

Minnesota Eligibility Technology System

Fiscal Report for QE 12-31-2016

Introduction

1. The METS fiscal report is a product of the METS Executive Steering Committee Finance Work Group. This group includes financial management from MN.IT, DHS and MNsurre.
2. The report is produced quarterly, in accordance with M.S. 62V.055, Subdivision 3, and is available approximately 45 days following quarter-end.
3. The report includes two tables:

Table 1: Overall View of METS Budget. This table shows the previous completed fiscal year, the current fiscal year budget, and budget planning for the subsequent two fiscal years.

Table 2: FY 2017 Budget v. YTD. This table shows the current fiscal year budget and quarterly actual expenditures. Note that this table includes an *Expenditures After FY End* column to report on the FY2017 expenditures that are recognized after June 30th due to the standard procedural lag between invoicing and payments.

Note: While the entire FY 2017 budget is committed, actual expenditures may lag or not occur at a steady rate throughout the year. Examples may include:

- a. State Personnel, due to payroll processing and interagency billing.
- b. IT Staff Augmentation and Vendor Contracts, due to billing lag, timing of various projects based on development roadmap, and associated deadlines throughout the year.
- c. Licensing, Hardware & Maintenance, due to processing time and the execution of payments throughout the year (not shown as accruals).
- b. Central Charges, due to processing and interagency billing.

4. Both tables are based on the following standard reporting conventions:

Development v. Operations. Within both the Expenditure and Financing sections, development is distinguished from operations. Development includes federally defined and applicable work, and MNsurre development contributions. All other expenses are considered operations.

Expenditure Categories. Within the Expenditure section, the costs are reported in standard categories.

State Personnel	Developers, architects, project managers, business analysts, quality assurance, release management, security, and other MN.IT staff, along with necessary business subject matter experts. Includes total compensation (salaries and fringe).
IT Staff Augmentation	Contracted individuals or companies to increase capacity.
IT Vendor Contracts	Major vendor agreements that provide expertise and enhanced functionality to the system. Also includes development occupancy costs.
Licensing, Hardware & Maintenance	Initial purchases and ongoing support costs for licensing/software and hardware.
Central Charges	System infrastructure components including, but not limited to, server capacity, data storage, networking, routing, and bandwidth, provided as a service from MN.IT. Also includes staff equipment.
Other	Training, supplies, travel, operations occupancy, and other miscellaneous administrative costs.

Financing Categories. Within the Financing section, the revenues (by funding source) associated with the fiscal years' expenditures is estimated based on the standing federal Public Assistance Cost Allocation Plan (PACAP) methodology. Note that actual revenues lag behind the expenditures by approximately 45 days due to the standard timing of the federal PACAP process.

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TABLE 1: Overall Budget View	FY 2016 Est. Actual	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget
	<i>*inc. open PO</i>			
Expenditures				
Development	48,553,643	62,547,544	12,125,819	0
State Personnel	6,911,741	11,174,291	3,050,183	0
IT Staff Augmentation	16,659,394	25,052,168	4,032,895	0
IT Vendor Contracts	19,700,289	21,324,917	3,941,993	0
Licensing, Hardware & Maintenance	4,989,592	3,804,868	881,250	0
Central Charges	0	307,500	102,500	0
Other	292,627	883,800	116,998	0
Operations	15,915,024	32,070,042	32,070,042	32,070,042
State Personnel	6,821,556	10,554,673	10,554,673	10,554,673
IT Staff Augmentation	215,999	3,556,800	3,556,800	3,556,800
IT Vendor Contracts	77,385	1,300,000	1,300,000	1,300,000
Licensing, Hardware & Maintenance	5,214,209	11,564,018	11,564,018	11,564,018
Central Charges	3,569,680	4,477,462	4,477,462	4,477,462
Other	16,195	617,089	617,089	617,089
Total Expenditures	64,468,667	94,617,586	44,195,861	32,070,042
State Personnel	13,733,297	21,728,964	13,604,856	10,554,673
IT Staff Augmentation	16,875,393	28,608,968	7,589,695	3,556,800
IT Vendor Contracts	19,777,674	22,624,917	5,241,993	1,300,000
Licensing, Hardware & Maintenance	10,203,801	15,368,886	12,445,268	11,564,018
Central Charges	3,569,680	4,784,962	4,579,962	4,477,462
Other	308,822	1,500,889	734,087	617,089
Financing				
Development	48,553,643	62,547,546	12,125,820	0
MNsure - Premium Withhold	0	0	1,000,000	0
MNsure - Federal CCIIO	11,957,731	7,670,782	0	0
DHS - Federal Medicaid	32,345,054	49,198,846	9,995,688	0
DHS - State Appropriation	4,250,858	5,677,918	1,130,132	0
Operations	15,915,023	32,070,042	32,070,042	32,070,042
MNsure - Premium Withhold	1,276,385	2,944,935	2,944,935	2,944,935
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	21,283,535	21,283,535	21,283,535
DHS - State Appropriation	5,824,898	7,841,572	7,841,572	7,841,572
Total Financing	64,468,666	94,617,588	44,195,862	32,070,042
MNsure - Premium Withhold	1,276,385	2,944,935	3,944,935	2,944,935
MNsure - Federal CCIIO	11,957,731	7,670,782	0	0
DHS - Federal Medicaid	41,158,794	70,482,381	31,279,223	21,283,535
DHS - State Appropriation	10,075,756	13,519,490	8,971,704	7,841,572
Notes:				
- <i>Development</i> includes federally defined and applicable work, and MNsure development contributions. All other expenses considered <i>operations</i> .				
- Fiscal year <i>Financing</i> numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue).				

