

# Minnesota Eligibility Technology System

## Fiscal Report for Quarter Ending 12/31/2022

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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 & FY 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 & est. remaining encumbrances). Table 2 shows the fiscal year budgets, 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; 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 2020 Actual Spend	FY 2021 Actual Spend	FY 2022 Est. Actual Spend	FY 2023 Preliminary
<b>Expenditures</b>				
<b>Development - Total</b>	<b>33,433,872</b>	<b>30,829,811</b>	<b>31,405,845</b>	<b>22,489,732</b>
State Personnel	11,146,316	12,181,955	11,030,381	5,761,705
Staff Augmentation	6,927,147	6,278,559	4,264,770	2,195,000
Service Contracts	11,761,760	8,917,096	8,906,792	6,557,510
Hardware/Software	2,449,852	2,892,737	5,238,361	6,968,614
MNIT Central Services	951,011	522,043	545,197	306,000
General Administration	197,787	37,421	1,420,343	700,903
<b>Operations - Total</b>	<b>29,403,061</b>	<b>30,171,795</b>	<b>34,387,214</b>	<b>36,573,622</b>
State Personnel	10,744,913	10,966,120	12,316,989	15,017,322
Staff Augmentation	2,238,888	985,128	1,514,673	1,367,221
Service Contracts	4,647,946	5,768,208	7,035,607	6,262,547
Hardware/Software	4,133,011	3,818,622	4,869,539	5,205,500
MNIT Central Services	7,027,383	7,933,965	8,005,444	8,006,032
General Administration	610,919	699,752	644,963	715,000
<b>Total Expenditures</b>	<b>62,836,933</b>	<b>61,001,606</b>	<b>65,793,059</b>	<b>59,063,354</b>
State Personnel	21,891,229	23,148,075	23,347,370	20,779,027
Staff Augmentation	9,166,035	7,263,687	5,779,443	3,562,221
Service Contracts	16,409,706	14,685,305	15,942,399	12,820,057
Hardware/Software	6,582,863	6,711,358	10,107,899	12,174,114
MNIT Central Services	7,978,394	8,456,008	8,550,641	8,312,032
General Administration	808,706	737,174	2,065,307	1,415,903
<b>Financing</b>				
<b>Development - Total</b>	<b>33,433,873</b>	<b>30,829,811</b>	<b>31,405,845</b>	<b>22,489,732</b>
Federal Share	23,298,204	23,821,058	24,202,557	17,703,782
CCIIO/ARPA	0	1,525,555	288,486	351,338
Medicaid	23,298,204	22,295,503	23,914,072	17,352,444
Non-Federal Share	10,135,669	7,008,753	7,203,287	4,785,950
MNSure	2,870,696	94,348	53,000	0
DHS	7,264,973	6,914,405	7,150,287	4,785,950
<b>Operations - Total</b>	<b>29,403,061</b>	<b>30,171,795</b>	<b>34,387,214</b>	<b>36,573,622</b>
Federal Share	16,607,893	16,608,169	19,812,972	20,312,401
CCIIO/ARPA	0	0	0	0
Medicaid	16,607,893	16,608,169	19,812,972	20,312,401
Non-Federal Share	12,795,168	13,563,626	14,574,242	16,261,221
MNSure	4,889,529	5,837,474	5,527,710	5,642,782
DHS	7,905,639	7,726,152	9,046,532	10,618,439
<b>Total Financing</b>	<b>62,836,934</b>	<b>61,001,606</b>	<b>65,793,059</b>	<b>59,063,354</b>
Federal Share	39,906,097	40,429,227	44,015,529	38,016,182
CCIIO/ARPA	0	1,525,555	288,486	351,338
Medicaid	39,906,097	38,903,672	43,727,043	37,664,844
Non-Federal Share	22,930,837	20,572,379	21,777,530	21,047,172
MNSure	7,760,225	5,931,822	5,580,710	5,642,782
DHS	15,170,612	14,640,557	16,196,820	15,404,390

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.

