

Florida State Boxing Commission

Annual Report

Fiscal Year 2013-2014

Rick Scott Governor

Ken Lawson Secretary

Florida Department of
**Business & Professional
Regulation**

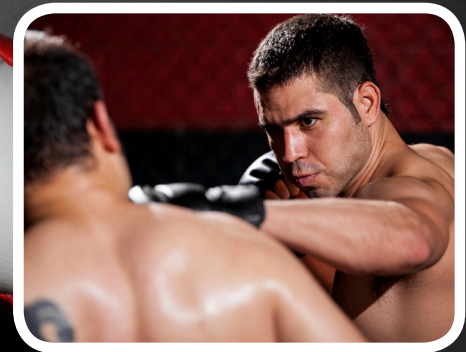


Table of Contents

Title	Page
DBPR Information	
• Message from the Secretary	2
• Department Mission	3
• Organizational Chart	4
• Executive Summary	5
• Florida State Boxing Commission	6
 Long Range Planning and Monitoring	
• Overview	8
• Efficient and Effective Operations	9
• Regulation and Consumer Protection	10
• Unlicensed Activity	11
• Actual and Projected Revenues, Expenses and Changes in Account Balances Fiscal Years Ending June 30, 2010 through June 30, 2019	12

Message from the Secretary

Dear Fellow Floridians:

These are exciting times for the Florida State Boxing Commission! During Fiscal Year 2013-2014, the Commission sanctioned 47 world class professional events, proving that Florida remains a top destination in the country for boxing, kickboxing and mixed martial arts. As Secretary, I have the privilege of leading Commission staff through making continued improvements to health and safety standards, streamlining business practices and eliminating unlicensed activity.

During Fiscal Year 2013-2014, the Commission conducted a number of rule workshops to evaluate Chapter 61K1, Florida Administrative Code. As a result, the Commission is in the process of rulemaking to strengthen health and safety standards and to eliminate outdated and unnecessary regulation.

Amateur combat sports, particularly amateur mixed martial arts, continue to rise in popularity in Florida. To ensure the health and safety of amateur combatants, the Division of Regulation conducted 29 compliance checks at amateur events sanctioned by Amateur Sanctioning Organizations during Fiscal Year 2013-2014. This is almost double the number of inspections conducted during the prior Fiscal Year.


Recent changes have modernized the licensing and notification process, increased efficiency and strengthened cash controls. Boxing applications are now available online and they are processed by the Central Intake and Licensing Unit, which is housed within the Division of Service Operations. In June 2014, the Commission provided an online notification system which allows Amateur Sanctioning Organizations to easily provide advance notice of amateur boxing, kickboxing and mixed martial arts events.

Commission staff, inspectors and event coordinators have implemented new processes to combat unlicensed activity. Pre and post event audits of Commission records and heightened diligence during professional events ensures that everyone in the locker rooms and in or around rings and cages are properly licensed.

The Commission is making progress in addressing budget deficiencies by continuing to ensure the accuracy of permit fee collections and post event tax payments received. 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. We have focused on hiring staff in the Panhandle as it is costly to make assignments utilizing staff from Central and South Florida.

We are committed to ensuring health and safety, improving our processes, and eliminating unnecessary regulation. Our commitment to serving the people of Florida is not something that we take lightly, and it is truly an honor to have the opportunity to do so. I look forward to what we will be able to accomplish in the next Fiscal Year!

Sincerely,



Ken Lawson, Secretary

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.

