

## Florida State Boxing Commission

# Annual Report Fiscal Year 2012-2013

Rick Scott Governor

Ken Lawson Secretary



Florida Department of  
Business &  
Professional  
Regulation



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## Message from the Secretary

Dear Fellow Floridians,

Throughout Fiscal Year 2012/2013, the Department of Business and Professional Regulation made great strides toward our goal of being more efficient and creating an environment where qualified licensees have a better experience with us. Through various improvements to our business processes, I know we are on the right path to achieving our mission to license efficiently and regulate fairly.

On the outside, it may surprise some that we have more than one million customers – both licensed businesses and professionals. It is crucial that when each customer needs assistance, we are available to help them as quickly and efficiently as possible. Recently, DBPR's Customer Contact Center ran a report that noted we received more than one million calls last year and the average hold time was less than two minutes. This is a significant achievement because we know how busy our licensees are and we don't want to take up their precious time when they can be getting back to work.

Next, our extensive online system has become even more advanced to make the application and renewal process quicker and more efficient. During Fiscal Year 2012/2013, more than 40 percent of all licensure applications were filed online, which expedited the licensing process. Moreover, our system currently allows most business types the option to renew online and the average license processing time is less than three days.

Not only has our average license processing time gone down, we have made several improvements to applications to ask only relevant questions and require relevant information to be submitted, so they are easier to understand. As a result, we have noticed a reduced amount of application deficiencies, which means fewer delays as a result of incorrectly completed applications, allowing qualified professionals to get to work faster.

Lastly, it's important to note that we don't only serve our licensees. The safety of the public is something that is always a priority, so we do our best to provide as much information on our website as possible. Information regarding licensed individuals and businesses, how to file a complaint and hotel and restaurant inspection reports are available to the public 24 hours a day on our website at [www.myfloridalicense.com](http://www.myfloridalicense.com).

At the Department, we come to work each day asking ourselves how we can be better, what can we do to get Floridians back to work quicker, and I am thrilled to report such successes with our processes. Our commitment to serving the people of Florida is not something we take lightly, and it is truly an honor to have the opportunity to do so. I know we'll have even more great accomplishments to report next year!

Sincerely,



Ken Lawson, Secretary  
Department of Business and Professional Regulation



## Mission

License efficiently. Regulate fairly.

## Our Vision

We will make DBPR and Florida great places to do business. To that end, we will invest in our employees, treat our licensees as valued customers and partners and uphold laws that protect the public and Florida's competitive marketplace.

## Our Values

### Accountability

We hold ourselves to the highest standards on behalf of our customers and the public.

### Innovation

We foster an environment that encourages everyone to seek ways to make DBPR and Florida great places to do business without the constraints of fear of change or long held practices.

### Integrity

We are fair and honest in all that we do so that our employees and customers trust our decisions.

### Ownership

We embrace our responsibility to serve and see things through to resolution.

### Responsiveness

We are approachable and empathetic, we provide timely, accurate and consistent information and we offer alternative solutions when available.

