



funds are distributed on a reimbursement basis only. The Corporation reports that on average, it takes 23 days after the funds have been expended for the Healthy Kids program to receive either the federal or state reimbursement. When cash is not available to meet premium costs or operational expenses, the Corporation must exercise a line of credit. By maintaining an operating fund, the need to exercise the Corporation's line of credit and associated interest charges is avoided.

Currently, it is the Corporation's policy to maintain a reserve fund equivalent to the amount needed to continue premiums for enrollees for a thirty (30) day period and to allow for a six month dissolution of the Corporation. The Corporation estimates that an operating fund equal to 25 percent of annual expenditures would be sufficient to meet the Corporation's fiscal management needs.

### **III. Effect of Proposed Changes:**

Senate bill 968 allows the Florida Healthy Kids Corporation to maintain an operating fund equal to 25 percent of annualized operating expenses. The bill requires that any remaining cash balances of state funds shall be returned to the state upon the dissolution of the Corporation.

The effective date of the bill is July 1, 2002

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

#### **B. Public Records/Open Meetings Issues:**

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

#### **C. Trust Funds Restrictions:**

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

### **V. Economic Impact and Fiscal Note:**

#### **A. Tax/Fee Issues:**

None.

#### **B. Private Sector Impact:**

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

---

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

---