

Minnesota Eligibility Technology System

Fiscal Report for QE 3-31-2019

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 FY 2018, current FY 2019 budget, and preliminary FY 2020 and FY 2021. The FY2020 preliminary budget for development reflects the last quarter of the current federal award. Future development budget dollars will be added to the report when they are approved. FY2020 & FY2021 preliminary operations budgets are assumed to continue at the current levels, but are re-evaluated annually.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) Table 2 addresses FY 2019 and 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 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 federal and non-federal share) 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 2018 Actual | FY 2019 Budget | FY 2020 Preliminary | FY 2021 Preliminary |
|---|-------------------|-------------------|------------------------|------------------------|
| Expenditures | | | | |
| Development | 45,621,894 | 45,446,942 | 15,707,736 | 0 |
| State Personnel | 12,382,333 | 14,435,437 | 4,826,074 | 0 |
| Staff Augmentation | 10,885,345 | 9,975,676 | 3,968,690 | 0 |
| Service Contracts | 17,592,645 | 16,229,605 | 5,990,169 | 0 |
| Hardware/Software | 2,147,730 | 1,754,296 | 394,865 | 0 |
| MNIT Central Services | 916,436 | 1,503,011 | 602,779 | 0 |
| General Administration | 1,697,405 | 1,548,917 | (74,841) | 0 |
| Operations | 27,213,959 | 29,992,251 | 29,992,251 | 29,992,251 |
| State Personnel | 8,719,910 | 10,126,768 | 10,126,768 | 10,126,768 |
| Staff Augmentation | 2,620,429 | 4,774,558 | 4,774,558 | 4,774,558 |
| Service Contracts | 993,081 | 1,660,000 | 1,660,000 | 1,660,000 |
| Hardware/Software | 6,148,204 | 4,341,575 | 4,341,575 | 4,341,575 |
| MNIT Central Services | 7,876,110 | 8,297,100 | 8,297,100 | 8,297,100 |
| General Administration | 856,225 | 792,250 | 792,250 | 792,250 |
| Total Expenditures | 72,835,853 | 75,439,193 | 45,699,987 | 29,992,251 |
| State Personnel | 21,102,243 | 24,562,205 | 14,952,842 | 10,126,768 |
| Staff Augmentation | 13,505,774 | 14,750,234 | 8,743,248 | 4,774,558 |
| Service Contracts | 18,585,726 | 17,889,605 | 7,650,169 | 1,660,000 |
| Hardware/Software | 8,295,934 | 6,095,871 | 4,736,440 | 4,341,575 |
| MNIT Central Services | 8,792,546 | 9,800,111 | 8,899,879 | 8,297,100 |
| General Administration | 2,553,630 | 2,341,167 | 717,409 | 792,250 |
| Financing | | | | |
| Development - TOTAL | 45,621,894 | 45,446,942 | 15,707,736 | 0 |
| Federal Share | 37,983,031 | 31,941,219 | 11,616,970 | 0 |
| CCIIO | 2,698,912 | 0 | 0 | 0 |
| Medicaid | 35,284,119 | 31,941,219 | 11,616,970 | 0 |
| Non-Federal Share | 7,638,863 | 13,505,723 | 4,090,766 | 0 |
| MNsure | 3,706,016 | 6,411,641 | 0 | 0 |
| DHS | 3,932,847 | 7,094,082 | 4,090,766 | 0 |
| Operations - TOTAL | 27,213,959 | 29,992,251 | 29,992,251 | 29,992,251 |
| Federal Share | 17,175,878 | 18,101,770 | 16,579,824 | 16,579,824 |
| CCIIO | 0 | 0 | 0 | 0 |
| Medicaid | 17,175,878 | 18,101,770 | 16,579,824 | 16,579,824 |
| Non-Federal Share | 10,038,081 | 11,890,481 | 13,412,427 | 13,412,427 |
| MNsure | 3,889,815 | 4,101,390 | 4,921,948 | 4,921,948 |
| DHS | 6,148,267 | 7,789,091 | 8,490,479 | 8,490,479 |
| TOTAL FINANCING | 72,835,853 | 75,439,193 | 45,699,987 | 29,992,251 |
| Federal Share | 55,158,909 | 50,042,989 | 28,196,794 | 16,579,824 |
| CCIIO | 2,698,912 | 0 | 0 | 0 |
| Medicaid | 52,459,997 | 50,042,989 | 28,196,794 | 16,579,824 |
| Non-Federal Share | 17,676,944 | 25,396,204 | 17,503,193 | 13,412,427 |
| MNsure | 7,595,830 | 10,513,031 | 4,921,948 | 4,921,948 |
| DHS | 10,081,114 | 14,883,173 | 12,581,245 | 8,490,479 |
| 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). | | | | |
| - DHS & MNsure are currently reviewing the revised cost allocation, as it relates to operations funding for FY2020 and FY2021. | | | | |

