

Minnesota Eligibility Technology System

Fiscal Report for QE 12/31/21

Introduction

1. The METS fiscal report is a product of the METS Executive Steering Committee Finance Work Group. This group includes financial management from MNIT, DHS and MNSure.
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 provides a four year view of the METS budget, including: actual for FY 2020, estimated actual for FY 2021, budget for FY 2022 and preliminary budget for FY 2023. The FY 2023 preliminary budget for development reflects the last quarter of the current federal award. The FY 2023 preliminary operations budgets are assumed to continue at the current level, but will be re-evaluated annually.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) Table 2 shows the fiscal year 2022 budget, quarterly actual expenditures, and estimated encumbrances. Note that this table includes an Expenditures After FY End column to report on the fiscal year expenditures that will be recognized after June 30th due to the standard procedural lag between invoicing and payments.

Note: Expenditures often lag, i.e. do not occur at a steady rate throughout the year. Examples may include:

- a. State Personnel, due to payroll processing and interagency billing.
- b. Staff Augmentation and Service Contracts, due to billing lag, timing of various projects based on development roadmap, and associated deadlines throughout the year.
- c. Hardware/Software, due to processing time and the execution of payments throughout the year (not shown as accruals).
- b. MNIT Central Services, due to processing and interagency billing.

4. The 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 MNSure 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 MNIT staff, along with necessary business subject matter experts. Includes total compensation (salaries and fringe).
Staff Augmentation	Contracted individuals or companies to increase capacity.
Service Contracts	Major vendor agreements that provide expertise and enhanced functionality to the system.
Hardware/Software	Initial purchases and ongoing support costs for licensing/software and hardware.
MNIT Central Services	System infrastructure components including, but not limited to, server capacity, data storage, networking, routing, and bandwidth, provided as a service from MNIT. Also includes staff equipment.
General Administration	Training, supplies, travel, 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 2020 Actual Spend	FY 2021 Est. Actual Spend	FY 2022 Budget	FY 2023 Preliminary
Expenditures				
Development	33,433,872	30,765,831	38,722,329	9,876,819
State Personnel	11,146,316	12,096,161	13,335,058	3,249,999
Staff Augmentation	6,927,147	6,172,711	5,454,488	1,281,500
Service Contracts	11,761,760	8,850,250	11,145,876	2,729,750
Hardware/Software	2,449,852	3,110,538	7,152,894	2,146,320
MNIT Central Services	951,011	497,696	861,513	211,750
General Administration	197,787	38,474	772,500	257,500
Operations	29,403,061	30,155,382	37,594,259	32,527,765
State Personnel	10,744,913	11,041,516	12,566,938	12,502,880
Staff Augmentation	2,238,888	983,302	1,968,049	1,006,677
Service Contracts	4,647,946	5,773,003	9,320,472	5,279,408
Hardware/Software	4,133,011	3,778,175	5,201,500	5,201,500
MNIT Central Services	7,027,383	7,913,919	7,812,300	7,812,300
General Administration	610,919	665,467	725,000	725,000
Total Expenditures	62,836,933	60,921,214	76,316,588	42,404,584
State Personnel	21,891,229	23,137,677	25,901,996	15,752,879
Staff Augmentation	9,166,035	7,156,013	7,422,537	2,288,177
Service Contracts	16,409,706	14,623,253	20,466,348	8,009,158
Hardware/Software	6,582,863	6,888,713	12,354,394	7,347,820
MNIT Central Services	7,978,394	8,411,616	8,673,813	8,024,050
General Administration	808,706	703,940	1,497,500	982,500
Financing				
Development - TOTAL	33,433,873	30,765,831	38,722,329	9,876,819
Federal Share	23,298,204	23,537,874	30,311,504	7,746,211
CCIIO/ARPA	0	1,525,555	637,728	0
Medicaid	23,298,204	22,012,319	29,673,776	7,746,211
Non-Federal Share	10,135,669	7,227,957	8,410,825	2,130,608
MNsure	2,870,696	94,348	53,000	0
DHS	7,264,973	7,133,609	8,357,825	2,130,608
Operations - TOTAL	29,403,061	30,155,382	37,594,259	32,527,765
Federal Share	16,607,893	16,603,530	22,000,333	18,299,094
CCIIO/ARPA	0	0	0	0
Medicaid	16,607,893	16,603,530	22,000,333	18,299,094
Non-Federal Share	12,795,168	13,551,852	15,593,926	14,228,671
MNsure	4,889,529	5,828,428	5,606,894	5,583,552
DHS	7,905,639	7,723,424	9,987,032	8,645,119
TOTAL FINANCING	62,836,934	60,921,213	76,316,588	42,404,584
Federal Share	39,906,097	40,141,404	52,311,837	26,045,305
CCIIO/ARPA	0	1,525,555	637,728	0
Medicaid	39,906,097	38,615,849	51,674,109	26,045,305
Non-Federal Share	22,930,837	20,779,809	24,004,751	16,359,279
MNsure	7,760,225	5,922,776	5,659,894	5,583,552
DHS	15,170,612	14,857,033	18,344,858	10,775,727