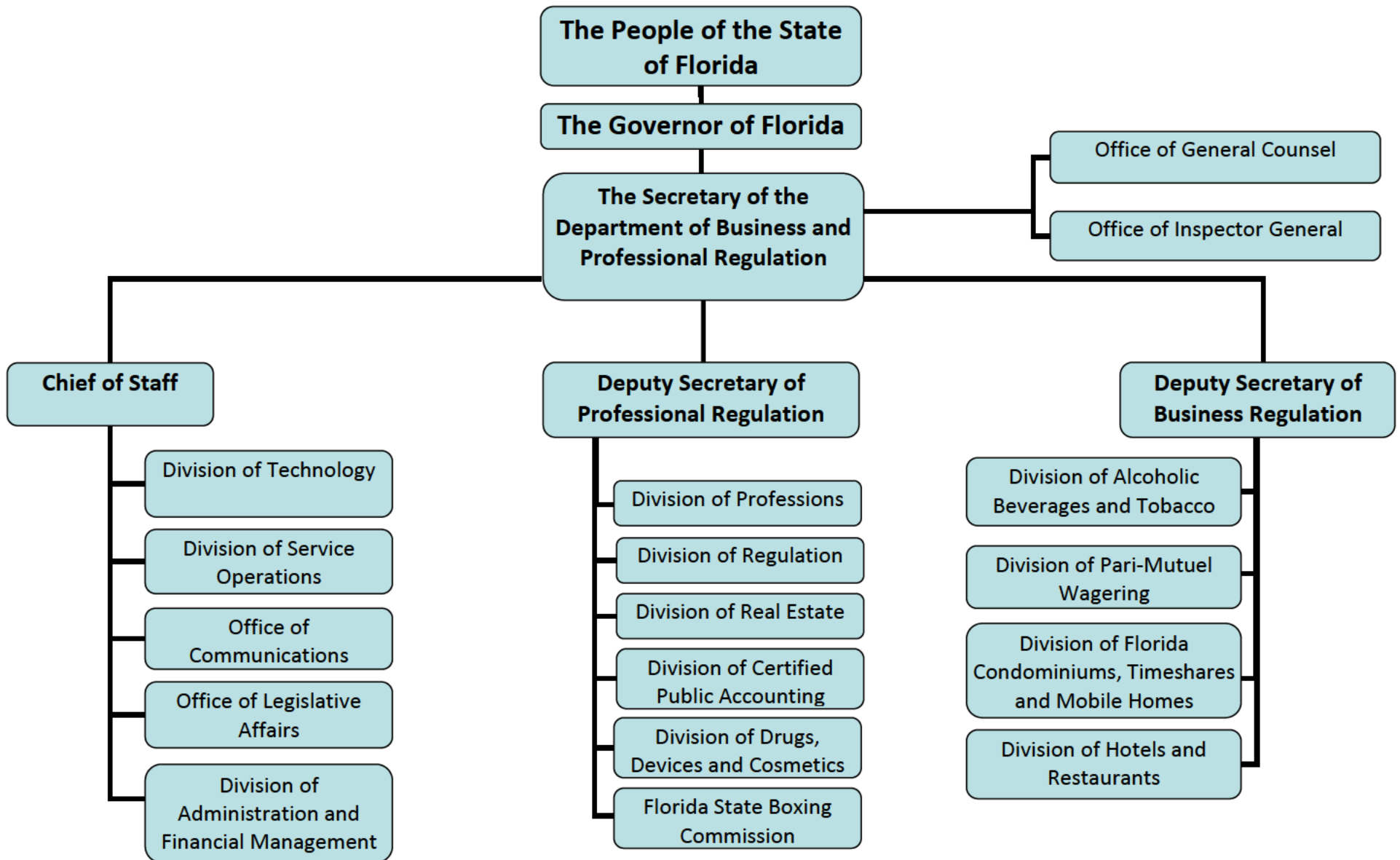
### Respect

We treat our employees and customers with fairness and courtesy and appreciate each person's viewpoint.

### Teamwork

We understand, rely upon and cultivate the talents of our colleagues and customers to help us reach our goals.





## Executive Summary

This report prepared pursuant to Section 548.005, Florida Statutes, details the Department of Business and Professional Regulation's long-range planning and monitoring process and provides statistics regarding its enforcement and discipline of the professions it regulates. The report includes estimates of the Florida State Boxing Commission's revenues, expenditures, cash balances and performance statistics for the next five years.

During FY 2012-2013, the Department continued to prioritize Governor Scott's mission to create 700,000 jobs in Florida in seven years.

