

Minnesota Eligibility Technology System

Fiscal Report for QE 09-30-2017

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 provides a four year view of the METS budget, including: actual FY 2016, est. actual FY 2017, current FY 2018 budget, and preliminary FY 2019 plan.

Table 2: Budget v. Est. YTD (expenditures & est. remaining encumbrances) Table 2A addresses FY 2017, while Table 2B addresses FY 2018. 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, 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. MN.IT 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.

Note: Effective QE 9-30-2017, standard categories relabeled to be consistent with federal project reporting standard

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).
Staff Augmentation	Contracted individuals or companies to increase capacity.
Service Contracts (formerly labeled Vendor Contracts)	Major vendor agreements that provide expertise and enhanced functionality to the system. Also includes development occupancy costs.
Hardware/Software (formerly labeled Licensing, Hardware & Maintenance)	Initial purchases and ongoing support costs for licensing/software and hardware.
MN.IT Central Services (formerly labeled 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.
General Administration (formerly labeled 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 Actual	FY 2017 Est. Actual	FY 2018 Budget	FY 2019 Budget
Expenditures				
Development	48,553,751	40,291,786	45,021,375	19,696,000
<i>State Personnel</i>	6,911,741	10,277,842	13,109,962	4,278,750
<i>Staff Augmentation</i>	16,659,394	11,778,621	12,671,119	13,206,500
<i>Service Contracts</i>	19,700,289	16,504,549	14,061,617	(736,250)
<i>Hardware/Software</i>	4,989,592	1,635,025	4,608,896	1,068,500
<i>MN.IT Central Services</i>	0	0	305,556	493,750
<i>General Administration</i>	292,735	95,749	264,225	1,384,750
Operations	15,915,024	25,044,488	30,023,030	30,023,030
<i>State Personnel</i>	6,821,556	9,771,277	7,767,051	7,767,051
<i>Staff Augmentation</i>	215,999	887,438	4,031,716	4,031,716
<i>Service Contracts</i>	77,385	1,550,802	1,300,000	1,300,000
<i>Hardware/Software</i>	5,214,209	9,080,393	10,112,000	10,112,000
<i>MN.IT Central Services</i>	3,569,680	3,412,384	6,095,336	6,095,336
<i>General Administration</i>	16,195	342,194	716,927	716,927
Total Expenditures	64,468,775	65,336,274	75,044,405	49,719,030
<i>State Personnel</i>	13,733,297	20,049,119	20,877,013	12,045,801
<i>Staff Augmentation</i>	16,875,393	12,666,059	16,702,835	17,238,216
<i>Service Contracts</i>	19,777,674	18,055,351	15,361,617	563,750
<i>Hardware/Software</i>	10,203,801	10,715,418	14,720,896	11,180,500
<i>MN.IT Central Services</i>	3,569,680	3,412,384	6,400,892	6,589,086
<i>General Administration</i>	308,930	437,943	981,152	2,101,677
Financing				
Development	48,553,751	40,291,787	45,021,375	19,696,000
MNsure - Premium Withhold	0	0	4,000,000	0
MNsure - Federal CCIIO	11,957,754	6,485,215	2,700,000	0
DHS - Federal Medicaid	32,345,054	29,859,827	34,474,850	17,726,400
DHS - State Appropriation	4,250,943	3,946,745	3,846,525	1,969,600
Operations	15,915,024	25,044,488	30,023,030	30,023,030
MNsure - Premium Withhold	1,276,385	1,513,809	4,077,093	4,077,093
MNsure - Federal CCIIO	0	0	0	0
DHS - Federal Medicaid	8,813,740	17,477,690	18,984,725	18,984,725
DHS - State Appropriation	5,824,899	6,052,989	6,961,212	6,961,212
Total Financing	64,468,775	65,336,276	75,044,405	49,719,030
MNsure - Premium Withhold	1,276,385	1,513,809	8,077,093	4,077,093
MNsure - Federal CCIIO	11,957,754	6,485,215	2,700,000	0
DHS - Federal Medicaid	41,158,794	47,337,517	53,459,575	36,711,125
DHS - State Appropriation	10,075,842	9,999,735	10,807,737	8,930,812

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).

