

Minnesota Eligibility Technology System

Fiscal Report for Quarter Ending 06/30/2023

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 preliminary budget for FY 2024 & 2025. The FY 2024 preliminary budget for development reflects the last quarter of the current federal award. The FY 2024 & 2025 preliminary operations budgets are assumed to continue at the current level, but will be re-evaluated annually.
 - Table 2: Budget vs Est. YTD (expenditures & estimated remaining encumbrances). Table 2 shows the fiscal year 2023 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 30, due to the standard procedural lag between invoicing and payments.

Note: Expenditures often lag; that is, they do not occur at a steady rate throughout the year. Examples may include:

- State Personnel, due to payroll processing and interagency billing.
 - Staff Augmentation and Service Contracts, due to billing lag, timing of various projects based on development roadmap, and associated deadlines throughout the year.
 - Hardware/Software, due to processing time and the execution of payments throughout the year (not shown as accruals).
 - MNIT Central Services, due to processing and interagency billing.
4. The tables are based on the following standard reporting conventions:
 - a. 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.
 - b. Expenditure Categories. Within the Expenditure section, the costs are reported in standard categories.
 - i. 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).
 - ii. Staff Augmentation. Contracted individuals or companies to increase capacity.
 - iii. Service Contracts. Major vendor agreements that provide expertise and enhanced functionality to the system.
 - iv. Hardware/Software. Initial purchases and ongoing support costs for licensing/software and hardware.
 - v. 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.
 - vi. General Administration. Training, supplies, travel, occupancy, and other miscellaneous administrative costs.
- c. 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

Category	FY 2022 Est. Actual Spend	FY 2023 Budget	FY 2024 Preliminary	FY 2025 Preliminary
Expenditures				
Development - Total	31,405,845	22,609,732	5,754,500	0
State Personnel	11,030,381	5,761,705	867,000	0
Staff Augmentation	4,264,770	2,195,000	329,000	0
Service Contracts	8,906,792	6,677,510	1,370,000	0
Hardware/Software	5,238,361	6,968,614	3,060,000	0
MNIT Central Services	545,197	306,000	58,000	0
General Administration	1,420,343	700,903	70,500	0
Operations - Total	34,387,214	36,573,622	35,361,645	35,094,203
State Personnel	12,316,989	15,017,322	14,319,091	14,051,649
Staff Augmentation	1,514,673	1,367,221	1,317,221	1,317,221
Service Contracts	7,035,607	6,262,547	5,798,801	5,798,801
Hardware/Software	4,869,539	5,205,500	5,205,500	5,205,500
MNIT Central Services	8,005,444	8,006,032	8,006,032	8,006,032
General Administration	644,963	715,000	715,000	715,000
Total Expenditures	65,793,059	59,183,354	41,116,145	35,094,203
State Personnel	23,347,370	20,779,027	15,186,091	14,051,649
Staff Augmentation	5,779,443	3,562,221	1,646,221	1,317,221
Service Contracts	15,942,399	12,940,057	7,168,801	5,798,801
Hardware/Software	10,107,899	12,174,114	8,265,500	5,205,500
MNIT Central Services	8,550,641	8,312,032	8,064,032	8,006,032
General Administration	2,065,307	1,415,903	785,500	715,000
Financing				
Development - Total	31,405,845	22,609,732	5,754,500	0
Federal Share	24,202,557	17,823,782	4,462,115	0
CCIIO/ARPA	288,486	471,338	0	0
Medicaid	23,914,072	17,352,444	4,462,115	0
Non-Federal Share	7,203,287	4,785,950	1,292,385	0
MNsure	53,000	0	0	0
DHS	7,150,287	4,785,950	1,292,385	0
Operations - Total	34,387,214	36,573,622	35,361,645	35,094,203
Federal Share	19,812,972	20,312,401	19,832,152	19,664,643
CCIIO/ARPA	0	0	0	0
Medicaid	19,812,972	20,312,401	19,832,152	19,664,643
Non-Federal Share	14,574,242	16,261,221	15,529,493	15,429,560
MNsure	5,527,710	5,642,782	5,642,782	5,642,782
DHS	9,046,532	10,618,439	9,886,711	9,786,778
Total Financing	65,793,059	59,183,354	41,116,145	35,094,203
Federal Share	44,015,529	38,136,182	24,294,267	19,664,643
CCIIO/ARPA	288,486	471,338	0	0
Medicaid	43,727,043	37,664,844	24,294,267	19,664,643
Non-Federal Share	21,777,530	21,047,172	16,821,878	15,429,560
MNsure	5,580,710	5,642,782	5,642,782	5,642,782
DHS	16,196,820	15,404,390	11,179,096	9,786,778

