

# Minnesota Eligibility Technology System

## Fiscal Report for QE 03/31/2025

### 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 FY2027. 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 & est. 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, 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. MNIT 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.

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).
Staff Augmentation	Contracted individuals or companies to increase capacity.
Service Contracts	Major vendor agreements that provide expertise and enhanced functionality to the system.
Hardware/Software	Initial purchases and ongoing support costs for licensing/software and hardware.
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.
General Administration	Training, supplies, travel, 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 2024 Est. Actual Spend	FY 2025 Budget	FY 2026 Preliminary	FY 2027 Preliminary
Expenditures				
Development	23,352,850	29,770,779	5,446,562	0
State Personnel	3,733,343	6,566,647	1,041,522	0
Staff Augmentation	411,987	2,197,000	119,000	0
Service Contracts	12,859,894	15,447,132	1,617,040	0
Hardware/Software	5,884,318	4,371,000	2,573,000	0
MNIT Central Services	90,953	942,000	25,000	0
General Administration	372,354	247,000	71,000	0
Operations	39,831,896	45,487,934	43,713,086	42,206,100
State Personnel	14,226,779	16,286,376	15,178,713	14,483,923
Staff Augmentation	1,305,876	3,136,879	3,136,879	3,136,879
Service Contracts	8,906,614	9,175,224	8,508,039	7,695,843
Hardware/Software	7,000,840	8,094,455	8,094,455	8,094,455
MNIT Central Services	7,764,578	8,070,000	8,070,000	8,070,000
General Administration	627,209	725,000	725,000	725,000
Total Expenditures	63,184,746	75,258,713	49,159,648	42,206,100
State Personnel	17,960,122	22,853,023	16,220,235	14,483,923
Staff Augmentation	1,717,863	5,333,879	3,255,879	3,136,879
Service Contracts	21,766,508	24,622,356	10,125,079	7,695,843
Hardware/Software	12,885,158	12,465,455	10,667,455	8,094,455
MNIT Central Services	7,855,531	9,012,000	8,095,000	8,070,000
General Administration	999,563	972,000	796,000	725,000
Financing				
Development	23,352,850	29,770,779	5,446,562	0
Federal Share	13,334,634	15,303,220	2,915,301	0
CCIO/ARPA	20,600	0	0	0
Medicaid	13,314,034	15,303,220	2,915,301	0
Non-Federal Share	10,018,216	14,467,559	2,531,261	0
MNsure	6,800,506	11,263,329	1,570,762	0
DHS	3,217,710	3,204,230	960,499	0
Operations	39,831,896	45,487,934	43,713,086	42,206,100
Federal Share	23,528,638	24,427,129	24,821,862	23,783,071
CCIO/ARPA	0	0	0	0
Medicaid	23,528,638	24,427,129	24,821,862	23,783,071
Non-Federal Share	16,303,259	21,060,805	18,891,224	18,423,029
MNsure	5,401,626	7,226,239	7,226,239	7,226,239
DHS	10,901,632	13,834,566	11,664,985	11,196,790
Total Financing	63,184,746	75,258,713	49,159,648	42,206,100
Federal Share	36,863,271	39,730,349	27,737,163	23,783,071
CCIO/ARPA	20,600	0	0	0
Medicaid	36,842,671	39,730,349	27,737,163	23,783,071
Non-Federal Share	26,321,474	35,528,364	21,422,485	18,423,029
MNsure	12,202,132	18,489,568	8,797,001	7,226,239
DHS	14,119,342	17,038,796	12,625,485	11,196,790
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 allocaton methodology that is generally applicable to each fiscal year (i.e. 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>0</b>	<b>0</b>	<b>13,868,756</b>	<b>47%</b>	<b>9,563,408</b>	<b>23,432,164</b>	<b>79%</b>	<b>6,338,615</b>	<b>21%</b>
State Personnel	6,566,647	50,078	1,491,488	85,447	0	0	1,627,013	25%	2,765,636	4,392,650	67%	2,173,997	33%
Staff Augmentation	2,197,000	53,213	157,448	365,519	0	0	576,180	26%	822,998	1,399,179	64%	797,821	36%
Service Contracts	15,447,132	1,729,598	2,547,138	3,861,802	0	0	8,138,538	53%	5,763,792	13,902,330	90%	1,544,802	10%
Hardware/Software	4,371,000	1,835,945	353,126	1,191,125	0	0	3,380,196	77%	22,531	3,402,726	78%	968,274	22%
MNIT Central Services	942,000	16,385	24,578	24,578	0	0	65,540	7%	26,581	92,121	10%	849,879	90%
