

Minnesota Eligibility Technology System

Fiscal Report for Quarter Ending 12/31/2024

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: estimated actual expenses for FY 2024, budget for FY 2025 and a preliminary budget for FY 2026 and 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 Est. Actual Spend	FY 2025 Budget	FY 2026 Preliminary
Expenditures				
Development - Total	20,619,721	23,352,850	29,770,779	5,446,562
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	12,859,894	15,447,132	1,617,040
Hardware/Software	6,008,430	5,884,318	4,371,000	2,573,000
MNIT Central Services	455,158	90,953	942,000	25,000
General Administration	357,303	372,354	247,000	71,000
Operations - Total	35,441,510	39,831,896	44,553,592	42,206,100
State Personnel	15,078,879	14,226,779	15,670,418	14,483,923
Staff Augmentation	1,273,835	1,305,876	3,136,879	3,136,879
Service Contracts	6,038,025	8,906,614	8,856,840	7,695,843
Hardware/Software	5,747,562	7,000,840	8,094,455	8,094,455
MNIT Central Services	6,578,401	7,764,578	8,070,000	8,070,000
General Administration	724,808	627,209	725,000	725,000
Total Expenditures	56,061,231	63,184,746	74,324,371	47,652,662
State Personnel	20,265,920	17,960,122	22,237,065	15,525,445
Staff Augmentation	2,437,083	1,717,863	5,333,879	3,255,879
Service Contracts	13,486,565	21,766,508	24,303,972	9,312,883
Hardware/Software	11,755,992	12,885,158	12,465,455	10,667,455
MNIT Central Services	7,033,559	7,855,531	9,012,000	8,095,000
General Administration	1,082,111	999,563	972,000	796,000
Financing				
Development - Total	20,619,721	23,352,850	29,770,779	5,446,562
Federal Share	16,224,268	13,334,634	15,303,220	2,915,301
CCIIO/ARPA	471,338	20,600	0	0
Medicaid	15,752,930	13,314,034	15,303,220	2,915,301
Non-Federal Share	4,395,453	10,018,216	14,467,559	2,531,261
MNsurre	0	6,800,506	11,263,329	1,570,762
DHS	4,395,453	3,217,710	3,204,230	960,499
Operations - Total	35,441,510	39,831,896	44,553,592	42,206,100
Federal Share	19,944,165	23,528,638	23,783,071	23,783,071
CCIIO/ARPA	0	0	0	0
Medicaid	19,944,165	23,528,638	23,783,071	23,783,071
Non-Federal Share	15,497,345	16,303,259	20,770,521	18,423,029
MNsurre	5,199,642	5,401,626	7,226,239	7,226,239
DHS	10,297,703	10,901,632	13,544,282	11,196,790
Total Financing	56,061,231	63,184,746	74,324,371	47,652,662
Federal Share	36,168,433	36,863,271	39,086,291	26,698,372
CCIIO/ARPA	471,338	20,600	0	0
Medicaid	35,697,095	36,842,671	39,086,291	26,698,372
Non-Federal Share	19,892,798	26,321,474	35,238,080	20,954,290
MNsurre	5,199,642	12,202,132	18,489,568	8,797,001
DHS	14,693,156	14,119,342	16,748,512	12,157,289