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 2023 vs. Year to Date

Category	FY 2023 Budget	QE 9/30/22 Expenditures	QE 12/31/22 Expenditures	QE 3/31/23 Expenditures	QE 6/30/23 Expenditures	Expenditures After FY End	YTD Expenditures	Exp %	Anticipated Encumbrances	Est. FY Exp & Enc	Est. Exp & Enc %	Estimated Balance	Balance %
Expenditures													
Development - Total	22,609,732	4,063,293	6,637,450	5,260,798	3,749,844	0	19,711,384	87%	1,281,084	20,992,467	93%	1,617,265	7%
State Personnel	5,761,705	306,297	2,571,577	965,078	690,613	0	4,533,564	79%	633,813	5,167,378	90%	594,327	10%
Staff Augmentation	2,195,000	0	668,889	197,368	216,941	0	1,083,198	49%	64,835	1,148,032	52%	1,046,968	48%
Service Contracts	6,677,510	33,024	2,585,587	1,934,670	2,528,357	0	7,081,639	106%	367,260	7,448,900	112%	(771,390)	-12%
Hardware/Software	6,968,614	3,563,986	470,324	1,921,764	20,817	0	5,976,890	86%	31,540	6,008,430	86%	960,184	14%
MNIT Central Services	306,000	0	179,690	71,312	125,144	0	376,146	123%	145,511	521,657	170%	(215,657)	-70%
General Administration	700,903	159,986	161,382	170,606	167,972	0	659,946	94%	38,125	698,070	100%	2,833	0%
Operations - Total	36,573,622	4,940,591	11,035,605	6,581,902	4,539,201	0	27,097,299	74%	7,999,094	35,096,393	96%	1,477,229	4%
State Personnel	15,017,322	0	5,836,143	2,908,953	2,330,726	0	11,075,822	74%	3,487,628	14,563,451	97%	453,871	3%
Staff Augmentation	1,367,221	59,542	602,894	178,817	250,117	0	1,091,370	80%	212,201	1,303,571	95%	63,650	5%
Service Contracts	6,262,547	634,052	1,375,235	1,342,447	1,767,261	0	5,118,994	82%	1,115,810	6,234,804	100%	27,743	0%
Hardware/Software	5,205,500	4,098,369	361,263	1,244,430	11,288	0	5,715,348	110%	32,214	5,747,562	110%	(542,062)	-10%
MNIT Central Services	8,006,032	0	2,706,852	720,122	14,669	0	3,441,643	43%	3,120,442	6,562,085	82%	1,443,947	18%
General Administration	715,000	148,629	153,220	187,133	165,140	0	654,122	91%	0	684,921	96%	30,079	4%
Total Expenditures	59,183,354	9,003,884	17,673,055	11,842,700	8,289,045	0	46,808,683	79%	9,280,177	56,088,861	95%	3,094,493	5%
State Personnel	20,779,027	306,297	8,407,719	3,874,032	3,021,339	0	15,609,387	75%	4,121,441	19,730,828	95%	1,048,199	5%
Staff Augmentation	3,562,221	59,542	1,271,783	376,185	467,058	0	2,174,568	61%	277,035	2,451,603	69%	1,110,618	31%
Service Contracts	12,940,057	667,076	3,960,822	3,277,117	4,295,618	0	12,200,633	94%	1,483,071	13,683,704	106%	(743,647)	-6%
Hardware/Software	12,174,114	7,662,354	831,586	3,166,193	32,104	0	11,692,238	96%	63,754	11,755,992	97%	418,122	3%
MNIT Central Services	8,312,032	0	2,886,542	791,434	139,814	0	3,817,789	46%	3,265,953	7,083,742	85%	1,228,290	15%
General Administration	1,415,903	308,615	314,602	357,738	333,113	0	1,314,068	93%	68,923	1,382,991	98%	32,912	2%
Financing													
Development - Total	22,609,732	4,063,293	6,637,450	5,260,798	3,749,844	0	19,711,384		1,281,084	20,992,467		1,617,265	
Federal Share	17,823,782	3,068,365	5,170,511	4,138,326	3,092,763	0	15,469,965		1,031,639	16,501,604		1,322,178	
CCIIO/ARPA	471,338	0	9,898	(2,360)	303,800	0	311,338		160,000	471,338		0	
Medicaid	17,352,444	3,068,365	5,160,613	4,140,686	2,788,963	0	15,158,628		871,639	16,030,267		1,322,177	
Non-Federal Share	4,785,950	994,927	1,466,938	1,122,472	657,081	0	4,241,418		249,445	4,490,863		295,087	
MNsure	0	0	0	0	0	0	0		0	0		0	
DHS	4,785,950	994,927	1,466,938	1,122,472	657,081	0	4,241,418		249,445	4,490,863		295,087	
Operations - Total	36,573,622	4,940,591	11,035,605	6,581,902	4,539,201	0	27,097,299		7,999,094	35,096,393		1,477,229	
Federal Share	20,312,401	2,697,086	6,142,189	3,511,420	2,409,237	0	14,759,933		4,858,627	19,618,560		693,841	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	20,312,401	2,697,086	6,142,189	3,511,420	2,409,237	0	14,759,933		4,858,627	19,618,560		693,841	
Non-Federal Share	16,261,221	2,243,505	4,893,416	3,070,482	2,129,964	0	12,337,367		3,140,467	15,477,834		783,388	
MNsure	5,642,782	988,130	1,456,223	1,101,557	919,797	0	4,465,707		871,839	5,337,546		305,236	
DHS	10,618,439	1,255,375	3,437,193	1,968,925	1,210,167	0	7,871,660		2,268,627	10,140,287		478,152	
Total Financing	59,183,354	9,003,884	17,673,055	11,842,700	8,289,045	0	46,808,683		9,280,177	56,088,861		3,094,493	
Federal Share	38,136,182	5,765,451	11,312,700	7,649,746	5,502,000	0	30,229,898		5,890,266	36,120,164		2,016,018	
CCIIO/ARPA	471,338	0	9,898	(2,360)	303,800	0	311,338		160,000	471,338		0	
Medicaid	37,664,844	5,765,451	11,302,802	7,652,106	5,198,200	0	29,918,560		5,730,266	35,648,826		2,016,018	
Non-Federal Share	21,047,172	3,238,432	6,360,355	4,192,954	2,787,045	0	16,578,785		3,389,911	19,968,697		1,078,475	
MNsure	5,642,782	988,130	1,456,223	1,101,557	919,797	0	4,465,707		871,839	5,337,546		305,236	
DHS	15,404,390	2,250,302	4,904,131	3,091,397	1,867,248	0	12,113,078		2,518,072	14,631,150		773,239	

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 (that is, 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 30.