

Minnesota Eligibility Technology System

Fiscal Report for QE 6-30-2019

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 as 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 recently closed 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 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 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	31,967,750	11,616,970	0
CCIIO	2,698,912	0	0	0
Medicaid	35,284,119	31,967,750	11,616,970	0
Non-Federal Share	7,638,863	13,479,192	4,090,766	0
MNsure	3,706,016	6,411,641	0	0
DHS	3,932,847	7,067,551	4,090,766	0
Operations - TOTAL	27,213,959	29,992,251	29,992,251	29,992,251
Federal Share	17,175,878	18,092,149	16,579,824	16,579,824
CCIIO	0	0	0	0
Medicaid	17,175,878	18,092,149	16,579,824	16,579,824
Non-Federal Share	10,038,081	11,900,102	13,412,427	13,412,427
MNsure	3,889,815	4,201,438	4,921,948	4,921,948
DHS	6,148,267	7,698,664	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	50,059,899	28,196,794	16,579,824
CCIIO	2,698,912	0	0	0
Medicaid	52,459,997	50,059,899	28,196,794	16,579,824
Non-Federal Share	17,676,944	25,379,294	17,503,193	13,412,427
MNsure	7,595,830	10,613,079	4,921,948	4,921,948
DHS	10,081,114	14,766,215	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).				

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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	10,264,242	0	36,784,944	81%	7,063,500	43,848,444	96%	1,598,498	4%
State Personnel	14,435,437	2,335,925	3,314,012	2,791,510	2,293,396		10,734,843	74%	1,843,000	12,577,843	87%	1,857,594	13%
Staff Augmentation	9,975,676	1,123,291	2,427,575	1,989,950	2,536,397		8,077,213	81%	2,505,000	10,582,213	106%	(606,537)	-6%
Service Contracts	16,229,605	1,970,106	4,321,521	3,952,680	4,674,595		14,918,902	92%	2,110,000	17,028,902	105%	(799,297)	-5%
Hardware/Software	1,754,296	567,315	21,932	532,240	298,772		1,420,259	81%	55,000	1,475,259	84%	279,037	16%
MNIT Central Services	1,503,011	0	37,078	373,571	140,467		551,116	37%	500,000	1,051,116	70%	451,895	30%
General Administration	1,548,917	250,020	266,841	245,135	320,615		1,082,611	70%	50,500	1,133,111	73%	415,806	27%
Operations	29,992,251	2,793,653	7,179,532	8,989,940	4,220,464	0	23,183,589	77%	5,028,100	28,211,689	94%	1,780,562	6%
State Personnel	10,126,768	1,089,599	2,562,717	2,535,821	2,118,496		8,306,633	82%	1,435,000	9,741,633	96%	385,135	4%
Staff Augmentation	4,774,558	287,177	1,035,749	1,020,619	787,645		3,131,190	66%	895,000	4,026,190	84%	748,368	16%
Service Contracts	1,660,000	93,604	607,291	1,191,321	42,252		1,934,468	117%	295,000	2,229,468	134%	(569,468)	-34%
Hardware/Software	4,341,575	1,163,856	40,477	1,886,546	347,110		3,437,989	79%	85,000	3,522,989	81%	818,586	19%
MNIT Central Services	8,297,100	0	2,747,134	2,200,421	720,387		5,667,942	68%	2,350,000	8,017,942	97%	279,158	3%
General Administration	792,250	159,417	186,164	155,212	204,574		705,367	89%	(31,900)	673,467	85%	118,783	15%
Total Expenditures	75,439,193	8,723,003	17,568,492	18,875,026	14,484,706	0	59,651,226	79%	12,091,600	72,060,134	96%	3,379,059	4%
State Personnel	24,562,205	3,108,217	5,876,730	5,327,331	4,411,892		18,724,169	76%	3,278,000	22,319,477	91%	2,242,728	9%
Staff Augmentation	14,750,234	1,410,468	3,463,324	3,010,569	3,324,042		11,208,403	76%	3,400,000	14,608,403	99%	141,831	1%
Service Contracts	17,889,605	2,063,710	4,928,812	5,144,001	4,716,847		16,853,370	94%	2,405,000	19,258,370	108%	(1,368,765)	-8%
Hardware/Software	6,095,871	1,731,171	62,409	2,418,786	645,882		4,858,248	80%	140,000	4,998,248	82%	1,097,623	18%
MNIT Central Services	9,800,111	0	2,784,212	2,573,992	860,854		6,219,058	63%	2,850,000	9,069,058	93%	731,053	7%
General Administration	2,341,167	409,437	453,005	400,347	525,189		1,787,978	76%	18,600	1,806,578	77%	534,589	23%
Financing													
Development - TOTAL	45,446,942	5,929,350	10,388,959	9,885,086	10,264,242	0	36,784,944		7,063,500	43,848,444		1,598,498	
Federal Share	31,967,750	5,059,862	8,492,483	7,452,702	6,958,755	0	27,963,802		4,258,490	32,222,292		(254,542)	
Medicaid	31,967,750	5,059,862	8,492,483	7,452,702	6,958,755	0	27,963,802		4,258,490	32,222,292		(254,542)	
Non-Federal Share	13,479,192	869,488	1,896,476	2,432,384	3,305,487	0	8,821,142		2,805,010	11,626,152		1,853,040	
MNSure	6,411,641	624,588	952,867	695,169	894,911	0	3,167,535		1,305,500	4,473,035		1,938,606	
DHS	7,067,551	244,900	943,609	1,737,215	2,410,576	0	5,653,607		1,499,510	7,153,117		(85,566)	
Operations - TOTAL	29,992,251	2,793,653	7,179,532	8,989,940	4,220,464	0	23,183,589		5,028,100	28,211,689		1,780,562	
Federal Share	18,092,149	1,796,226	4,700,744	5,552,150	2,390,712	0	14,439,832		2,973,662	17,413,494		678,655	
Medicaid	18,092,149	1,796,226	4,700,744	5,552,150	2,390,712	0	14,439,832		2,973,662	17,413,494		678,655	
Non-Federal Share	11,900,102	997,427	2,478,788	3,437,790	1,829,752	0	8,743,757		2,054,438	10,798,195		1,101,907	
MNSure	4,201,438	360,927	879,276	1,125,938	634,091	0	3,000,232		619,326	3,619,558		581,880	
DHS	7,698,664	636,500	1,599,512	2,311,852	1,195,661	0	5,743,525		1,435,112	7,178,637		520,027	
TOTAL FINANCING	75,439,193	8,723,003	17,568,492	18,875,026	14,484,706	0	59,968,534		12,091,600	72,060,134		3,379,059	
Federal Share	50,059,899	6,856,088	13,193,227	13,004,852	9,349,467	0	42,403,634		7,232,152	49,635,786		424,113	
Medicaid	50,059,899	6,856,088	13,193,227	13,004,852	9,349,467	0	42,403,634		7,232,152	49,635,786		424,113	
Non-Federal Share	25,379,294	1,866,915	4,375,265	5,870,174	5,135,239	0	17,564,900		4,859,448	22,424,348		2,954,946	
MNSure	10,613,079	985,515	1,832,143	1,821,107	1,529,002	0	6,167,767		1,924,826	8,092,593		2,520,486	
DHS	14,766,215	881,400	2,543,121	4,049,067	3,606,237	0	11,397,132		2,934,622	14,331,754		434,461	

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.