

# Minnesota Eligibility Technology System

## Fiscal Report for Quarter Ending 06/30/2025

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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 budget, including: actual expenses for FY 2024, budget for FY 2025, proposed budget for FY 2026, and preliminary budget for FY 2027. The preliminary operations budgets are assumed to continue at the same level as the current year, but are re-evaluated annually.
  - Table 2: Budget vs Est. YTD (expenditures & estimated remaining encumbrances). Table 2 shows the fiscal year budgets, quarterly actual expenditures, and estimated encumbrances. Note that these tables include 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; 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 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed Budget
<b>Expenditures</b>				
<b>Development - Total</b>	<b>20,619,721</b>	<b>23,075,423</b>	<b>29,770,779</b>	<b>5,446,562</b>
State Personnel	5,187,041	3,733,343	6,566,647	1,041,522
Staff Augmentation	1,163,248	411,987	2,197,000	119,000
Service Contracts	7,448,541	12,932,890	15,447,132	1,617,040
Hardware/Software	6,008,430	5,774,753	4,371,000	2,573,000
MNIT Central Services	455,158	90,953	942,000	25,000
General Administration	357,303	131,496	247,000	71,000
<b>Operations - Total</b>	<b>35,441,510</b>	<b>39,697,170</b>	<b>45,487,934</b>	<b>43,552,053</b>
State Personnel	15,078,879	14,226,779	16,286,376	15,342,990
Staff Augmentation	1,273,835	1,305,876	3,136,879	2,099,324
Service Contracts	6,038,025	8,909,763	9,175,224	10,224,785
Hardware/Software	5,747,562	6,855,499	8,094,455	5,652,855
MNIT Central Services	6,578,401	7,764,578	8,070,000	9,432,000
General Administration	724,808	634,675	725,000	800,100
<b>Total Expenditures</b>	<b>56,061,231</b>	<b>62,772,593</b>	<b>75,258,713</b>	<b>48,998,615</b>
State Personnel	20,265,920	17,960,122	22,853,023	16,384,512
Staff Augmentation	2,437,083	1,717,863	5,333,879	2,218,324
Service Contracts	13,486,565	21,842,653	24,622,356	11,841,825
Hardware/Software	11,755,992	12,630,252	12,465,455	8,225,855
MNIT Central Services	7,033,559	7,855,531	9,012,000	9,457,000
General Administration	1,082,111	766,171	972,000	871,100
<b>Financing</b>				
<b>Development - Total</b>	<b>20,619,721</b>	<b>23,075,423</b>	<b>29,770,779</b>	<b>5,446,562</b>
Federal Share	16,224,268	13,127,171	15,303,220	2,915,301
CCIO/ARPA	471,338	20,600	0	0
Medicaid	15,752,930	13,106,571	15,303,220	2,915,301
Non-Federal Share	4,395,453	9,948,252	14,467,559	2,531,261
MNsure	0	6,800,506	11,263,329	1,570,762
DHS	4,395,453	3,147,746	3,204,230	960,499
<b>Operations - Total</b>	<b>35,441,510</b>	<b>39,697,170</b>	<b>45,487,934</b>	<b>43,552,053</b>
Federal Share	19,944,165	23,442,821	24,427,129	23,527,490
CCIO/ARPA	0	0	0	0
Medicaid	19,944,165	23,442,821	24,427,129	23,527,490
Non-Federal Share	15,497,345	16,254,349	21,060,805	20,024,563
MNsure	5,199,642	5,391,396	7,226,239	8,267,951
DHS	10,297,703	10,862,953	13,834,566	11,756,612
<b>Total Financing</b>	<b>56,061,231</b>	<b>62,772,593</b>	<b>75,258,713</b>	<b>48,998,615</b>
Federal Share	36,168,433	36,569,991	39,730,349	26,442,791
CCIO/ARPA	471,338	20,600	0	0
Medicaid	35,697,095	36,549,391	39,730,349	26,442,791
Non-Federal Share	19,892,798	26,202,601	35,528,364	22,555,824
MNsure	5,199,642	12,191,902	18,489,568	9,838,713
DHS	14,693,156	14,010,699	17,038,796	12,717,111

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 (that is, the report reflects a reasonable matching of expenditures and revenue).
- CCIO/ARPA category within the Financing section represents federal grants used to fund METS development. The CCIO 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 2025 vs. Year to Date