General Administration	247,000	27,576	16,903	36,810	0	0	81,289	33%	161,869	243,158	98%	3,842	2%
<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>0</b>	<b>0</b>	<b>26,321,845</b>	<b>58%</b>	<b>13,860,619</b>	<b>40,182,464</b>	<b>88%</b>	<b>5,311,470</b>	<b>12%</b>
State Personnel	16,292,376	0	5,880,972	97,013	0	0	5,977,985	37%	8,166,329	14,144,314	87%	2,148,062	13%
Staff Augmentation	3,136,879	174,086	283,624	262,049	0	0	719,759	23%	498,289	1,218,048	39%	1,918,831	61%
Service Contracts	9,175,224	1,031,558	2,317,865	2,712,078	0	0	6,061,502	66%	2,948,434	9,009,936	98%	165,288	2%
Hardware/Software	8,094,455	5,277,886	1,012,531	1,522,427	0	0	7,812,844	97%	118,118	7,930,962	98%	163,493	2%
MNIT Central Services	8,070,000	1,293,947	2,009,755	2,046,615	0	0	5,350,316	66%	1,847,794	7,198,110	89%	871,890	11%
General Administration	725,000	131,337	135,794	132,308	0	0	399,439	55%	281,654	681,093	94%	43,907	6%
<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>0</b>	<b>0</b>	<b>40,190,601</b>	<b>53%</b>	<b>23,424,026</b>	<b>63,614,627</b>	<b>85%</b>	<b>11,650,086</b>	<b>15%</b>
State Personnel	22,859,023	50,078	7,372,460	182,460	0	0	7,604,999	33%	10,931,965	18,536,964	81%	4,322,059	19%
Staff Augmentation	5,333,879	227,299	441,072	627,568	0	0	1,295,939	24%	1,321,287	2,617,226	49%	2,716,653	51%
Service Contracts	24,622,356	2,761,156	4,865,003	6,573,881	0	0	14,200,040	58%	8,712,226	22,912,266	93%	1,710,090	7%
Hardware/Software	12,465,455	7,113,831	1,365,657	2,713,552	0	0	11,193,040	90%	140,649	11,333,689	91%	1,131,766	9%
MNIT Central Services	9,012,000	1,310,332	2,034,332	2,071,192	0	0	5,415,856	60%	1,874,375	7,290,231	81%	1,721,769	19%
General Administration	972,000	158,913	152,696	169,118	0	0	480,727	49%	443,524	924,251	95%	47,749	5%
<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>0</b>	<b>0</b>	<b>13,868,756</b>		<b>9,563,408</b>	<b>23,432,164</b>		<b>6,338,615</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>0</b>	<b>0</b>	<b>6,738,370</b>		<b>4,801,893</b>	<b>11,540,264</b>		<b>3,764,047</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	0	0	6,738,370		4,801,893	11,540,264		3,764,047	
<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>0</b>	<b>0</b>	<b>7,130,386</b>		<b>4,761,514</b>	<b>11,891,900</b>		<b>2,574,569</b>	
MNsure	11,263,329	1,416,789	1,793,267	2,255,509	0	0	5,465,565		3,839,755	9,305,321		1,958,008	
DHS	3,203,140	534,233	486,565	644,023	0	0	1,664,821		921,759	2,586,579		616,560	
<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>0</b>	<b>0</b>	<b>26,321,845</b>		<b>13,860,619</b>	<b>40,182,464</b>		<b>5,311,470</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>0</b>	<b>0</b>	<b>13,934,747</b>		<b>7,375,692</b>	<b>21,310,439</b>		<b>3,116,690</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	0	0	13,934,747		7,375,692	21,310,439		3,116,690	
<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>0</b>	<b>0</b>	<b>12,387,098</b>		<b>6,484,927</b>	<b>18,872,025</b>		<b>2,194,780</b>	
MNsure	7,232,239	1,397,856	1,859,464	1,269,016	0	0	4,526,336		2,151,810	6,678,146		554,093	
DHS	13,834,566	2,158,565	3,689,832	2,012,365	0	0	7,860,762		4,333,117	12,193,879		1,640,688	
<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>0</b>	<b>0</b>	<b>40,190,601</b>		<b>23,424,026</b>	<b>63,614,627</b>		<b>11,650,086</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>0</b>	<b>0</b>	<b>20,673,117</b>		<b>12,177,585</b>	<b>32,850,702</b>		<b>6,880,737</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	0	0	20,673,117		12,177,585	32,850,702		6,880,737	
<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>0</b>	<b>0</b>	<b>19,517,484</b>		<b>11,246,441</b>	<b>30,763,925</b>		<b>4,769,349</b>	
MNsure	18,495,568	2,814,645	3,652,730	3,524,525	0	0	9,991,901		5,991,566	15,983,467		2,512,101	
DHS	17,037,706	2,692,797	4,176,397	2,656,389	0	0	9,525,583		5,254,876	14,780,458		2,257,248	

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.