

# Minnesota Eligibility Technology System

## Fiscal Report for Quarter Ending 03/31/2023

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### 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
<b>Expenditures</b>				
<b>Development - Total</b>	<b>31,405,845</b>	<b>22,489,732</b>	<b>5,754,500</b>	<b>0</b>
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	6,557,510	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
<b>Operations - Total</b>	<b>34,387,214</b>	<b>36,579,622</b>	<b>35,417,645</b>	<b>35,094,203</b>
State Personnel	12,316,989	15,021,022	14,322,791	14,051,649
Staff Augmentation	1,514,673	1,367,221	1,367,221	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	8,008,332	8,008,332	8,006,032
General Administration	644,963	715,000	715,000	715,000
<b>Total Expenditures</b>	<b>65,793,059</b>	<b>59,069,354</b>	<b>41,172,145</b>	<b>35,094,203</b>
State Personnel	23,347,370	20,782,727	15,189,791	14,051,649
Staff Augmentation	5,779,443	3,562,221	1,696,221	1,317,221
Service Contracts	15,942,399	12,820,057	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	8,314,332	8,066,332	8,006,032
General Administration	2,065,307	1,415,903	785,500	715,000
<b>Financing</b>				
<b>Development - Total</b>	<b>31,405,845</b>	<b>22,489,732</b>	<b>5,754,500</b>	<b>0</b>
Federal Share	24,202,557	17,703,782	4,462,115	0
CCIIO/ARPA	288,486	351,338	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
<b>Operations - Total</b>	<b>34,387,214</b>	<b>36,579,622</b>	<b>35,417,645</b>	<b>35,094,203</b>
Federal Share	19,812,972	20,312,401	19,863,469	19,664,643
CCIIO/ARPA	0	0	0	0
Medicaid	19,812,972	20,312,401	19,863,469	19,664,643
Non-Federal Share	14,574,242	16,267,221	15,554,176	15,429,560
MNsure	5,527,710	5,648,782	5,648,782	5,642,782
DHS	9,046,532	10,618,439	9,905,394	9,786,778
<b>Total Financing</b>	<b>65,793,059</b>	<b>59,069,354</b>	<b>41,172,145</b>	<b>35,094,203</b>
Federal Share	44,015,529	38,016,182	24,325,584	19,664,643
CCIIO/ARPA	288,486	351,338	0	0
Medicaid	43,727,043	37,664,844	24,325,584	19,664,643
Non-Federal Share	21,777,530	21,053,172	16,846,561	15,429,560
MNsure	5,580,710	5,648,782	5,648,782	5,642,782
DHS	16,196,820	15,404,390	11,197,779	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 %
<b>Expenditures</b>													
<b>Development - Total</b>	<b>22,489,732</b>	<b>4,063,293</b>	<b>6,637,450</b>	<b>5,260,798</b>	<b>0</b>	<b>0</b>	<b>15,961,540</b>	<b>71%</b>	<b>3,247,151</b>	<b>19,208,691</b>	<b>85%</b>	<b>3,281,041</b>	<b>15%</b>
State Personnel	5,761,705	306,297	2,571,577	965,078	0	0	3,842,952	67%	860,533	4,703,484	82%	1,058,221	18%
Staff Augmentation	2,195,000	0	668,889	197,368	0	0	866,257	39%	172,618	1,038,875	47%	1,156,125	53%
Service Contracts	6,557,510	33,024	2,585,587	1,934,670	0	0	4,553,282	69%	2,062,299	6,615,581	101%	(58,071)	-1%
Hardware/Software	6,968,614	3,563,986	470,324	1,921,764	0	0	5,956,073	85%	52,357	6,008,430	86%	960,184	14%
MNIT Central Services	306,000	0	179,690	71,312	0	0	251,002	82%	(87,663)	163,339	53%	142,661	47%
General Administration	700,903	159,986	161,382	170,606	0	0	491,974	70%	187,008	678,981	97%	21,922	3%
<b>Operations - Total</b>	<b>36,579,622</b>	<b>4,940,591</b>	<b>11,035,605</b>	<b>6,581,902</b>	<b>0</b>	<b>0</b>	<b>22,558,098</b>	<b>62%</b>	<b>13,817,114</b>	<b>36,375,212</b>	<b>99%</b>	<b>204,410</b>	<b>1%</b>
State Personnel	15,021,022	0	5,836,143	2,908,953	0	0	8,745,096	58%	5,961,577	14,706,673	98%	314,349	2%
Staff Augmentation	1,367,221	59,542	602,894	178,817	0	0	841,253	62%	339,692	1,180,945	86%	186,276	14%