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TABLE 2A: 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	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development	60,623,644	6,498,805	6,554,043	11,297,686	10,743,415	5,197,838	40,291,786	66%	0	40,291,786	66%	20,331,858	34%
State Personnel	11,263,678	1,449,492	1,343,229	1,547,343	4,047,326	1,890,452	10,277,842	91%	0	10,277,842	91%	985,836	9%
Staff Augmentation	23,887,115	1,818,275	3,003,734	6,755,874	(1,543,581)	1,744,319	11,778,621	49%	0	11,778,621	49%	12,108,494	51%
Service Contracts	21,324,917	2,998,378	1,902,516	2,418,096	7,873,786	1,311,773	16,504,549	77%	0	16,504,549	77%	4,820,368	23%
Hardware/Software	3,233,431	211,865	285,355	531,675	361,256	244,874	1,635,025	51%	0	1,635,025	51%	1,598,406	49%
MN.IT Central Services	0	0	0	0	0	0	0	0%	0	0	0%	0	0%
General Administration	914,503	20,795	19,209	44,698	4,628	6,420	95,749	10%	0	95,749	10%	818,754	90%
Operations	32,070,042	3,344,177	5,451,449	7,791,206	4,800,220	3,617,335	25,004,388	78%	40,100	25,044,488	78%	7,025,554	22%
State Personnel	10,554,673	1,004,011	2,056,284	3,126,885	1,594,567	1,989,529	9,771,277	93%	0	9,771,277	93%	783,396	7%
Staff Augmentation	3,556,800	0	0	0	392,995	494,443	887,438	25%	0	887,438	25%	2,669,362	75%
Service Contracts	1,300,000	0	82,942	1,043,674	303,795	120,391	1,550,802	119%	0	1,550,802	119%	(250,802)	-19%
Hardware/Software	11,564,018	2,340,166	3,210,303	1,652,087	1,192,266	660,913	9,056,395	78%	23,999	9,080,393	79%	2,483,625	21%
MN.IT Central Services	4,477,462	0	0	1,916,457	1,172,243	323,683	3,412,384	76%	0	3,412,384	76%	1,065,078	24%
General Administration	617,089	0	101,920	52,103	143,693	28,376	326,093	53%	16,102	342,194	55%	274,895	45%
Total Expenditures	92,693,686	9,842,982	12,005,492	19,088,892	15,543,634	8,815,173	65,296,174	70%	40,100	65,336,274	70%	27,357,412	30%
State Personnel	21,818,351	2,453,503	3,399,513	4,674,228	5,641,893	3,879,981	20,049,119	92%	0	20,049,119	92%	1,769,232	8%
Staff Augmentation	27,443,915	1,818,275	3,003,734	6,755,874	(1,150,586)	2,238,762	12,666,059	46%	0	12,666,059	46%	14,777,856	54%
Service Contracts	22,624,917	2,998,378	1,985,458	3,461,770	8,177,581	1,432,164	18,055,351	80%	0	18,055,351	80%	4,569,566	20%
Hardware/Software	14,797,449	2,552,031	3,495,658	2,183,762	1,554,182	905,787	10,691,420	72%	23,999	10,715,418	72%	4,082,031	28%
MN.IT Central Services	4,477,462	0	0	1,916,457	1,172,243	323,683	3,412,384	76%	0	3,412,384	76%	1,065,078	24%
General Administration	1,531,592	20,795	121,129	96,801	148,321	34,796	421,842	28%	16,102	437,943	29%	1,093,649	71%
Financing													
Development	60,623,644	6,498,805	6,554,043	11,297,686	10,743,415	5,197,838	40,291,787		0	40,291,787		20,331,857	
MNsure - Premium Withhold	0	0	0	0	0	0	0		0	0		0	
MNsure - Federal CCIIO	7,686,705	1,451,263	1,698,838	1,191,650	1,251,340	892,124	6,485,215		0	6,485,215		1,201,490	
DHS - Federal Medicaid	47,211,380	4,517,617	3,608,531	9,358,419	8,527,745	3,847,515	29,859,827		0	29,859,827		17,351,553	
DHS - State Appropriation	5,725,559	529,925	1,246,674	747,617	964,330	458,199	3,946,745		0	3,946,745		1,778,814	
Operations	32,070,042	3,344,177	5,451,449	7,791,206	4,800,220	3,617,335	25,004,388		40,100	25,044,488		7,025,554	
MNsure - Premium Withhold	2,944,935	68,890	240,769	191,987	140,993	869,349	1,511,988		1,821	1,513,809		1,431,126	
MNsure - Federal CCIIO	0	0	0	0	0	0	0		0	0		0	
DHS - Federal Medicaid	21,283,535	2,508,133	3,940,308	5,631,698	3,444,739	1,925,210	17,450,088		27,602	17,477,690		3,805,845	
DHS - State Appropriation	7,841,572	767,154	1,270,372	1,967,521	1,214,488	822,776	6,042,312		10,677	6,052,989		1,788,583	
Total Financing	92,693,686	9,842,982	12,005,492	19,088,893	15,543,635	8,815,174	65,296,175		40,100	65,336,276		27,357,410	
MNsure - Premium Withhold	2,944,935	68,890	240,769	191,987	140,993	869,349	1,511,988		1,821	1,513,809		1,431,126	
MNsure - Federal CCIIO	7,686,705	1,451,263	1,698,838	1,191,650	1,251,340	892,124	6,485,215		0	6,485,215		1,201,490	
DHS - Federal Medicaid	68,494,915	7,025,750	7,548,839	14,990,117	11,972,484	5,772,725	47,309,915		27,602	47,337,517		21,157,398	
DHS - State Appropriation	13,567,131	1,297,079	2,517,046	2,715,139	2,178,818	1,280,976	9,989,057		10,677	9,999,735		3,567,396	

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.