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| TABLE 2: FY 2019 Budget vs YTD | FY 2019 Budget | QE 9/30/18 Expenditures | QE 12/31/18 Expenditures | QE 3/31/19 Expenditures | QE 6/30/19 Expenditures | Expenditures After FY End | YTD Expenditures | % | Estimated Encumbrances | Est. FY Exp & Enc | % | Estimated Balance | % |
|---------------------------------------|-----------------------|--------------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|-------------------------|------------|-------------------------------|------------------------------|------------|--------------------------|-----------|
| Expenditures | | | | | | | | | | | | | |
| Development | 45,446,942 | 5,929,350 | 10,388,959 | 9,885,086 | 0 | 0 | 26,520,702 | 58% | 17,897,500 | 44,418,202 | 98% | 1,028,740 | 2% |
| State Personnel | 14,435,437 | 2,335,925 | 3,314,012 | 2,791,510 | | | 8,441,447 | 58% | 4,165,000 | 12,606,447 | 87% | 1,828,990 | 13% |
| Staff Augmentation | 9,975,676 | 1,123,291 | 2,427,575 | 1,989,950 | | | 5,540,816 | 56% | 5,050,000 | 10,590,816 | 106% | (615,140) | -6% |
| Service Contracts | 16,229,605 | 1,970,106 | 4,321,521 | 3,952,680 | | | 10,244,307 | 63% | 6,700,000 | 16,944,307 | 104% | (714,702) | -4% |
| Hardware/Software | 1,754,296 | 567,315 | 21,932 | 532,240 | | | 1,121,487 | 64% | 500,500 | 1,621,987 | 92% | 132,309 | 8% |
| MNIT Central Services | 1,503,011 | 0 | 37,078 | 373,571 | | | 410,649 | 27% | 1,230,000 | 1,640,649 | 109% | (137,638) | -9% |
| General Administration | 1,548,917 | 250,020 | 266,841 | 245,135 | | | 761,996 | 49% | 252,000 | 1,013,996 | 65% | 534,921 | 35% |
| Operations | 29,992,251 | 2,793,653 | 7,179,532 | 8,989,940 | 0 | 0 | 18,963,125 | 63% | 9,619,500 | 28,582,625 | 95% | 1,409,626 | 5% |
| State Personnel | 10,126,768 | 1,089,599 | 2,562,717 | 2,535,821 | | | 6,188,137 | 61% | 3,765,000 | 9,953,137 | 98% | 173,631 | 2% |
| Staff Augmentation | 4,774,558 | 287,177 | 1,035,749 | 1,020,619 | | | 2,343,545 | 49% | 1,460,000 | 3,803,545 | 80% | 971,013 | 20% |
| Service Contracts | 1,660,000 | 93,604 | 607,291 | 1,191,321 | | | 1,892,216 | 114% | 300,000 | 2,192,216 | 132% | (532,216) | -32% |
| Hardware/Software | 4,341,575 | 1,163,856 | 40,477 | 1,886,546 | | | 3,090,879 | 71% | 505,000 | 3,595,879 | 83% | 745,696 | 17% |
| MNIT Central Services | 8,297,100 | 0 | 2,747,134 | 2,200,421 | | | 4,947,555 | 60% | 3,368,000 | 8,315,555 | 100% | (18,455) | 0% |
| General Administration | 792,250 | 159,417 | 186,164 | 155,212 | | | 500,793 | 63% | 221,500 | 722,293 | 91% | 69,957 | 9% |
| Total Expenditures | 75,439,193 | 8,723,003 | 17,568,492 | 18,875,026 | 0 | 0 | 45,166,520 | 60% | 27,517,000 | 73,000,828 | 97% | 2,438,365 | 3% |
| State Personnel | 24,562,205 | 3,108,217 | 5,876,730 | 5,327,331 | | | 14,312,277 | 58% | 7,930,000 | 22,559,585 | 92% | 2,002,620 | 8% |
| Staff Augmentation | 14,750,234 | 1,410,468 | 3,463,324 | 3,010,569 | | | 7,884,361 | 53% | 6,510,000 | 14,394,361 | 98% | 355,873 | 2% |
| Service Contracts | 17,889,605 | 2,063,710 | 4,928,812 | 5,144,001 | | | 12,136,523 | 68% | 7,000,000 | 19,136,523 | 107% | (1,246,918) | -7% |