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TABLE 2: FY 2017 Budget vs YTD	FY 2017 Budget	QE 9/30/16 Expenditures	QE 12/31/16 Expenditures	QE 3/31/17 Expenditures	QE 6/30/17 Expenditures	Expenditures After FY End	YTD Expenditures / %	
Expenditures								
Development	62,547,544	6,498,805	6,554,043	0	0	0	13,052,848	21%
State Personnel	11,174,291	1,449,492	1,343,229	0	0	0	2,792,721	25%
IT Staff Augmentation	25,052,168	1,818,275	3,003,734	0	0	0	4,822,009	19%
IT Vendor Contracts	21,324,917	2,998,378	1,902,516	0	0	0	4,900,894	23%
Licensing, Hardware & Maintenance	3,804,868	211,865	285,355	0	0	0	497,220	13%
Central Charges	307,500	0	0	0	0	0	0	0%
Other	883,800	20,795	19,209	0	0	0	40,004	5%
Operations	32,070,042	3,344,177	5,451,449	0	0	0	8,795,626	27%
State Personnel	10,554,673	1,004,011	2,056,284	0	0	0	3,060,295	29%
IT Staff Augmentation	3,556,800	0	0	0	0	0	0	0%
IT Vendor Contracts	1,300,000	0	82,942	0	0	0	82,942	6%
Licensing, Hardware & Maintenance	11,564,018	2,340,166	3,210,303	0	0	0	5,550,469	48%
Central Charges	4,477,462	0	0	0	0	0	0	0%
Other	617,089	0	101,920	0	0	0	101,920	17%
Total Expenditures	94,617,586	9,842,982	12,005,492	0	0	0	21,848,474	23%
State Personnel	21,728,964	2,453,503	3,399,513	0	0	0	5,853,016	27%
IT Staff Augmentation	28,608,968	1,818,275	3,003,734	0	0	0	4,822,009	17%
IT Vendor Contracts	22,624,917	2,998,378	1,985,458	0	0	0	4,983,836	22%
Licensing, Hardware & Maintenance	15,368,886	2,552,031	3,495,658	0	0	0	6,047,689	39%
Central Charges	4,784,962	0	0	0	0	0	0	0%
Other	1,500,889	20,795	121,129	0	0	0	141,924	9%
Financing								
Development	62,547,546	6,498,805	6,554,043	0	0	0	13,052,848	
MNSure - Premium Withhold	0	0	0	0	0	0	0	
MNSure - Federal CCIIO	7,670,782	1,451,263	1,698,838	0	0	0	3,150,101	
DHS - Federal Medicaid	49,198,846	4,517,617	4,331,313	0	0	0	8,848,930	
DHS - State Appropriation	5,677,918	529,925	523,892	0	0	0	1,053,817	
Operations	32,070,042	3,344,177	5,451,449	0	0	0	8,795,626	
MNSure - Premium Withhold	2,944,935	68,890	235,390	0	0	0	304,280	
MNSure - Federal CCIIO	0	0	0	0	0	0	0	
DHS - Federal Medicaid	21,283,535	2,508,133	3,953,675	0	0	0	6,461,808	
DHS - State Appropriation	7,841,572	767,154	1,262,384	0	0	0	2,029,538	
Total Financing	94,617,588	9,842,982	12,005,492	0	0	0	21,848,474	
MNSure - Premium Withhold	2,944,935	68,890	235,390	0	0	0	304,280	
MNSure - Federal CCIIO	7,670,782	1,451,263	1,698,838	0	0	0	3,150,101	
DHS - Federal Medicaid	70,482,381	7,025,750	8,284,988	0	0	0	15,310,738	
DHS - State Appropriation	13,519,490	1,297,079	1,786,276	0	0	0	3,083,355	

Notes:
 - *Development* includes federally defined and applicable work, and MNSure development contributions. All other expenses considered *operations*.
 - *Expended* includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag.
 - Fiscal year *Financing* numbers are based on the federally-approved cost allocation methodology that is generally applicable to each fiscal year (i.e. the report reflects a reasonable matching of expenditures and revenue).
 - *Expenditures After Fiscal Year (FY) End*: Due to the standard lag between invoicing and payments, fiscal year 2017 expenditures may be recognized after June 30th.