Category	FY 2025 Budget	QE 9/30/24 Expenditures	QE 12/31/24 Expenditures	QE 3/31/25 Expenditures	QE 6/30/25 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>29,770,779</b>	<b>3,712,795</b>	<b>4,590,680</b>	<b>5,565,281</b>	<b>4,001,733</b>	<b>0</b>	<b>17,870,489</b>	<b>60%</b>	<b>5,558,239</b>	<b>23,428,728</b>	<b>79%</b>	<b>6,342,051</b>	<b>21%</b>
State Personnel	6,566,647	50,078	1,491,488	85,447	1,507,366	0	3,134,379	48%	1,299,319	4,433,698	68%	2,132,949	32%
Staff Augmentation	2,197,000	53,213	157,448	365,519	444,528	0	1,020,708	46%	590,590	1,611,298	73%	585,702	27%
Service Contracts	15,447,132	1,729,598	2,547,138	3,861,802	2,010,274	0	10,148,812	66%	3,549,282	13,698,094	89%	1,749,038	11%
Hardware/Software	4,371,000	1,835,945	353,126	1,191,125	(25,181)	0	3,355,015	77%	(7,588)	3,347,427	77%	1,023,573	23%
MNIT Central Services	942,000	16,385	24,578	24,578	18,388	0	83,928	9%	8,193	92,121	10%	849,879	90%
General Administration	247,000	27,576	16,903	36,810	46,357	0	127,646	52%	118,444	246,090	100%	910	0%
<b>Operations - Total</b>	<b>45,493,934</b>	<b>7,908,813</b>	<b>11,640,541</b>	<b>6,772,490</b>	<b>6,377,214</b>	<b>0</b>	<b>32,699,059</b>	<b>72%</b>	<b>7,777,498</b>	<b>40,476,557</b>	<b>89%</b>	<b>5,017,377</b>	<b>11%</b>
State Personnel	16,292,376	0	5,880,972	97,013	3,549,870	0	9,527,856	58%	4,735,667	14,263,523	88%	2,028,853	12%
Staff Augmentation	3,136,879	174,086	283,624	262,049	227,289	0	947,048	30%	263,705	1,210,752	39%	1,926,127	61%
Service Contracts	9,175,224	1,031,558	2,317,865	2,712,078	1,658,714	0	7,720,216	84%	1,469,442	9,189,658	100%	(14,434)	0%
Hardware/Software	8,094,455	5,277,886	1,012,531	1,522,427	76,072	0	7,888,916	97%	28,288	7,917,204	98%	177,251	2%
MNIT Central Services	8,070,000	1,293,947	2,009,755	2,046,615	706,324	0	6,056,640	75%	1,110,581	7,167,221	89%	902,779	11%
General Administration	725,000	131,337	135,794	132,308	158,944	0	558,383	77%	169,816	728,198	100%	(3,198)	0%
<b>Total Expenditures</b>	<b>75,264,713</b>	<b>11,621,608</b>	<b>16,231,221</b>	<b>12,337,771</b>	<b>10,378,947</b>	<b>0</b>	<b>50,569,548</b>	<b>67%</b>	<b>13,335,738</b>	<b>63,905,285</b>	<b>85%</b>	<b>11,359,428</b>	<b>15%</b>
State Personnel	22,859,023	50,078	7,372,460	182,460	5,057,236	0	12,662,235	55%	6,034,986	18,697,221	82%	4,161,802	18%
Staff Augmentation	5,333,879	227,299	441,072	627,568	671,817	0	1,967,756	37%	854,295	2,822,051	53%	2,511,828	47%
Service Contracts	24,622,356	2,761,156	4,865,003	6,573,881	3,668,989	0	17,869,028	73%	5,018,724	22,887,752	93%	1,734,604	7%
Hardware/Software	12,465,455	7,113,831	1,365,657	2,713,552	50,891	0	11,243,931	90%	20,700	11,264,631	90%	1,200,824	10%
MNIT Central Services	9,012,000	1,310,332	2,034,332	2,071,192	724,713	0	6,140,569	68%	1,118,774	7,259,342	81%	1,752,658	19%
General Administration	972,000	158,913	152,696	169,118	205,301	0	686,029	71%	288,259	974,288	100%	(2,288)	0%