Notes:
 - Development includes federally defined and applicable work, and MNsure development contributions. All other expenses considered operations.
 - 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).
 - CCIIO/ARPA category within the Financing section represents federal grants used to fund METS development. The CCIIO grant was used to set up the METS system and concluded on 12/31/17. Beginning March 15, 2021, The American Rescue Plan Act (ARPA) is being used for system enhancements related to COVID-19 response.

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TABLE 2: FY 2022 Budget vs YTD	FY 2022 Budget	QE 9/30/21 Expenditures	QE 12/31/21 Expenditures	QE 3/31/22 Expenditures	QE 6/30/22 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development - Total	38,722,329	4,755,422	7,615,297	0	0	0	12,370,719	32%	19,828,759	32,199,478	83%	6,522,851	17%
State Personnel	13,335,058	251,767	3,063,887	0	0	0	3,315,654	25%	8,745,674	12,061,328	90%	1,273,730	10%
Staff Augmentation	5,454,488	348,833	1,367,422	0	0	0	1,716,255	31%	2,901,726	4,617,981	85%	836,507	15%
Service Contracts	11,145,876	1,201,535	2,632,512	0	0	0	3,834,047	34%	5,515,645	9,349,692	84%	1,796,184	16%
Hardware/Software	7,152,594	2,949,501	538,797	0	0	0	3,488,298	49%	1,933,810	5,422,108	76%	1,730,786	24%
MNIT Central Services	861,513	0	4,396	0	0	0	4,396	1%	693,904	698,300	81%	163,213	19%
General Administration	772,500	3,785	8,283	0	0	0	12,068	2%	38,000	50,068	6%	722,432	94%
Operations - Total	37,594,259	4,637,336	6,677,419	0	0	0	11,314,755	30%	24,292,010	35,606,765	95%	1,987,494	5%
State Personnel	12,566,938	0	2,609,387	0	0	0	2,609,387	21%	9,480,167	12,089,555	96%	477,383	4%
Staff Augmentation	1,968,049	77,019	239,438	0	0	0	316,457	16%	1,211,041	1,527,498	78%	440,551	22%
Service Contracts	9,320,472	1,054,097	2,081,721	0	0	0	3,135,818	34%	5,451,708	8,587,525	92%	732,947	8%
Hardware/Software	5,201,500	3,373,259	519,946	0	0	0	3,893,205	75%	1,199,090	5,092,295	98%	109,205	2%
MNIT Central Services	7,812,300	0	1,087,483	0	0	0	1,087,483	14%	6,569,909	7,657,392	98%	154,908	2%
General Administration	725,000	132,962	139,444	0	0	0	272,406	38%	380,094	652,500	90%	72,500	10%
Total Expenditures	76,316,588	9,392,758	14,292,715	0	0	0	23,685,474	31%	44,120,769	67,806,242	89%	8,510,346	11%
State Personnel	25,901,996	251,767	5,673,274	0	0	0	5,925,042	23%	18,225,841	24,150,883	93%	1,751,113	7%
Staff Augmentation	7,422,537	425,852	1,606,860	0	0	0	2,032,712	27%	4,112,768	6,145,479	83%	1,277,058	17%