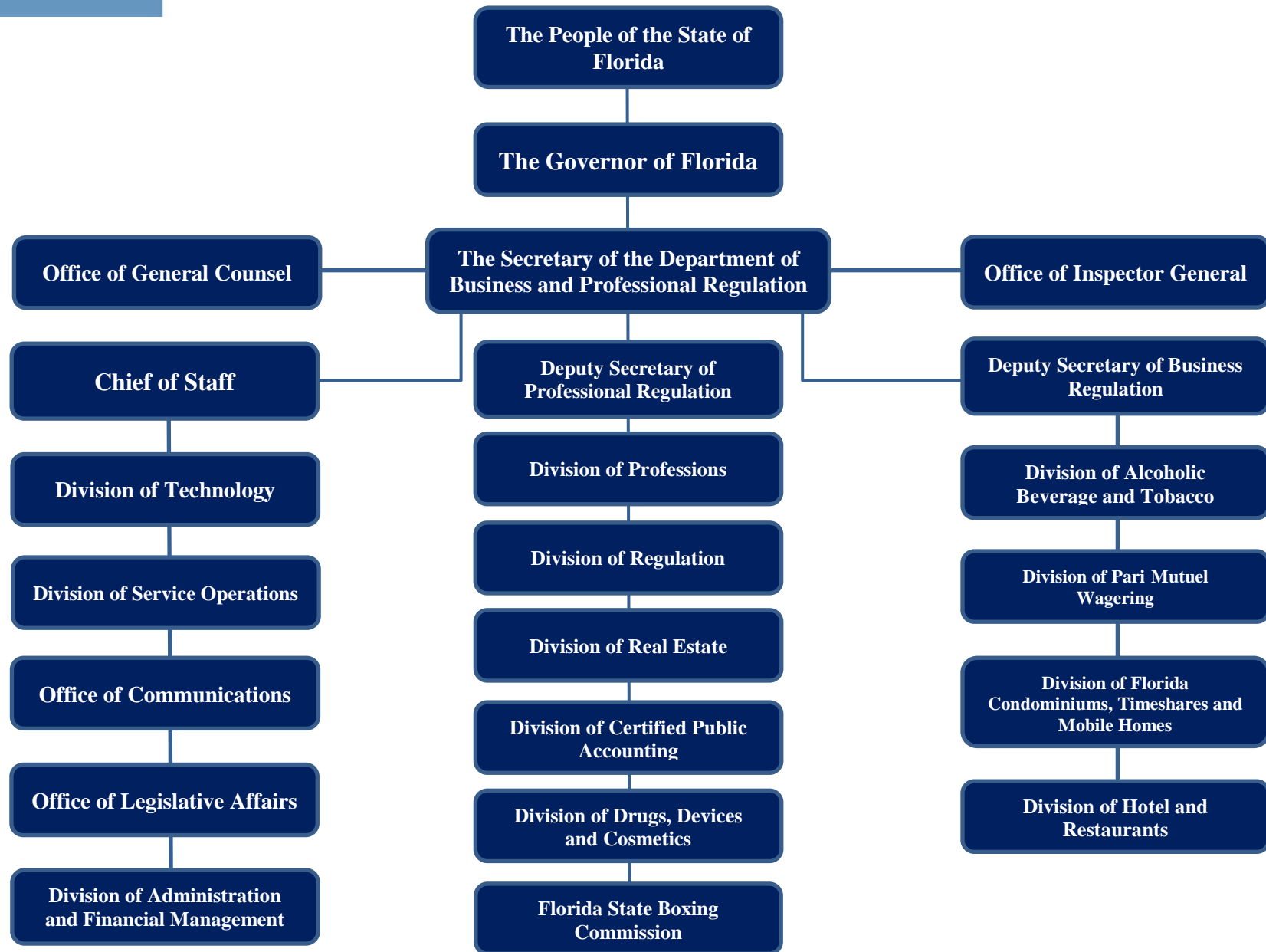
Respect

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

The 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.

The Commission is streamlining business practices to ensure process effectiveness and efficiency. Recent improvements include:

- Applications are now available online and they are processed by the Central Intake and Licensing Unit, which is housed within the Division of Service Operations. This has modernized the licensing process, increased efficiency and strengthened cash controls.
- Chapter 61K1-4, Florida Administrative Code, requires Amateur Sanctioning Organizations to provide the Commission with 10-day advance notice for all amateur boxing, kickboxing and mixed martial events. In June 2014, the Commission provided an online notification system which allows Amateur Sanctioning Organizations to easily provide the required notice.
- The Commission continues to work proactively with promoters and matchmakers to ensure licensure occurs prior to the weigh-in so that the most important activities of performing physicals and weighing in participants become the focus.
- 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. We have focused on hiring staff in the Panhandle as it is costly to make assignments utilizing staff from 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 2013-14, the Commission was budgeted \$878,588¹ 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 by 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 65 in Fiscal Year 2009-10 to 47 in Fiscal Year 2013-14. The chart below depicts the total number of boxing, kickboxing and mixed martial arts events over the last five years.

Events	2009-10	2010-11	2011-12	2012-13	2013-14
Mixed Martial Arts	32	31	26	23	20
Boxing	33	40	25	15	27
Kickboxing				1	
Total Events	65	71	51	39	47

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 2014-15, it is anticipated that the total number of professional combat sports events taking place in Florida will increase.

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 22 Amateur Sanctioning Organizations. In June 2014, the ability for online notification to the Commission of sanctioned amateur events went live. 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 2013-14, the Division of Regulation conducted 29 compliance checks, which is almost double the number from the prior year.

¹ The Commission also received \$515,824 in General Revenue funds for a total budget of \$1,394,412.

Applications are now available online and they are processed by the Central Intake and Licensing Unit, which is housed within the Division of Service Operations. This has modernized the licensing process, increased efficiency and strengthened cash controls.

Licensee Data: Fiscal Year 2013-14

License Type	Total
Participants	268
Seconds	313
Trainers	226
Managers, Management Companies	66
Promoters	27
Matchmakers	21
Judges	48
Referees	17
Announcers	13
Timekeepers	7
Officer	60
Amateur Sanctioning Organization	22
Ringside Physicians	23
Totals	1111

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 herein.

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 12 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 Commission is making progress in addressing budget deficiencies by continuing to ensure the accuracy of permit fee collections and post event tax payments received. As a result, Fiscal Year 2014-15 post event tax collections are expected to increase.

Applications are now available online and they are processed by the Central Intake and Licensing Unit, which is housed within the Division of Service Operations. This has modernized the licensing process, increased efficiency and strengthened cash controls.

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. We have focused on hiring staff in the Panhandle as it is costly to make assignments utilizing staff from Central and South Florida.

