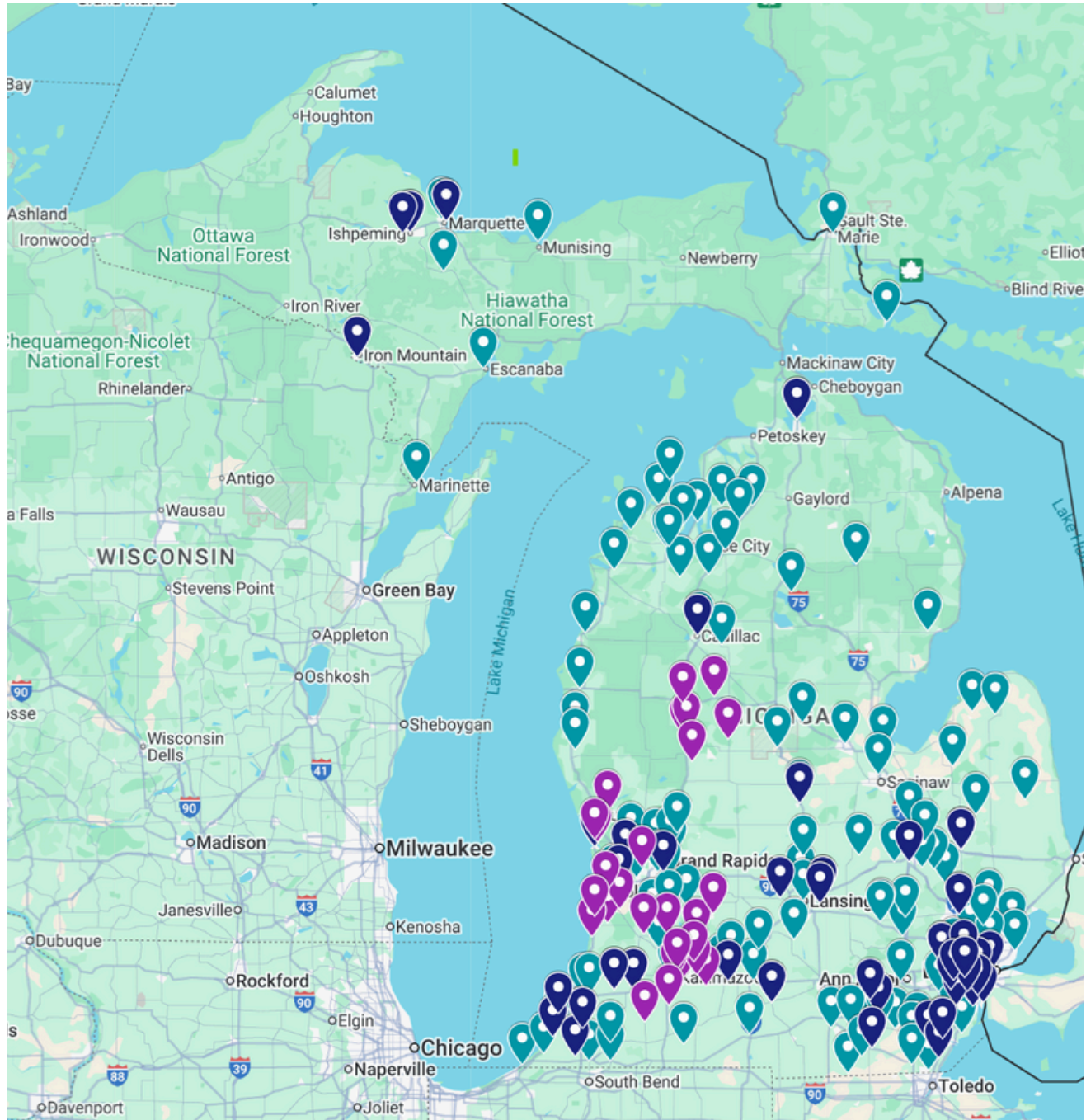
Implemented
27

Scheduled
42

Interested
119

Collaboration

The list of vendors, third-party entities, and other educational entities are working collaboratively to consolidate services for the successful implementation of the 12c-Consolidation MiCloud grant.

- **Amazon Web Services (AWS)**
  Partnering with AWS, we gain access to a robust ecosystem of cloud-based tools, resources, and support which enhances our ability to provide schools with scalable, secure, and innovative technology. Through the AWS Partner Network (APN), we leverage existing partner programs to receive additional discounts and credits, and dedicated technical and business development support and resources.
- **VEEAM**
  Partnering with Veeam empowers MiCloud to deliver reliable, modern data protection solutions that meet the evolving needs of our schools. With Veeam's robust backup, recovery, and replication technologies, we can ensure business continuity, minimize downtime, and protect against data loss across cloud, virtual, and physical environments. The partnership also provides access to flexible and discounted licensing models, sales and marketing support, and technical training.
- **Ingram-Micro**
  Partnering with Ingram Micro as an AWS distributor and service provider gives us a powerful advantage in delivering cloud solutions at scale. Ingram Micro offers streamlined access to AWS services, billing automation, and value-added support through its Cloud Marketplace, enabling MiCloud to simplify operations and reduce the time from project concept to implementation. With expert guidance, training, and business development resources, Ingram Micro acts as an "extension of the bench" and helps provide project implementations as part of our technical team.
- **Michigan Association of Intermediate School Administrators (MAISA)**
  Partnering with the MAISA offers MiCloud an a unique opportunity to support and scale educational technology solutions across Michigan's K-12 landscape. Through collaboration with MAISA, we can align our services with statewide initiatives, gain insights into district-level needs, and contribute to digital equity and innovation in education across the state. This partnership fosters trust and credibility within Michigan's schools, creating long-term relationships, co-development opportunities, and impactful service delivery that supports student success and administrative efficiency.

Cost Savings, Return on Investment, and Value Proposition

PRIOR YEAR FUNDING

12c-Consolidation of Services grant funds were awarded to Kalamazoo RESA in November, 2024, while funding was not released until January of 2025. Therefore, $0 were spent on the consolidation in the prior fiscal year.

With only six months of funding, efforts are underway to realize the cost savings, return on investment, and value proposition outlined in the 11x-Feasibility Study, see pages15-16. The figures below represent some of the key data points related to the core consolidation of services: Backups, Migration, and/or Training. It is anticipated that in the first year additional discounts, credits, and savings from AWS will average 28 percent. **Total cost of savings will not be realized until full implementation is achieved.**

$313,616	**53%**	**Up to 73%**
A Cost Savings	**Return on Investment**	**Value Proposition**
Once all currently interested district's servers move to MiCloud's Veeam licensing an annual savings of $313,616 will be realized.	By offering cloud-based disaster recovery, a ROI is estimated at 53%.	Utilizing MiCloud to transition to the cloud allows schools to reduce maintenance costs, improve resource allocation, reduce outages and downtime, and free up staff time for more important work (supporting educators and student).

Focus on the Future

(Grant Activity Status)

Complete two large migration projects and scheduling over two dozen additional projects for implementation over the summer. - *In Progress*

Plan for additional large migration projects and dozens other backup projects. - *In Progress*

Partner with MiSEN to provide AWS DirectConnect private connections between district datacenters and their AWS Cloud environments. - *In Progress*

Provide AWS certification and training resources to ISD technical staff. - *In Progress*

Appendices

- [Feasibility Study](#)
- [Grant Impact 1-pager](#)

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