- The **CustomerSuccess!** Project establishes a new quality control process designed to enhance and engrain the Division of Profession's cultural focus on determining what processes make our customers successful, measuring those processes, and improving their performance. **CustomerSuccess!** provides a permanent process to build upon the gains achieved through the ApplyNow! Project and reinforces the Division of Professions' commitment to the success of our customers. **CustomerSuccess!** seeks to improve business processes and streamline work flow; improve the online application process and accessibility; and improve performance metrics through the coordinated efforts of "Performance Action Teams" (PATs).
- Governor Rick Scott established the **Office of Fiscal Accountability and Regulatory Reform** (OFARR) to eliminate duplicative or unnecessarily burdensome rules. The Department reviewed every subsection of each rule within the Department's jurisdiction pursuant to Executive Order 11-72. The Department is currently continuing the process of repealing those rules identified as being duplicative or unnecessarily burdensome.
- The Department obtained additional funding for the Florida Homeowner's Construction Recovery Fund. These initiatives have helped to restore financially injured consumers.

Thanks to successful initiatives such as these, the Division of Professions is proud to announce many goals met throughout the year, including:

- A decrease in the overall application deficiency rate by 5% with an approximate 30% reduction in Construction Industry applications.
- An anticipated claim payout from the Florida Homeowners' Construction Recovery Fund for FY 2013-2014 of \$7,986,624.17 compared to \$2,086,119.63 in FY 2012-2013.
- Administration of licensure examinations at many correctional institutions, allowing inmates the opportunity to gain education during their time served and a higher chance for employment after their incarceration release.
- Issuance of 64 licenses since implementing the Military Fee Waiver program in July 2012. There has been \$9,064 total savings to applicants.
- A notable increase of 18,000 more professional examinations administered by the Bureau of Education and Testing from the last fiscal year.

The Florida State Boxing Commission licenses and regulates professional boxing, kickboxing and mixed martial arts and approves amateur boxing, kickboxing and mixed martial arts sanctioning organizations. Safety is the Commission's top priority. It ensures that all matches are conducted in accordance with provisions of state laws and rules. It also makes certain that health and safety requirements are met and that matches are competitive and physically safe for participants. In March 2013, Rule Chapter 61-K1-4, Florida Administrative Code, became effective. This chapter defines rules for amateur sanctioning organizations and participants involved in amateur activities.

The Commission is streamlining business practices to ensure process effectiveness and efficiency. Online applications were deployed in October 2013. This will modernize the licensing process, increase efficiency as well as strengthen controls over cash. A by-product of this effort will be more expedited conduct of the weigh-In process. The Commission will work proactively with promoters and matchmakers to ensure licensure occurs prior to the weigh-in so that the most important activities, participant physicals and weighing in, become the focus.

The Commission continues to look for ways to reduce expenses. Additional event coordinators and inspectors have been hired to ensure that staff is geographically located in close proximity to professional venues to ensure "cost effective" assignments. In the year ahead, we will focus on hiring staff in the Panhandle as it is costly to make assignments utilizing staff in Central and South Florida.

The Commission remains committed to its mission to provide customer-focused services related to the combat sports industry in Florida in order to protect the health and welfare of participants and maintain its integrity. The Commission will continue its efforts to protect the public health, safety and welfare; improve customer service and assist individuals and businesses who wish to enter Florida's workforce. We intend to partner with our stakeholders to ensure that we address issues from both sides and strive to successfully meet the needs of both the profession and the Commission.

## Florida State Boxing Commission



The Florida State Boxing Commission regulates professional boxing, kickboxing and mixed martial arts and approves amateur sanctioning organizations pursuant to Chapter 548, Florida Statutes and Rule Chapter 61K1, Florida Administrative Code. The Commission's mission is to provide customer-focused services related to the combat sports industry in Florida in order to protect the health and welfare of participants and to maintain its integrity.

In Fiscal Year (FY) 2012-13, the Commission was budgeted \$601,272<sup>1</sup> and staffed with four full-time employees: Executive Director, Assistant Executive Director, Government Analyst and Administrative Assistant. In addition, part-time OPS employees are utilized throughout the state to ensure the health, safety and integrity of Commission-sanctioned matches.

The Commission collects revenue via licenses, live event permit fees, fines and taxation on gross receipts associated with live events.

Over the last five years, the number of combat sports events ranged from 67 in FY 2008-09 to 39 in FY 2012-13. The chart below depicts the total number of boxing, kickboxing and mixed martial arts events over the last five years.

