

Minnesota Eligibility Technology System

Fiscal Report for QE 03/31/22

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 for FY 2020, estimated actual for FY 2021, budget for FY 2022 and preliminary budget for FY 2023. The FY 2023 preliminary budget for development reflects the last quarter of the current federal award. The FY 2023 preliminary operations budgets are assumed to continue at the current level, but will be re-evaluated annually.

Table 2: Budget vs Est. YTD (expenditures & est. remaining encumbrances) Table 2 shows the fiscal year 2022 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).
- d. 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 2020 Actual Spend	FY 2021 Est. Actual Spend	FY 2022 Budget	FY 2023 Preliminary
Expenditures				
Development	33,433,872	30,765,831	38,816,770	9,876,819
State Personnel	11,146,316	12,096,161	13,372,877	3,249,999
Staff Augmentation	6,927,147	6,172,711	5,495,048	1,281,500
Service Contracts	11,761,760	8,850,250	11,161,938	2,729,750
Hardware/Software	2,449,852	3,110,538	7,152,894	2,146,320
MNIT Central Services	951,011	497,696	861,513	211,750
General Administration	197,787	38,474	772,500	257,500
Operations	29,403,061	30,155,382	37,594,259	32,527,765
State Personnel	10,744,913	11,041,516	12,566,938	12,502,880
Staff Augmentation	2,238,888	983,302	1,968,049	1,006,677
Service Contracts	4,647,946	5,773,003	9,320,472	5,279,408
Hardware/Software	4,133,011	3,778,175	5,201,500	5,201,500
MNIT Central Services	7,027,383	7,913,919	7,812,300	7,812,300
General Administration	610,919	665,467	725,000	725,000
Total Expenditures	62,836,933	60,921,214	76,411,029	42,404,584
State Personnel	21,891,229	23,137,677	25,939,815	15,752,879
Staff Augmentation	9,166,035	7,156,013	7,463,097	2,288,177
Service Contracts	16,409,706	14,623,253	20,482,410	8,009,158
Hardware/Software	6,582,863	6,888,713	12,354,394	7,347,820
MNIT Central Services	7,978,394	8,411,616	8,673,813	8,024,050
General Administration	808,706	703,940	1,497,500	982,500
Financing				
Development - TOTAL	33,433,873	30,765,831	38,816,770	9,876,819
Federal Share	23,298,204	23,537,874	30,405,945	7,746,211
CCIIO/ARPA	0	1,525,555	732,169	0
Medicaid	23,298,204	22,012,319	29,673,776	7,746,211
Non-Federal Share	10,135,669	7,227,957	8,410,825	2,130,608
MNsure	2,870,696	94,348	53,000	0
DHS	7,264,973	7,133,609	8,357,825	2,130,608
Operations - TOTAL	29,403,061	30,155,382	37,594,259	32,527,765
Federal Share	16,607,893	16,603,530	22,000,333	18,299,094
CCIIO/ARPA	0	0	0	0
Medicaid	16,607,893	16,603,530	22,000,333	18,299,094
Non-Federal Share	12,795,168	13,551,852	15,593,926	14,228,671
MNsure	4,889,529	5,828,428	5,606,894	5,583,552
DHS	7,905,639	7,723,424	9,987,032	8,645,119
TOTAL FINANCING	62,836,934	60,921,213	76,411,029	42,404,584
Federal Share	39,906,097	40,141,404	52,406,278	26,045,305
CCIIO/ARPA	0	1,525,555	732,169	0
Medicaid	39,906,097	38,615,849	51,674,109	26,045,305
Non-Federal Share	22,930,837	20,779,809	24,004,751	16,359,279
MNsure	7,760,225	5,922,776	5,659,894	5,583,552
DHS	15,170,612	14,857,033	18,344,858	10,775,727