## Minnesota Eligibility Technology System

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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>0</b>	<b>0</b>	<b>0</b>	<b>10,700,742</b>	<b>48%</b>	<b>10,585,915</b>	<b>21,286,657</b>	<b>95%</b>	<b>1,209,075</b>	<b>5%</b>
State Personnel	5,761,705	306,297	2,571,577	0	0	0	2,877,874	50%	2,698,113	5,575,987	97%	189,418	3%
Staff Augmentation	2,195,000	0	668,889	0	0	0	668,889	30%	1,181,855	1,850,744	84%	344,256	16%
Service Contracts	6,557,510	33,024	2,585,587	0	0	0	2,618,611	40%	3,938,899	6,557,510	100%	0	0%
Hardware/Software	6,968,614	3,563,986	470,324	0	0	0	4,034,310	58%	2,149,259	6,183,569	89%	785,045	11%
MNIT Central Services	306,000	0	179,690	0	0	0	179,690	59%	250,255	429,945	141%	(121,645)	-40%
General Administration	700,903	159,986	161,382	0	0	0	321,368	46%	367,534	688,902	98%	12,001	2%
<b>Operations - Total</b>	<b>36,573,622</b>	<b>4,940,591</b>	<b>11,035,605</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,976,196</b>	<b>44%</b>	<b>20,096,646</b>	<b>36,072,842</b>	<b>99%</b>	<b>500,780</b>	<b>1%</b>
State Personnel	15,017,322	0	5,836,143	0	0	0	5,836,143	39%	8,977,674	14,813,816	99%	203,506	1%
Staff Augmentation	1,367,221	59,542	602,894	0	0	0	662,436	48%	481,884	1,144,320	84%	222,901	16%
Service Contracts	6,262,547	634,052	1,375,235	0	0	0	2,009,286	32%	3,662,502	5,671,788	91%	590,759	9%
Hardware/Software	5,205,500	4,098,369	361,263	0	0	0	4,459,631	86%	1,280,626	5,740,257	110%	(534,757)	-10%
MNIT Central Services	8,006,032	0	2,706,852	0	0	0	2,706,852	34%	5,354,250	8,061,102	101%	(55,070)	-1%
General Administration	715,000	148,629	153,220	0	0	0	301,849	42%	0	641,559	90%	73,441	10%
<b>Total Expenditures</b>	<b>59,063,354</b>	<b>9,003,884</b>	<b>17,673,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,676,938</b>	<b>45%</b>	<b>30,682,561</b>	<b>57,359,499</b>	<b>97%</b>	<b>1,709,855</b>	<b>3%</b>
State Personnel	20,779,027	306,297	8,407,719	0	0	0	8,714,016	42%	11,675,787	20,389,803	98%	392,924	2%
Staff Augmentation	3,562,221	59,542	1,271,783	0	0	0	1,331,325	37%	1,663,739	2,995,064	84%	567,157	16%
Service Contracts	12,820,057	667,076	3,960,822	0	0	0	4,627,898	36%	7,601,401	12,229,298	95%	590,759	5%
Hardware/Software	12,174,114	7,662,354	831,586	0	0	0	8,493,941	70%	3,429,885	11,923,826	98%	250,288	2%
MNIT Central Services	8,312,032	0	2,886,542	0	0	0	2,886,542	35%	5,604,505	8,491,047	102%	(176,715)	-2%
General Administration	1,415,903	308,615	314,602	0	0	0	623,217	44%	707,245	1,330,462	94%	85,441	6%
<b>Financing</b>													
<b>Development - Total</b>	<b>22,489,732</b>	<b>4,063,293</b>	<b>6,637,450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,700,742</b>		<b>10,585,915</b>	<b>21,286,657</b>		<b>1,209,075</b>	
<b>Federal Share</b>	<b>17,703,782</b>	<b>3,068,365</b>	<b>5,170,511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,238,877</b>		<b>8,528,141</b>	<b>16,767,018</b>		<b>936,764</b>	
CCIIO/ARPA	351,338	0	9,898	0	0	0	9,898		341,440	351,338		0	
Medicaid	17,352,444	3,068,365	5,160,613	0	0	0	8,228,979		8,186,702	16,415,680		936,763	
<b>Non-Federal Share</b>	<b>4,785,950</b>	<b>994,927</b>	<b>1,466,938</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,461,865</b>		<b>2,057,774</b>	<b>4,519,639</b>		<b>272,311</b>	
MNsure	0	0	0	0	0	0	0		0	0		6,000	
DHS	4,785,950	994,927	1,466,938	0	0	0	2,461,865		2,057,774	4,519,639		266,311	
<b>Operations - Total</b>	<b>36,573,622</b>	<b>4,940,591</b>	<b>11,035,605</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,976,196</b>		<b>20,096,646</b>	<b>36,072,842</b>		<b>500,780</b>	
<b>Federal Share</b>	<b>20,312,401</b>	<b>2,697,086</b>	<b>6,142,189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,839,275</b>		<b>11,173,059</b>	<b>20,012,334</b>		<b>300,067</b>	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	20,312,401	2,697,086	6,142,189	0	0	0	8,839,275		11,173,059	20,012,334		300,067	
<b>Non-Federal Share</b>	<b>16,261,221</b>	<b>2,243,505</b>	<b>4,893,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,136,921</b>		<b>8,923,587</b>	<b>16,060,508</b>		<b>200,713</b>	
MNsure	5,642,782	988,130	1,456,223	0	0	0	2,444,353		3,073,768	5,518,121		124,661	
DHS	10,618,439	1,255,375	3,437,193	0	0	0	4,692,568		5,849,820	10,542,388		76,052	
<b>Total Financing</b>	<b>59,063,354</b>	<b>9,003,884</b>	<b>17,673,055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,676,938</b>		<b>30,682,561</b>	<b>57,359,499</b>		<b>1,709,855</b>	
<b>Federal Share</b>	<b>38,016,182</b>	<b>5,765,451</b>	<b>11,312,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,078,152</b>		<b>19,701,200</b>	<b>36,779,352</b>		<b>1,236,831</b>	
CCIIO/ARPA	351,338	0	9,898	0	0	0	9,898		341,440	351,338		0	
Medicaid	37,664,844	5,765,451	11,302,802	0	0	0	17,068,254		19,359,761	36,428,014		1,236,830	
<b>Non-Federal Share</b>	<b>21,047,172</b>	<b>3,238,432</b>	<b>6,360,355</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,598,787</b>		<b>10,981,361</b>	<b>20,580,148</b>		<b>473,024</b>	
MNsure	5,642,782	988,130	1,456,223	0	0	0	2,444,353		3,073,768	5,518,121		130,661	
DHS	15,404,390	2,250,302	4,904,131	0	0	0	7,154,433		7,907,593	15,062,027		342,363	

**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.