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 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 %
Expenditures													
Development - Total	29,770,779	3,712,795	4,590,680	0	0	0	8,303,475	28%	15,877,229	24,180,704	81%	5,590,075	19%
State Personnel	6,566,647	50,078	1,491,488	0	0	0	1,541,566	23%	2,994,189	4,535,755	69%	2,030,892	31%
Staff Augmentation	2,197,000	53,213	157,448	0	0	0	210,662	10%	1,212,417	1,423,078	65%	773,922	35%
Service Contracts	15,447,132	1,729,598	2,547,138	0	0	0	4,276,736	28%	9,732,965	14,009,701	91%	1,437,431	9%
Hardware/Software	4,371,000	1,835,945	353,126	0	0	0	2,189,070	50%	1,681,289	3,870,360	89%	500,640	11%
MNIT Central Services	942,000	16,385	24,578	0	0	0	40,963	4%	57,348	98,310	10%	843,690	90%
General Administration	247,000	27,576	16,903	0	0	0	44,479	18%	199,020	243,499	99%	3,501	1%
Operations - Total	44,559,592	7,908,813	11,640,541	0	0	0	19,549,355	44%	21,379,580	40,928,935	92%	3,630,657	8%
State Personnel	15,676,418	0	5,880,972	0	0	0	5,880,972	38%	8,372,247	14,253,219	91%	1,423,199	9%
Staff Augmentation	3,136,879	174,086	283,624	0	0	0	457,709	15%	883,688	1,341,397	43%	1,795,482	57%
Service Contracts	8,856,840	1,031,558	2,317,865	0	0	0	3,349,423	38%	5,343,348	8,692,771	98%	164,069	2%
Hardware/Software	8,094,455	5,277,886	1,012,531	0	0	0	6,290,417	78%	1,638,268	7,928,685	98%	165,770	2%
MNIT Central Services	8,070,000	1,293,947	2,009,755	0	0	0	3,303,702	41%	4,708,473	8,012,174	99%	57,826	1%
General Administration	725,000	131,337	135,794	0	0	0	267,131	37%	433,557	700,688	97%	24,312	3%
Total Expenditures	74,330,371	11,621,608	16,231,221	0	0	0	27,852,829	37%	37,256,809	65,109,639	88%	9,220,732	12%
State Personnel	22,243,065	50,078	7,372,460	0	0	0	7,422,538	33%	11,366,436	18,788,974	84%	3,454,091	16%
Staff Augmentation	5,333,879	227,299	441,072	0	0	0	668,371	13%	2,096,105	2,764,476	52%	2,569,403	48%
Service Contracts	24,303,972	2,761,156	4,865,003	0	0	0	7,626,159	31%	15,076,313	22,702,472	93%	1,601,500	7%
Hardware/Software	12,465,455	7,113,831	1,365,657	0	0	0	8,479,488	68%	3,319,557	11,799,045	95%	666,410	5%
MNIT Central Services	9,012,000	1,310,332	2,034,332	0	0	0	3,344,664	37%	4,765,820	8,110,485	90%	901,515	10%
General Administration	972,000	158,913	152,696	0	0	0	311,609	32%	632,578	944,187	97%	27,813	3%
Financing													
Development - Total	29,770,779	3,712,795	4,590,680	0	0	0	8,303,475		15,877,229	24,180,704		5,590,075	
Federal Share	15,304,310	1,761,773	2,310,849	0	0	0	4,072,622		8,156,028	12,228,650		3,075,660	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	15,304,310	1,761,773	2,310,849	0	0	0	4,072,622		8,156,028	12,228,650		3,075,660	
Non-Federal Share	14,466,469	1,951,022	2,279,831	0	0	0	4,230,853		7,721,201	11,952,054		2,514,415	
MNSure	11,263,329	1,416,789	1,793,267	0	0	0	3,210,056		6,022,382	9,232,437		2,030,892	
DHS	3,203,140	534,233	486,565	0	0	0	1,020,797		1,698,819	2,719,616		483,524	
Operations - Total	44,559,592	7,908,813	11,640,541	0	0	0	19,549,355		21,379,580	40,928,935		3,630,657	
Federal Share	23,783,071	4,352,392	6,091,245	0	0	0	10,443,638		11,339,675	21,783,313		1,999,759	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	23,783,071	4,352,392	6,091,245	0	0	0	10,443,638		11,339,675	21,783,313		1,999,759	
Non-Federal Share	20,776,521	3,556,421	5,549,296	0	0	0	9,105,717		10,039,905	19,145,622		1,630,898	
MNSure	7,232,239	1,397,856	1,859,464	0	0	0	3,257,320		3,604,167	6,861,487		370,752	
DHS	13,544,282	2,158,565	3,689,832	0	0	0	5,848,397		6,435,739	12,284,136		1,260,146	
Total Financing	74,330,371	11,621,608	16,231,221	0	0	0	27,852,829		37,256,809	65,109,639		9,220,732	
Federal Share	39,087,382	6,114,166	8,402,094	0	0	0	14,516,260		19,495,703	34,011,963		5,075,419	
CCIIO/ARPA	0	0	0	0	0	0	0		0	0		0	
Medicaid	39,087,382	6,114,166	8,402,094	0	0	0	14,516,260		19,495,703	34,011,963		5,075,419	
Non-Federal Share	35,242,989	5,507,443	7,829,127	0	0	0	13,336,570		17,761,106	31,097,676		4,145,313	
MNSure	18,495,568	2,814,645	3,652,730	0	0	0	6,467,376		9,626,548	16,093,924		2,401,643	
DHS	16,747,422	2,692,797	4,176,397	0	0	0	6,869,194		8,134,558	15,003,752		1,743,670	

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.