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TABLE 2B: FY 2018 Budget vs YTD	FY 2018 Budget	QE 9/30/17 Expenditures	QE 12/31/17 Expenditures	QE 3/31/18 Expenditures	QE 6/30/18 Expenditures	Expenditures After FY End	YTD Expenditures	%	Estimated Encumbrances	Est. FY Exp & Enc	%	Estimated Balance	%
Expenditures													
Development	45,021,375	4,546,681	0	0	0	0	4,546,681	10%	38,479,007	43,025,688	96%	1,995,687	4%
State Personnel	13,109,962	1,192,815					1,192,815	9%	11,400,000	12,592,815	96%	517,146	4%
Staff Augmentation	12,671,119	1,021,669					1,021,669	8%	11,032,855	12,054,524	95%	616,596	5%
Service Contracts	14,061,617	1,121,433					1,121,433	8%	12,940,184	14,061,617	100%	0	
Hardware/Software	4,608,896	1,197,658					1,197,658	26%	2,549,294	3,746,951	81%	861,945	19%
MN.IT Central Services	305,556	0					0	0%	305,556	305,556	100%	0	
General Administration	264,225	13,107					13,107	5%	251,118	264,225	100%	0	
Operations	30,023,030	3,413,612	0	0	0	0	3,413,612	11%	25,948,094	29,361,706	98%	661,324	2%
State Personnel	7,767,051	1,348,029					1,348,029	17%	7,100,000	8,448,029	109%	(680,978)	-9%
Staff Augmentation	4,031,716	61,542					61,542	2%	3,500,000	3,561,542	88%	470,174	12%
Service Contracts	1,300,000	135,585					135,585	10%	1,150,000	1,285,585	99%	14,415	1%
Hardware/Software	10,112,000	1,757,791					1,757,791	17%	7,580,300	9,338,091	92%	773,909	8%
MN.IT Central Services	6,095,336	0					0	0%	6,095,336	6,095,336	100%	0	
General Administration	716,927	110,665					110,665	15%	522,458	633,123	88%	83,804	12%
Total Expenditures	75,044,405	7,960,293	0	0	0	0	7,960,293	11%	64,427,101	72,387,394	96%	2,657,011	4%
State Personnel	20,877,013	2,540,844	0	0	0	0	2,540,844	12%	18,500,000	21,040,844	101%	(163,832)	-1%
Staff Augmentation	16,702,835	1,083,211	0	0	0	0	1,083,211	6%	14,532,855	15,616,066	93%	1,086,770	7%
Service Contracts	15,361,617	1,257,018	0	0	0	0	1,257,018	8%	14,090,184	15,347,202	100%	14,415	0%
Hardware/Software	14,720,896	2,955,449	0	0	0	0	2,955,449	20%	10,129,594	13,085,042	89%	1,635,854	11%
MN.IT Central Services	6,400,892	0	0	0	0	0	0	0%	6,400,892	6,400,892	100%	0	
General Administration	981,152	123,771	0	0	0	0	123,771	13%	773,576	897,348	91%	83,804	9%
Financing													
Development	45,021,375	4,546,681	0	0	0	0	4,546,681		38,479,007	43,025,688		1,995,687	
MNSure - Premium Withhold	4,000,000	0					0		4,000,000	4,000,000		0	
MNSure - Federal CCIIO	2,700,000	190,608					190,608		2,509,392	2,700,000		0	
DHS - Federal Medicaid	34,474,850	3,909,315					3,909,315		28,769,418	32,678,733		1,796,117	
DHS - State Appropriation	3,846,525	446,758					446,758		3,200,197	3,646,955		199,570	
Operations	30,023,030	3,413,612	0	0	0	0	3,413,612		25,948,094	29,361,706		661,324	
MNSure - Premium Withhold	4,077,093	522,707					522,707		3,567,943	4,090,650		(13,557)	
MNSure - Federal CCIIO	0	0					0		0	0		0	
DHS - Federal Medicaid	18,984,725	2,094,113					2,094,113		16,392,045	18,486,158		498,567	
DHS - State Appropriation	6,961,212	796,793					796,793		5,988,106	6,784,899		176,313	
Total Financing	75,044,405	7,960,293	0	0	0	0	7,960,293		64,427,101	72,387,394		2,657,011	
MNSure - Premium Withhold	8,077,093	522,707	0	0	0	0	522,707		7,567,943	8,090,650		(13,557)	
MNSure - Federal CCIIO	2,700,000	190,608	0	0	0	0	190,608		2,509,392	2,700,000		0	
DHS - Federal Medicaid	53,459,575	6,003,428	0	0	0	0	6,003,428		45,161,463	51,164,891		2,294,684	
DHS - State Appropriation	10,807,737	1,243,550	0	0	0	0	1,243,550		9,188,303	10,431,853		375,883	
Notes:													
- <i>Development</i> includes federally defined and applicable work, and MNSure development contributions. All other expenses considered <i>operations</i> .													
- <i>Expended</i> includes actual fiscal year expenditures. Due to normal processing and invoicing time, some expenditure reporting may lag.													
- 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).													
- <i>Expenditures After Fiscal Year (FY) End</i> : Due to the standard lag between invoicing and payments, fiscal year 2018 expenditures may be recognized after June 30th.													