<b>Financing</b>													
<b>Development - Total</b>	<b>29,770,779</b>	<b>3,712,795</b>	<b>4,590,680</b>	<b>5,565,281</b>	<b>4,001,733</b>	<b>0</b>	<b>17,870,489</b>		<b>5,558,239</b>	<b>23,428,728</b>		<b>6,342,051</b>	
<b>Federal Share</b>	<b>15,304,310</b>	<b>1,761,773</b>	<b>2,310,849</b>	<b>2,665,748</b>	<b>2,417,990</b>	<b>0</b>	<b>9,156,360</b>		<b>2,398,535</b>	<b>11,554,895</b>		<b>3,749,415</b>	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	15,304,310	1,761,773	2,310,849	2,665,748	2,417,990	0	9,156,360		2,398,535	11,554,895		3,749,415	
<b>Non-Federal Share</b>	<b>14,466,469</b>	<b>1,951,022</b>	<b>2,279,831</b>	<b>2,899,533</b>	<b>1,583,743</b>	<b>0</b>	<b>8,714,128</b>		<b>3,159,704</b>	<b>11,873,832</b>		<b>2,592,636</b>	
MNSure	11,263,329	1,416,789	1,793,267	2,255,509	1,120,384	0	6,585,949		2,724,618	9,310,567		1,952,762	
DHS	3,203,140	534,233	486,565	644,023	463,359	0	2,128,179		435,086	2,563,266		639,874	
<b>Operations - Total</b>	<b>45,493,934</b>	<b>7,908,813</b>	<b>11,640,541</b>	<b>6,772,490</b>	<b>6,377,214</b>	<b>0</b>	<b>32,699,059</b>		<b>7,777,498</b>	<b>40,476,557</b>		<b>5,017,377</b>	
<b>Federal Share</b>	<b>24,427,129</b>	<b>4,352,392</b>	<b>6,091,245</b>	<b>3,491,109</b>	<b>3,213,222</b>	<b>0</b>	<b>17,147,968</b>		<b>4,432,995</b>	<b>21,580,963</b>		<b>2,846,166</b>	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	24,427,129	4,352,392	6,091,245	3,491,109	3,213,222	0	17,147,968		4,432,995	21,580,963		2,846,166	
<b>Non-Federal Share</b>	<b>21,066,805</b>	<b>3,556,421</b>	<b>5,549,296</b>	<b>3,281,381</b>	<b>3,163,992</b>	<b>0</b>	<b>15,551,091</b>		<b>3,344,504</b>	<b>18,895,594</b>		<b>2,171,211</b>	
MNSure	7,232,239	1,397,856	1,859,464	1,269,016	1,294,701	0	5,821,037		852,230	6,673,267		558,972	
DHS	13,834,566	2,158,565	3,689,832	2,012,365	1,869,291	0	9,730,053		2,492,274	12,222,328		1,612,239	
<b>Total Financing</b>	<b>75,264,713</b>	<b>11,621,608</b>	<b>16,231,221</b>	<b>12,337,771</b>	<b>10,378,947</b>	<b>0</b>	<b>50,569,548</b>		<b>13,335,738</b>	<b>63,905,285</b>		<b>11,359,428</b>	
<b>Federal Share</b>	<b>39,731,439</b>	<b>6,114,166</b>	<b>8,402,094</b>	<b>6,156,857</b>	<b>5,631,212</b>	<b>0</b>	<b>26,304,329</b>		<b>6,831,530</b>	<b>33,135,858</b>		<b>6,595,581</b>	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	39,731,439	6,114,166	8,402,094	6,156,857	5,631,212	0	26,304,329		6,831,530	33,135,858		6,595,581	
<b>Non-Federal Share</b>	<b>35,533,274</b>	<b>5,507,443</b>	<b>7,829,127</b>	<b>6,180,914</b>	<b>4,747,735</b>	<b>0</b>	<b>24,265,219</b>		<b>6,504,208</b>	<b>30,769,427</b>		<b>4,763,847</b>	
MNSure	18,495,568	2,814,645	3,652,730	3,524,525	2,415,085	0	12,406,986		3,576,848	15,983,834		2,511,734	
DHS	17,037,706	2,692,797	4,176,397	2,656,389	2,332,650	0	11,858,233		2,927,360	14,785,593		2,252,113	

- 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.