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 2B: FY 2022 Budget vs YTD	FY 2022 Budget	QE 9/30/21 Expenditures	QE 12/31/21 Expenditures	QE 3/31/22 Expenditures	QE 6/30/22 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development - Total	38,816,770	4,751,637	7,611,487	8,722,102	0	0	21,085,225	54%	10,618,779	31,704,004	82%	7,112,766	18%
State Personnel	13,372,877	251,767	3,063,887	4,052,924	0	0	7,368,579	55%	4,400,061	11,768,640	88%	1,604,237	12%
Staff Augmentation	5,495,048	348,833	1,367,422	1,142,018	0	0	2,858,273	52%	1,499,180	4,357,453	79%	1,137,595	21%
Service Contracts	11,161,938	1,201,535	2,632,512	1,771,032	0	0	5,605,079	50%	3,974,774	9,579,853	86%	1,582,085	14%
Hardware/Software	7,152,894	2,949,501	538,797	1,478,429	0	0	4,966,727	69%	440,381	5,407,108	76%	1,745,786	24%
MNIT Central Services	861,513	0	4,396	274,805	0	0	279,201	32%	261,749	540,950	63%	320,563	37%
General Administration	772,500	0	4,473	2,894	0	0	7,367	1%	42,633	50,000	6%	722,500	94%
Operations - Total	37,594,259	4,637,336	6,677,419	11,850,983	0	0	23,165,737	62%	11,601,310	34,767,048	92%	2,827,211	8%
State Personnel	12,566,938	0	2,609,387	5,102,635	0	0	7,712,022	61%	3,968,007	11,680,029	93%	886,909	7%
Staff Augmentation	1,968,049	77,019	239,438	584,170	0	0	900,626	46%	880,100	1,780,726	90%	187,323	10%
Service Contracts	9,320,472	1,054,097	2,081,721	1,739,930	0	0	4,875,748	52%	2,825,941	7,701,689	83%	1,618,783	17%
Hardware/Software	5,201,500	3,373,259	519,946	814,911	0	0	4,708,116	91%	319,626	5,027,742	97%	173,758	3%
MNIT Central Services	7,812,300	0	1,087,483	3,445,720	0	0	4,533,202	58%	3,332,637	7,865,839	101%	(53,539)	-1%
General Administration	725,000	132,962	139,444	163,617	0	0	436,023	60%	275,000	711,023	98%	13,977	2%
Total Expenditures	76,411,029	9,388,973	14,288,905	20,573,084	0	0	44,250,963	58%	22,220,089	66,471,052	87%	9,939,977	13%
State Personnel	25,939,815	251,767	5,673,274	9,155,559	0	0	15,080,601	58%	8,368,068	23,448,669	90%	2,491,146	10%
Staff Augmentation	7,463,097	425,852	1,606,860	1,726,188	0	0	3,758,899	50%	2,379,280	6,138,179	82%	1,324,918	18%
Service Contracts	20,482,410	2,255,632	4,714,233	3,510,962	0	0	10,480,827	51%	6,800,715	17,281,542	84%	3,200,868	16%
Hardware/Software	12,354,394	6,322,760	1,058,743	2,293,339	0	0	9,674,843	78%	760,007	10,434,850	84%	1,919,544	16%
MNIT Central Services	8,673,813	0	1,091,879	3,720,524	0	0	4,812,403	55%	3,594,386	8,406,789	97%	267,024	3%
General Administration	1,497,500	132,962	143,917	166,511	0	0	443,390	30%	317,633	761,023	51%	736,477	49%
Financing - Development													
Development - TOTAL	38,816,770	4,751,637	7,611,487	8,722,102	0	0	21,085,225		10,618,779	31,704,004		7,112,766	
Federal Share	30,405,945	4,002,328	6,539,775	7,486,355	0	0	18,028,458		9,161,817	27,188,229		6,516,310	
CCIO/ARPA	732,169	40,248	6,311	87,071	0	0	133,630		297,336	430,966		301,203	
Medicaid	29,673,776	3,962,080	6,533,464	7,399,285	0	0	17,894,829		8,864,481	26,757,263		6,215,107	
Non-Federal Share	8,410,825	749,309	1,071,711	1,235,746	0	0	3,056,767		1,456,962	4,515,775		596,456	
MNSure	53,000	0	0	0	0	0	0		53,000	53,000		0	
DHS	8,357,825	749,309	1,071,711	1,235,746	0	0	3,056,767		1,403,962	4,462,775		596,456	
Operations - TOTAL	37,594,259	4,637,336	6,677,419	11,850,983	0	0	23,165,737		11,601,310	34,767,048		2,827,211	
Federal Share	22,000,333	3,335,869	4,016,050	7,953,680	0	0	15,305,599		7,741,787	23,047,385		1,597,712	
CCIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	22,000,333	3,335,869	4,016,050	7,953,680	0	0	15,305,599		7,741,787	23,047,385		1,597,712	
Non-Federal Share	15,593,926	1,301,467	2,661,369	3,897,303	0	0	7,860,139		3,859,524	11,719,662		1,229,499	
MNSure	5,606,894	950,623	1,245,180	1,814,667	0	0	4,010,470		910,020	3,384,996		35,817	
DHS	9,987,032	350,844	1,416,189	2,082,636	0	0	3,849,669		2,949,503	8,334,666		1,193,682	
TOTAL FINANCING	76,411,029	9,388,973	14,288,905	20,573,084	0	0	44,250,963		22,220,089	66,471,052		9,939,977	
Federal Share	52,406,278	7,338,197	10,555,825	15,440,035	0	0	33,334,057		16,903,604	50,235,615		8,114,022	
CCIO/ARPA	732,169	40,248	6,311	87,071	0	0	133,630		297,336	430,966		301,203	
Medicaid	51,674,109	7,297,949	10,549,514	15,352,965	0	0	33,200,427		16,606,267	49,804,649		7,812,819	
Non-Federal Share	24,004,751	2,050,776	3,733,080	5,133,049	0	0	10,916,906		5,316,485	16,235,437		1,825,955	
MNSure	5,659,894	950,623	1,245,180	1,814,667	0	0	4,010,470		963,020	3,437,996		35,817	
DHS	18,344,858	1,100,153	2,487,900	3,318,382	0	0	6,906,436		4,353,465	12,797,441		1,790,137	

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.