Chapter 61K1-4, Florida Administrative Code, requires Amateur Sanctioning Organizations to provide the Commission with 10-day advance notice for all amateur boxing, kickboxing and mixed martial events. In June 2014, the Commission provided an online notification system which allows Amateur Sanctioning Organizations to easily provide the required notice.



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, during Fiscal Year 2013-14, the Commission conducted a number of rule workshops to evaluate Chapter 61K1-1, Florida Administrative Code, to obtain input from licensees and conduct a review to identify cumbersome regulation.

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, ring-side physicians, or referee without first obtaining the appropriate license. Participants, announcers, managers, matchmakers, promoters, seconds and trainers require licenses as well.

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. Other measures have been implemented in Fiscal Year 2013-14 to include training of Commission staff, inspectors and event coordinators, which focused on implementing the following processes to curtail unlicensed activity:

- Pre event audits of Commission records to ensure that judges, referees, promoters, matchmakers, booking agents, timekeepers and managers are properly licensed. This includes verification that ring-side physicians also hold clear and active medical licenses.
- Post event audits of Commission records to ensure that all participants, seconds and trainers were properly licensed during the event or that they submitted the proper license applications during the event.
- Inspectors utilize checklists and or wrist-bands during the event to ensure that everyone in and around the rings / cages and dressing-rooms are licensed.

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, 2010 THROUGH JUNE 30, 2019

	Actual		Actual		Projected					
	JUNE 30 2001	JUNE 30 2002	JUNE 30 2012	JUNE 30 2013	JUNE 30 2014	JUNE 30 2015	JUNE 30 2016	JUNE 30 2017	JUNE 30 2018	JUNE 30 2019
REVENUES										
Fees and Charges	\$ 2,665	\$ -	\$ 79,020	\$ 83,811	\$ 91,775	\$ 91,790	\$ 91,790	\$ 91,790	\$ 91,790	\$ 91,790
Licenses	22,745	22,357	64,603	57,842	63,350	63,350	63,350	63,350	63,350	63,350
Taxes Post Event	264,413	237,769	206,254	235,582	359,016	269,262	269,262	269,262	269,262	269,262
Fines	7,201	8,894	3,995	4,454	1,627	1,627	1,627	1,627	1,627	1,627
Investment Earnings	908	-	2,105		-	-	-	-	-	-
Refund Revenue	367	-	2,055	143						
Unassigned		6,954	(6,629)	3,016	(7,565)	-	-	-	-	-
Transfer in from General Revenue				200,000	515,824	469,154	326,527	326,527	326,527	326,527
Other Revenues	1,253		14,227	7,232	9,476	9,476	9,476	9,476	9,476	9,476
Total Revenues	299,552	275,974	365,630	592,080	1,033,503	904,659	762,032	762,032	762,032	762,032
EXPENSES										
Commission Office										
Commission Administrative Office	316,919	302,504	497,621	499,403	524,242	524,242	524,242	524,242	524,242	524,242
Refunds			17,025							
Service Charge to General Revenue	22,227	20,408	27,703	30,138	41,861	34,840	34,840	34,840	34,840	34,840
Investment/Administrative Fee	-	-	-	-	-	-	-	-	-	-
Attorney General			62,935	7,642	43,133	25,000	25,000	25,000	25,000	25,000
Investigations			21,927	34,442	27,608	27,608	27,608	27,608	27,608	27,608
Call Center			1,296	2,577	2,596	2,596	2,596	2,596	2,596	2,596
Central Intake				5,143	23,467	23,467	23,467	23,467	23,467	23,467
Bank Charges				76	221	221	221	221	221	221
Department Administrative Costs										
Administration	30,530	40,223	54,314	36,524	42,205	42,205	42,205	42,205	42,205	42,205
General Counsel/Legal			4,962	51,225	30,252	30,252	30,252	30,252	30,252	30,252
Information Technology			21,367	38,366	28,874	28,874	28,874	28,874	28,874	28,874
Interest on Temporary Investment										
Doah			1,111							
Total Expenses	369,676	363,135	710,261	705,536	764,459	739,305	739,305	739,305	739,305	739,305
Excess (Deficiency) of Revenues Over (Under) Expenses	(70,124)	(87,161)	(344,631)	(113,457)	269,044	165,354	22,727	22,727	22,727	22,727
TRANSFERS										
Cash Bonds to Promoters										
Transfers (to)/from Division of Regulation					(22,000)					
Total Transfers	-	-	-	-	(22,000)	-	-	-	-	-
CHANGE IN ACCOUNT BALANCE	(70,124)	(87,161)	(344,631)	(113,457)	247,044	165,354	22,727	22,727	22,727	22,727
ACCOUNT BALANCE, Beginning of Period	329,509	259,385	50,013	(294,618)	(393,723)	(146,679)	18,675	41,402	64,129	86,856
Correction of Beginning Balance 7-1-2012				14,352						
ACCOUNT BALANCE, End of Period	\$ 259,385	\$ 172,224	\$ (294,618)	\$ (393,723)	\$ (146,679)	\$ 18,675	\$ 41,402	\$ 64,129	\$ 86,856	\$ 109,583