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<sup>1</sup> The Commission also received \$200,000 in General Revenue funds for a total budget of \$810,272.



Events	2008-09	2009-10	2010-11	2011-12	2012-13
Mixed Martial Arts	33	32	31	26	23
Boxing	34	33	40	25	15
Kickboxing					1
Total Events	67	65	71	51	39

The Florida State Boxing Commission has earned a national reputation for providing safe, entertaining and competitive boxing, kickboxing and mixed martial arts events in Florida. In Fiscal Year 2013-14, it is anticipated that the total number of professional combat sports events taking place in Florida will exceed 41 events.

Amateur combat sports, particularly amateur mixed martial arts, continue to rise in popularity in Florida. Amateur sanctioning organizations are licensed to monitor and oversee amateur activities. Currently, there are 19 Amateur Sanctioning Organizations. The Commission is responsible for periodic compliance checks of the approved amateur sanctioning organizations to ensure enforcement of approved health and safety standards and supervision of matches. The Division of Regulation conducts compliance checks on behalf of the Commission.

During Fiscal Year 2012-13, the Division of Regulation conducted 15 compliance checks. In March 2013, mandatory notification to the Commission of sanctioned amateur events became effective. It is estimated, based on information received, that over 300 amateur events take place in Florida each year. Commission and Regulation management and staff are currently participating in training sessions to ensure that Division of Regulation investigators are informed and educated with regard to what to look for in the amateur environment. Further, to enhance the training experience, Regulation staff is shadowing Commission staff during professional events.

License Type	Total
Participants	230
Seconds	304
Trainers	232
Managers, Management Companies	61
Promoters	29
Matchmakers	19
Judges	36
Referees	14
Announcers	10
Concessionaires	1
Booking Agents	1
Timekeepers	6
Officer	57
Amateur Sanctioning Organization	32
Ringside Physicians	24
<b>Totals</b>	<b>1056</b>

Licensee Data: Fiscal Year 2012-13

## Long-Range Policy Planning and Monitoring Overview

**Section 548.005, Florida Statutes**, requires the Commission and Department, where appropriate, to develop and implement a long-range policy planning and monitoring process, including estimates of revenues, expenditures, cash balances and performance statistics for each profession. The period covered shall not be less than five years. The Department is required to monitor compliance with the approved long-range plan and provide concise management reports to the Commission quarterly. Detailed copies of the financial management reports and five-year projections are provided on page 13.

As part of its long range plan, the Department shall evaluate:

- Whether the Commission is operating efficiently and effectively and if there is need for assistance to help the Commission in ensuring cost-effective regulation.
- How and why combat sports are regulated.
- Whether there is a need to continue regulation and to what degree.
- Whether licensees and consumer protection is adequate and how it can be improved.
- Whether unlicensed activity is adequately enforced.

## **Efficient and Effective Operations**

Section 548.005 (2) (a), Florida Statutes, requires the Department to evaluate whether the Commission is operating efficiently and effectively.

The Florida State Boxing Commission provides service and oversight to 15 license types as well as amateur boxing, kickboxing and mixed martial arts sanctioning organizations. The Commission collects revenue via license fees, event permit fees, fines and taxation on gross receipts associated with live events.

The repeal of Section 548.061, F.S., eliminated a provision that required boxing, kickboxing and mixed martial arts promoters to pay five percent of gross receipts from closed circuit matches telecast to Florida. The loss of pay-per-view revenue and the cumulative effect of under-reported post event taxes from tickets sold and provided as complimentary are significant factors contributing to the deficit faced by the Commission.

The Commission is, however, making progress in addressing budget deficiencies by ensuring the accuracy of permit fee collections and post event tax payments received. As a result, FY 2012-13 post event tax collections doubled.

On-line applications were deployed in October 2013. This will modernize the licensing process, increase efficiency as well as strengthen controls over cash. This option will also contribute to a more expedited weigh-In process.