Service Contracts	20,466,348	2,255,632	4,714,233	0	0	0	6,969,865	34%	10,967,353	17,937,217	88%	2,529,130	12%
Hardware/Software	12,354,394	6,322,760	1,058,743	0	0	0	7,381,503	60%	3,132,899	10,514,403	85%	1,839,991	15%
MNIT Central Services	8,673,813	0	1,091,879	0	0	0	1,091,879	13%	7,263,813	8,355,692	96%	318,121	4%
General Administration	1,497,500	136,747	147,727	0	0	0	284,474	19%	418,094	702,568	47%	794,932	53%
Financing - Development													
Development - TOTAL	38,722,329	4,755,422	7,615,297	0	0	0	12,370,719		19,828,759	32,199,478		6,522,851	
Federal Share	30,311,504	4,005,481	6,542,949	0	0	0	10,548,430		17,238,023	27,784,306		5,825,792	
CCIO/ARPA	637,728	40,248	6,311	0	0	0	46,559		360,223	406,782		230,946	
Medicaid	29,673,776	3,965,233	6,536,638	0	0	0	10,501,871		16,877,800	27,377,524		5,594,846	
Non-Federal Share	8,410,825	749,942	1,072,348	0	0	0	1,822,290		2,590,735	4,415,172		697,059	
MNsure	53,000	0	0	0	0	0	0		53,000	53,000		0	
DHS	8,357,825	749,942	1,072,348	0	0	0	1,822,290		2,537,735	4,362,172		697,059	
Operations - TOTAL	37,594,259	4,637,336	6,677,419	0	0	0	11,314,755		24,292,010	35,606,765		1,987,494	
Federal Share	22,000,333	3,335,869	4,016,050	0	0	0	7,351,919		16,067,584	23,419,503		1,225,595	
CCIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	22,000,333	3,335,869	4,016,050	0	0	0	7,351,919		16,067,584	23,419,503		1,225,595	
Non-Federal Share	15,593,926	1,301,467	2,661,369	0	0	0	3,962,836		8,224,426	12,187,262		761,900	
MNsure	5,606,894	607,845	845,770	0	0	0	1,453,615		1,926,948	3,380,563		40,251	
DHS	9,987,032	693,622	1,815,599	0	0	0	2,509,221		6,297,478	8,806,699		721,649	
TOTAL FINANCING	76,316,588	9,392,758	14,292,715	0	0	0	23,685,474		44,120,769	67,806,242		8,510,346	
Federal Share	52,311,837	7,341,350	10,558,998	0	0	0	17,900,348		33,305,607	51,203,809		7,051,387	
CCIO/ARPA	637,728	40,248	6,311	0	0	0	46,559		360,223	406,782		230,946	
Medicaid	51,674,109	7,301,102	10,552,688	0	0	0	17,853,789		32,945,384	50,797,027		6,820,441	
Non-Federal Share	24,004,751	2,051,408	3,733,717	0	0	0	5,785,125		10,815,161	16,602,433		1,458,959	
MNsure	5,659,894	607,845	845,770	0	0	0	1,453,615		1,979,948	3,433,563		40,251	
DHS	18,344,858	1,443,564	2,887,947	0	0	0	4,331,511		8,835,213	13,168,871		1,418,708	

Notes:
 - Development includes federally defined and applicable work, and MNsure development contributions. All other expenses considered operations.
 - Expenditures 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 expenditures may be recognized after June 30th.