| Hardware/Software | 6,095,871 | 1,731,171 | 62,409 | 2,418,786 | | | 4,212,366 | 69% | 1,005,500 | 5,217,866 | 86% | 878,005 | 14% |
| MNIT Central Services | 9,800,111 | 0 | 2,784,212 | 2,573,992 | | | 5,358,204 | 55% | 4,598,000 | 9,956,204 | 102% | (156,093) | -2% |
| General Administration | 2,341,167 | 409,437 | 453,005 | 400,347 | | | 1,262,789 | 54% | 473,500 | 1,736,289 | 74% | 604,878 | 26% |
| Financing | | | | | | | | | | | | | |
| Development - TOTAL | 45,446,942 | 5,929,350 | 10,388,959 | 9,885,086 | 0 | 0 | 26,520,702 | | 17,897,500 | 44,418,202 | | 1,028,740 | |
| Federal Share | 31,941,219 | 5,059,862 | 8,492,483 | 7,452,702 | 0 | 0 | 21,005,047 | | 11,259,938 | 32,264,985 | | (323,766) | |
| CCIO | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | |
| Medicaid | 31,941,219 | 5,059,862 | 8,492,483 | 7,452,702 | 0 | 0 | 21,005,047 | | 11,259,938 | 32,264,985 | | (323,766) | |
| Non-Federal Share | 13,505,723 | 869,488 | 1,896,476 | 2,432,384 | 0 | 0 | 5,515,655 | | 6,637,562 | 12,153,217 | | 1,352,506 | |
| MNSure | 6,411,641 | 624,588 | 952,867 | 695,169 | 0 | 0 | 2,272,624 | | 2,672,500 | 4,945,124 | | 1,466,517 | |
| DHS | 7,094,082 | 244,900 | 943,609 | 1,737,215 | 0 | 0 | 3,243,031 | | 3,965,062 | 7,208,093 | | (114,011) | |
| Operations - TOTAL | 29,992,251 | 3,057,132 | 7,626,478 | 8,989,940 | 0 | 0 | 19,673,550 | | 9,619,500 | 29,293,050 | | 699,202 | |
| Federal Share | 18,101,770 | 1,958,661 | 4,976,286 | 5,552,150 | 0 | 0 | 12,487,097 | | 5,500,937 | 17,988,034 | | 113,736 | |
| CCIO | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | |
| Medicaid | 18,101,770 | 1,958,661 | 4,976,286 | 5,552,150 | 0 | 0 | 12,487,097 | | 5,500,937 | 17,988,034 | | 113,736 | |
| Non-Federal Share | 11,890,481 | 1,098,471 | 2,650,192 | 3,437,790 | 0 | 0 | 7,186,453 | | 4,118,563 | 11,305,016 | | 585,466 | |
| MNSure | 4,101,390 | 384,930 | 919,993 | 1,125,938 | 0 | 0 | 2,430,861 | | 1,360,484 | 3,791,345 | | 310,045 | |
| DHS | 7,789,091 | 713,541 | 1,730,199 | 2,311,852 | 0 | 0 | 4,755,592 | | 2,758,079 | 7,513,671 | | 275,420 | |
| TOTAL FINANCING | 75,439,193 | 8,986,482 | 18,015,437 | 18,875,026 | 0 | 0 | 46,194,252 | | 27,517,000 | 73,711,252 | | 1,727,941 | |
| Federal Share | 50,042,989 | 7,018,523 | 13,468,769 | 13,004,852 | 0 | 0 | 33,492,144 | | 16,760,875 | 50,253,019 | | (210,030) | |
| CCIO | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 | |
| Medicaid | 50,042,989 | 7,018,523 | 13,468,769 | 13,004,852 | 0 | 0 | 33,492,144 | | 16,760,875 | 50,253,019 | | (210,030) | |
| Non-Federal Share | 25,396,204 | 1,967,959 | 4,546,668 | 5,870,174 | 0 | 0 | 12,702,108 | | 10,756,125 | 23,458,233 | | 1,937,971 | |
| MNSure | 10,513,031 | 1,009,518 | 1,872,860 | 1,821,107 | 0 | 0 | 4,703,485 | | 4,032,984 | 8,736,469 | | 1,776,562 | |
| DHS | 14,883,173 | 958,441 | 2,673,808 | 4,049,067 | 0 | 0 | 7,998,623 | | 6,723,141 | 14,721,764 | | 161,409 | |

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 expenditures may be recognized after June 30th.