The Commission continues to work toward the reduction of travel expenses by hiring staff in close proximity to professional venues.

We continue to solicit feedback from officials and other licensees regarding the effectiveness and efficiency of operations. This input will be used to effect ongoing improvement of business practices.

## **Regulation and Consumer Protection**

Section 548.005 (2) (b) (d), Florida Statutes, requires the Department to evaluate how and why combat sports are regulated; whether there is a need to continue regulation and to what degree; and whether consumer protection is adequate and how it can be improved.

Section 11.62(2), Florida Statutes, provides that the intention of the Florida Legislature is that no profession or occupation be subject to regulation by the state unless the regulation is necessary to protect the public health, safety or welfare from significant and discernible harm or damage, and that the police power of the state be exercised only to the extent necessary for that purpose. The statute also provides that no profession or occupation be regulated by the state in a manner that unnecessarily restricts entry into the practice of the profession or occupation or adversely affects the availability of the professional or occupational services to the public.

Department regulatory activities are designed to protect the public health, safety and welfare. Regulatory oversight is appropriate to enforce the specific qualifications for each license type, to accept and investigate complaints against licensees and to provide support to the Commission in rulemaking and disciplinary procedures. The Department is continuously working to improve customer service and to reduce regulatory barriers while maintaining a high standard of consumer protection.

The Florida State Boxing Commission works with the Division of Regulation and Department's General Counsel to provide complaint intake, investigation and prosecution of violations of Chapter 548, Florida Statutes. To improve customer service and accountability, the Commission conducted a number of rule workshops to evaluate Chapter 61K1-1, Florida Administrative Code (F.A.C), to obtain input from licensees and conduct a review to identify cumbersome regulation. Rules regarding amateur activities, Rule Chapter 61K1-4, F.A.C. became effective in March 2013.

In addition, training seminars regarding compliance checks and what to be aware of at amateur events have been provided to Division of Regulation staff by Commission management. Regulation staff has been able to shadow Commission inspectors at professional events for hands-on experience.

## **Unlicensed Activity Program**

Section 548.003 (2) (e), Florida Statutes, requires the Department to evaluate whether unlicensed activity is adequately enforced. With a duty to protect the health, safety and welfare of Florida citizens and visitors, the Department placed great emphasis on unlicensed activity through proactive efforts and investigations.

Officials, assigned by the Commission, ensure the integrity of sanctioned professional events. The Commission is required by Section 548.057, Florida Statutes to ensure that all referees, judges, and other officials are Florida-licensed. Section 61K1-1.003 (1), Florida Administrative Code sets forth licensing requirements for these officials and specifically notes that no person may act as a timekeeper, judge, physician, or referee without first obtaining the appropriate license. Participants require licensure as well.

The Department's Office of Inspector General's audit of the commission released in October 2012 identified weaknesses in the licensing process. To address these weaknesses, staff provide greater oversight, and the business process has been reengineered to include online services.

The implementation of online applications will enhance controls over the licensing process. It will be easier for licensees to apply for licensure and for staff to manage the process. In addition, field staff laptops have been refreshed and updated to ensure that data can be accessed in the field to determine whether or not licenses are current.



STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
**FLORIDA STATE BOXING COMMISSION**  
OPERATING ACCOUNT  
ACTUAL AND PROJECTED REVENUES, EXPENSES  
AND CHANGES IN ACCOUNT BALANCE  
FISCAL YEARS ENDING JUNE 30, 2009 THROUGH JUNE 30, 2018

