

Minnesota Eligibility Technology System

Fiscal Report for QE 9-30-2016

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. YTD. This table shows the current fiscal year budget and quarterly actual expenditures. 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	55,672,621	55,262,533	12,125,820	0
State Personnel	6,738,877	10,820,222	3,050,184	0
IT Staff Augmentation	23,292,374	19,025,000	4,032,895	0
IT Vendor Contracts	20,552,988	20,472,218	3,941,993	0
Licensing, Hardware & Maintenance	5,035,717	4,236,843	881,250	0
Central Charges	0	307,500	102,500	0
Other	52,666	400,750	116,998	0
Operations	15,957,510	32,070,042	32,070,042	32,070,042
State Personnel	6,821,556	10,554,673	10,554,673	10,554,673
IT Staff Augmentation	215,999	3,556,800	3,556,800	3,556,800
IT Vendor Contracts	118,856	1,300,000	1,300,000	1,300,000
Licensing, Hardware & Maintenance	5,214,209	11,564,018	11,564,018	11,564,018
Central Charges	3,569,681	4,477,462	4,477,462	4,477,462
Other	17,210	617,089	617,089	617,089
Total Expenditures	71,630,131	87,332,575	44,195,862	32,070,042
State Personnel	13,560,433	21,374,895	13,604,857	10,554,673
IT Staff Augmentation	23,508,373	22,581,800	7,589,695	3,556,800
IT Vendor Contracts	20,671,844	21,772,218	5,241,993	1,300,000
Licensing, Hardware & Maintenance	10,249,926	15,800,861	12,445,268	11,564,018
Central Charges	3,569,681	4,784,962	4,579,962	4,477,462
Other	69,875	1,017,839	734,087	617,089
Financing				
Development	55,672,621	55,262,533	12,125,820	0
MNSure - Premium Withhold	0	0	1,000,000	0
MNSure - Federal CCIIO	13,615,813	5,977,833	0	0
DHS - Federal Medicaid	36,702,775	43,476,601	10,013,240	0
DHS - State Appropriation	5,354,033	5,808,099	1,112,580	0
Operations	15,957,510	32,070,042	32,070,042	32,070,042
MNSure - Premium Withhold	1,279,792	2,944,935	2,944,935	2,944,935
MNSure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,837,269	21,283,535	21,283,535	21,283,535
DHS - State Appropriation	5,840,449	7,841,572	7,841,572	7,841,572
Total Financing	71,630,131	87,332,575	44,195,862	32,070,042
MNSure - Premium Withhold	1,279,792	2,944,935	3,944,935	2,944,935
MNSure - Federal CCIIO	13,615,813	5,977,833	0	0
DHS - Federal Medicaid	45,540,044	64,760,136	31,296,775	21,283,535
DHS - State Appropriation	11,194,482	13,649,671	8,954,152	7,841,572
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 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 / %	
Expenditures								
Development	55,262,533	6,498,805	0	0	0	0	6,498,805	12%
State Personnel	10,820,222	1,449,492	0	0	0	0	1,449,492	13%
IT Staff Augmentation	19,025,000	1,818,275	0	0	0	0	1,818,275	10%
IT Vendor Contracts	20,472,218	2,998,378	0	0	0	0	2,998,378	15%
Licensing, Hardware & Maintenance	4,236,843	211,865	0	0	0	0	211,865	5%
Central Charges	307,500	0	0	0	0	0	0	0%
Other	400,750	20,795	0	0	0	0	20,795	5%
Operations	32,070,042	3,344,177	0	0	0	0	3,344,177	10%
State Personnel	10,554,673	1,004,011	0	0	0	0	1,004,011	10%
IT Staff Augmentation	3,556,800	0	0	0	0	0	0	0%
IT Vendor Contracts	1,300,000	0	0	0	0	0	0	0%
Licensing, Hardware & Maintenance	11,564,018	2,340,166	0	0	0	0	2,340,166	20%
Central Charges	4,477,462	0	0	0	0	0	0	0%
Other	617,089	0	0	0	0	0	0	0%
Total Expenditures	87,332,575	9,842,982	0	0	0	0	9,842,982	11%
State Personnel	21,374,895	2,453,503	0	0	0	0	2,453,503	11%
IT Staff Augmentation	22,581,800	1,818,275	0	0	0	0	1,818,275	8%
IT Vendor Contracts	21,772,218	2,998,378	0	0	0	0	2,998,378	14%
Licensing, Hardware & Maintenance	15,800,861	2,552,031	0	0	0	0	2,552,031	16%
Central Charges	4,784,962	0	0	0	0	0	0	0%
Other	1,017,839	20,795	0	0	0	0	20,795	2%
Financing								
Development	55,262,533	6,498,805	0	0	0	0	6,498,805	
MNsure - Premium Withhold	0	0	0	0	0	0	0	
MNsure - Federal CCIIO	5,977,833	1,451,263	0	0	0	0	1,451,263	
DHS - Federal Medicaid	43,476,601	4,484,356	0	0	0	0	4,484,356	
DHS - State Appropriation	5,808,099	563,186	0	0	0	0	563,186	
Operations	32,070,042	3,344,177	0	0	0	0	3,344,177	
MNsure - Premium Withhold	2,944,935	68,890	0	0	0	0	68,890	
MNsure - Federal CCIIO	0	0	0	0	0	0	0	
DHS - Federal Medicaid	21,283,535	2,508,133	0	0	0	0	2,508,133	
DHS - State Appropriation	7,841,572	767,154	0	0	0	0	767,154	
Total Financing	87,332,575	9,842,982	0	0	0	0	9,842,982	
MNsure - Premium Withhold	2,944,935	68,890	0	0	0	0	68,890	
MNsure - Federal CCIIO	5,977,833	1,451,263	0	0	0	0	1,451,263	
DHS - Federal Medicaid	64,760,136	6,992,489	0	0	0	0	6,992,489	
DHS - State Appropriation	13,649,671	1,330,340	0	0	0	0	1,330,340	

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.