

Minnesota Eligibility Technology System

Fiscal Report for QE 03-31-2017

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 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 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. Est. YTD. This table shows the current fiscal year budget, quarterly actual expenditures, and estimated encumbrances. 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 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 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	48,553,751	62,623,643	12,125,819	0
State Personnel	6,911,741	11,263,678	3,050,183	0
IT Staff Augmentation	16,659,394	25,008,178	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	292,735	914,502	116,998	0
Operations	15,915,024	32,070,042	32,070,042	32,070,042
State Personnel	6,821,556	10,942,099	10,942,099	10,942,099
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	11,176,592	11,176,592	11,176,592
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	64,468,775	94,693,685	44,195,861	32,070,042
State Personnel	13,733,297	22,205,777	13,992,282	10,942,099
IT Staff Augmentation	16,875,393	28,564,978	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	14,981,460	12,057,842	11,176,592
Central Charges	3,569,680	4,784,962	4,579,962	4,477,462
Other	308,930	1,531,591	734,087	617,089
Financing				
Development	48,553,751	62,623,644	12,125,820	0
MNsure - Premium Withhold	0	0	1,000,000	0
MNsure - Federal CCIIO	11,957,754	7,686,705	0	0
DHS - Federal Medicaid	32,345,054	49,011,380	9,995,688	0
DHS - State Appropriation	4,250,943	5,925,559	1,130,132	0
Operations	15,915,024	32,070,042	32,070,042	32,070,042
MNsure - Premium Withhold	1,276,385	2,978,678	2,978,678	2,978,678
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	21,199,669	21,199,669	21,199,669
DHS - State Appropriation	5,824,899	7,891,695	7,891,695	7,891,695
Total Financing	64,468,775	94,693,686	44,195,862	32,070,042
MNsure - Premium Withhold	1,276,385	2,978,678	3,978,678	2,978,678
MNsure - Federal CCIIO	11,957,754	7,686,705	0	0
DHS - Federal Medicaid	41,158,794	70,211,049	31,195,357	21,199,669
DHS - State Appropriation	10,075,842	13,817,254	9,021,827	7,891,695

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).