	Actual					Projected				
	JUNE 30 2009	JUNE 30 2010	JUNE 30 2011	JUNE 30 2012	JUNE 30 2013	JUNE 30 2014	JUNE 30 2015	JUNE 30 2016	JUNE 30 2017	JUNE 30 2018
<b>REVENUES</b>										
Fees and Charges	\$ 74,359	\$ 97,589	\$ 146,240	\$ 79,020	\$ 84,610	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220	\$ 86,220
Licenses	56,924	59,141	57,860	64,603	57,842	57,842	57,842	57,842	57,842	57,842
Taxes Post Event	743,636	577,212	524,551	206,254	235,582	250,000	250,000	250,000	250,000	250,000
Fines	9,886	15,052	14,806	3,995	4,454	3,995	3,995	3,995	3,995	3,995
Investment Earnings	-	696	5,189	2,105	-	-	-	-	-	-
Refund Revenue	1,845	34	2,173	2,055	143	-	-	-	-	-
Unassigned	-	151,447	(157,047)	(6,629)	3,016	-	-	-	-	-
Transfer in from General Revenue	-	-	-	-	200,000	515,824	308,153	215,527	215,527	215,527
Other Revenues	37,978	25,455	11,300	14,227	7,232	7,232	7,232	7,232	7,232	7,232
<b>Total Revenues</b>	<b>924,628</b>	<b>926,626</b>	<b>605,072</b>	<b>365,630</b>	<b>592,879</b>	<b>921,113</b>	<b>713,442</b>	<b>620,816</b>	<b>620,816</b>	<b>620,816</b>
<b>EXPENSES</b>										
<b>Commission Office</b>										
Commission Administrative Office	575,289	521,967	608,657	497,621	499,403	455,890	455,890	455,890	455,890	455,890
Refunds	-	-	1,800	17,025	-	-	-	-	-	-
Service Charge to General Revenue	66,990	72,505	44,052	27,703	30,138	32,423	32,423	32,423	32,423	32,423
Investment/Administrative Fee	28,477	-	-	-	-	-	-	-	-	-
Attorney General	-	-	44,954	62,935	7,642	7,642	7,642	7,642	7,642	7,642
Investigations	-	-	35,034	21,927	34,442	34,442	34,442	34,442	34,442	34,442
Call Center	-	-	908	1,296	2,577	1,296	1,296	1,296	1,296	1,296
Central Intake	-	-	-	-	5,143	5,143	5,143	5,143	5,143	5,143
Bank Charges	-	-	-	-	76	76	76	76	76	76
<b>Department Administrative Costs</b>										
Administration	100,256	42,595	68,964	54,314	36,524	36,524	36,524	36,524	36,524	36,524
General Counsel/Legal	9,462	864	869	4,962	51,225	26,013	26,013	26,013	26,013	26,013
Information Technology	34,758	24,407	29,153	21,367	38,366	21,367	21,367	21,367	21,367	21,367
Interest on Temporary Investment	-	-	-	-	-	-	-	-	-	-
Doah	-	-	-	1,111	-	-	-	-	-	-
<b>Total Expenses</b>	<b>815,232</b>	<b>662,338</b>	<b>834,391</b>	<b>710,261</b>	<b>705,536</b>	<b>620,816</b>	<b>620,816</b>	<b>620,816</b>	<b>620,816</b>	<b>620,816</b>
Excess (Deficiency) of Revenues Over (Under) Expenses	109,396	264,288	(229,319)	(344,631)	(112,658)	300,297	92,626	-	-	-
<b>TRANSFERS</b>										
Cash Bonds to Promoters	-	-	-	-	-	-	-	-	-	-
Transfers (to)/from Administrative Trust Fund	-	-	-	-	-	-	-	-	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN ACCOUNT BALANCE</b>	<b>109,396</b>	<b>264,288</b>	<b>(229,319)</b>	<b>(344,631)</b>	<b>(112,658)</b>	<b>300,297</b>	<b>92,626</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACCOUNT BALANCE, Beginning of Period</b>	<b>(94,353)</b>	<b>15,043</b>	<b>279,332</b>	<b>50,013</b>	<b>(294,618)</b>	<b>(392,924)</b>	<b>(92,627)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Correction of Beginning Balance 7-1-2012</b>					14,352					
<b>ACCOUNT BALANCE, End of Period</b>	<b>\$ 15,043</b>	<b>\$ 279,332</b>	<b>\$ 50,013</b>	<b>\$ (294,618)</b>	<b>\$ (392,924)</b>	<b>\$ (92,627)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>