Service Contracts	6,262,547	634,052	1,375,235	1,342,447	0	0	3,351,733	54%	2,899,766	6,251,499	100%	11,048	0%
Hardware/Software	5,205,500	4,098,369	361,263	1,244,430	0	0	5,704,061	110%	43,501	5,747,562	110%	(542,062)	-10%
MNIT Central Services	8,008,332	0	2,706,852	720,122	0	0	3,426,974	43%	4,384,914	7,811,888	98%	196,444	2%
General Administration	715,000	148,629	153,220	187,133	0	0	488,982	68%	0	676,645	95%	38,355	5%
<b>Total Expenditures</b>	<b>59,069,354</b>	<b>9,003,884</b>	<b>17,673,055</b>	<b>11,842,700</b>	<b>0</b>	<b>0</b>	<b>38,519,638</b>	<b>65%</b>	<b>17,064,265</b>	<b>55,583,903</b>	<b>94%</b>	<b>3,485,451</b>	<b>6%</b>
State Personnel	20,782,727	306,297	8,407,719	3,874,032	0	0	12,588,048	61%	6,822,110	19,410,158	93%	1,372,569	7%
Staff Augmentation	3,562,221	59,542	1,271,783	376,185	0	0	1,707,510	48%	512,310	2,219,820	62%	1,342,401	38%
Service Contracts	12,820,057	667,076	3,960,822	3,277,117	0	0	7,905,015	62%	4,962,065	12,867,080	100%	(47,023)	0%
Hardware/Software	12,174,114	7,662,354	831,586	3,166,193	0	0	11,660,134	96%	95,858	11,755,992	97%	418,122	3%
MNIT Central Services	8,314,332	0	2,886,542	791,434	0	0	3,677,976	44%	4,297,251	7,975,227	96%	339,105	4%
General Administration	1,415,903	308,615	314,602	357,738	0	0	980,955	69%	374,671	1,355,627	96%	60,276	4%
<b>Financing</b>													
<b>Development - Total</b>	<b>22,489,732</b>	<b>4,063,293</b>	<b>6,637,450</b>	<b>5,260,798</b>	<b>0</b>	<b>0</b>	<b>15,961,540</b>		<b>3,247,151</b>	<b>19,208,691</b>		<b>3,281,041</b>	
<b>Federal Share</b>	17,703,782	3,068,365	5,170,511	4,138,326	0	0	12,377,202		2,700,836	15,078,038		2,625,743	
CCIIO/ARPA	351,338	0	9,898	(2,360)	0	0	7,538		343,800	351,338		0	
Medicaid	17,352,444	3,068,365	5,160,613	4,140,686	0	0	12,369,665		2,357,036	14,726,701		2,625,743	
<b>Non-Federal Share</b>	4,785,950	994,927	1,466,938	1,122,472	0	0	3,584,338		546,315	4,130,652		655,298	
MNSure	0	0	0	0	0	0	0		0	0		0	
DHS	4,785,950	994,927	1,466,938	1,122,472	0	0	3,584,338		546,315	4,130,652		655,298	
<b>Operations - Total</b>	<b>36,579,622</b>	<b>4,940,591</b>	<b>11,035,605</b>	<b>6,581,902</b>	<b>0</b>	<b>0</b>	<b>22,558,098</b>		<b>13,817,114</b>	<b>36,375,212</b>		<b>204,410</b>	
<b>Federal Share</b>	20,312,401	2,697,086	6,142,189	3,511,420	0	0	12,350,695		8,004,965	20,355,660		(43,259)	
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	0	0	12,350,695		8,004,965	20,355,660		(43,259)	
<b>Non-Federal Share</b>	16,267,221	2,243,505	4,893,416	3,070,482	0	0	10,207,403		5,812,150	16,019,553		247,669	
MNSure	5,648,782	988,130	1,456,223	1,101,557	0	0	3,545,910		1,935,020	5,480,930		167,852	
DHS	10,618,439	1,255,375	3,437,193	1,968,925	0	0	6,661,493		3,877,130	10,538,623		79,817	
<b>Total Financing</b>	<b>59,069,354</b>	<b>9,003,884</b>	<b>17,673,055</b>	<b>11,842,700</b>	<b>0</b>	<b>0</b>	<b>38,519,638</b>		<b>17,064,265</b>	<b>55,583,903</b>		<b>3,485,451</b>	
<b>Federal Share</b>	38,016,182	5,765,451	11,312,700	7,649,746	0	0	24,727,897		10,705,801	35,433,698		2,582,484	
CCIIO/ARPA	351,338	0	9,898	(2,360)	0	0	7,538		343,800	351,338		0	
Medicaid	37,664,844	5,765,451	11,302,802	7,652,106	0	0	24,720,360		10,362,001	35,082,361		2,582,484	
<b>Non-Federal Share</b>	21,053,172	3,238,432	6,360,355	4,192,954	0	0	13,791,740		6,358,465	20,150,205		902,966	
MNSure	5,648,782	988,130	1,456,223	1,101,557	0	0	3,545,910		1,935,020	5,480,930		167,852	
DHS	15,404,390	2,250,302	4,904,131	3,091,397	0	0	10,245,830		4,423,445	14,669,275		735,114	

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.