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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 %	Estimated Encumbrances	Est. FY Exp & Enc %	Estimated Balance %
Expenditures										
Development	62,623,643	6,498,805	6,554,043	11,297,686	0	0	24,350,534 39%	20,460,522	44,811,056 72%	17,812,587 28%
State Personnel	11,263,678	1,449,492	1,343,229	1,547,343	0	0	4,340,064 39%	4,511,977	8,852,041 79%	2,411,637 21%
IT Staff Augmentation	25,008,178	1,818,275	3,003,734	6,755,874	0	0	11,577,883 46%	5,326,131	16,904,014 68%	8,104,164 32%
IT Vendor Contracts	21,324,917	2,998,378	1,902,516	2,418,096	0	0	7,318,990 34%	10,166,691	17,485,681 82%	3,839,236 18%
Licensing, Hardware & Maintenance	3,804,868	211,865	285,355	531,675	0	0	1,028,895 27%	403,757	1,432,652 38%	2,372,216 62%
Central Charges	307,500	0	0	0	0	0	0 0%	107	107 0%	307,393 100%
Other	914,502	20,795	19,209	44,698	0	0	84,702 9%	51,859	136,561 15%	777,941 85%
Operations	32,070,042	3,344,177	5,451,449	7,791,206	0	0	16,586,832 52%	10,635,654	27,222,486 85%	4,847,556 15%
State Personnel	10,942,099	1,004,011	2,056,284	3,126,885	0	0	6,187,180 57%	3,908,056	10,095,236 92%	846,863 8%
IT Staff Augmentation	3,556,800	0	0	0	0	0	0 0%	1,714,044	1,714,044 48%	1,842,756 52%
IT Vendor Contracts	1,300,000	0	82,942	1,043,674	0	0	1,126,616 87%	287,698	1,414,314 109%	(114,314) -9%
Licensing, Hardware & Maintenance	11,176,592	2,340,166	3,210,303	1,652,087	0	0	7,202,556 64%	1,918,837	9,121,393 82%	2,055,199 18%
Central Charges	4,477,462	0	0	1,916,457	0	0	1,916,457 43%	2,375,190	4,291,647 96%	185,815 4%
Other	617,089	0	101,920	52,103	0	0	154,023 25%	431,829	585,852 95%	31,237 5%
Total Expenditures	94,693,685	9,842,982	12,005,492	19,088,892	0	0	40,937,366 43%	31,096,176	72,033,542 76%	22,660,143 24%
State Personnel	22,205,777	2,453,503	3,399,513	4,674,228	0	0	10,527,244 47%	8,420,033	18,947,277 85%	3,258,500 15%
IT Staff Augmentation	28,564,978	1,818,275	3,003,734	6,755,874	0	0	11,577,883 41%	7,040,175	18,618,058 65%	9,946,920 35%
IT Vendor Contracts	22,624,917	2,998,378	1,985,458	3,461,770	0	0	8,445,606 37%	10,454,389	18,899,995 84%	3,724,922 16%
Licensing, Hardware & Maintenance	14,981,460	2,552,031	3,495,658	2,183,762	0	0	8,231,451 55%	2,322,594	10,554,045 70%	4,427,415 30%
Central Charges	4,784,962	0	0	1,916,457	0	0	1,916,457 40%	2,375,297	4,291,754 90%	493,208 10%
Other	1,531,591	20,795	121,129	96,801	0	0	238,725 16%	483,688	722,413 47%	809,178 53%
Financing										
Development	62,623,644	6,498,805	6,554,043	11,297,686	0	0	24,350,534	20,460,522	44,811,056	17,812,588
MNSure - Premium Withhold	0	0	0	0	0	0	0	0	0	0
MNSure - Federal CCIIO	7,686,705	1,451,263	1,698,838	1,191,650	0	0	4,341,751	1,963,569	6,305,320	1,381,385
DHS - Federal Medicaid	49,011,380	4,517,617	3,608,531	9,358,419	0	0	17,484,567	15,952,961	33,437,528	15,573,852
DHS - State Appropriation	5,925,559	529,925	1,246,674	747,617	0	0	2,524,216	2,543,992	5,068,208	857,351
Operations	32,070,042	3,344,177	5,451,449	7,791,206	0	0	16,586,833	10,635,654	27,222,487	4,847,555
MNSure - Premium Withhold	2,978,678	68,890	240,769	191,987	0	0	501,646	1,126,990	1,628,636	1,350,042
MNSure - Federal CCIIO	0	0	0	0	0	0	0	0	0	0
DHS - Federal Medicaid	21,199,669	2,508,133	3,940,308	5,631,698	0	0	12,080,139	6,617,362	18,697,501	2,502,168
DHS - State Appropriation	7,891,695	767,154	1,270,372	1,967,521	0	0	4,005,048	2,891,302	6,896,350	995,345
Total Financing	94,693,686	9,842,982	12,005,492	19,088,893	0	0	40,937,367	31,096,176	72,033,543	22,660,143
MNSure - Premium Withhold	2,978,678	68,890	240,769	191,987	0	0	501,646	1,126,990	1,628,636	1,350,042
MNSure - Federal CCIIO	7,686,705	1,451,263	1,698,838	1,191,650	0	0	4,341,751	1,963,569	6,305,320	1,381,385
DHS - Federal Medicaid	70,211,049	7,025,750	7,548,839	14,990,117	0	0	29,564,706	22,570,323	52,135,029	18,076,020
DHS - State Appropriation	13,817,254	1,297,079	2,517,046	2,715,139	0	0	6,529,264	5,435,294	11,964,558	1,852,696

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.