

Florida State Boxing Commission

Annual Report

Fiscal Year 2014-2015

Rick Scott Governor
Ken Lawson Secretary

Florida Department of
**Business
Professional
Regulation**

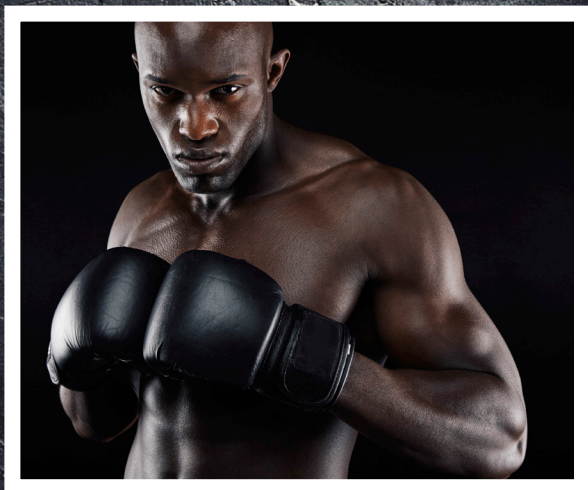


Table of Contents

Title	Page
DBPR Information	
• Message from the Secretary	2
• Department Mission	3
• Organizational Chart	4
• Executive Summary	5
• Florida State Boxing Commission Overview	6
 Long Range Planning and Monitoring	
• Overview	7
• Efficient and Effective Operations	8
• Regulation and Consumer Protection	9
• Unlicensed Activity	10
• Actual and Projected Revenues, Expenses and Changes in Account Balances Fiscal Years Ending June 30, 2011 through June 30, 2020	11

Message from the Secretary

Dear Fellow Floridians:

As Secretary, I have the privilege of leading the Florida State Boxing Commission and I am happy to report that Florida remains a top destination in the country for professional combat sports.

Throughout the year, the Commission sanctioned 41 world-class professional events, including many world title fights. More than half were broadcast on major television networks, and several of the boxing broadcasts ranked number one in Hispanic television. For the first time, Florida hosted *The Ultimate Fighter*, which is a reality television series owned by the Ultimate Fighting Championship (UFC). The success of the reality television series prompted the UFC to promote a professional mixed martial arts event at the Seminole Hard Rock, which generated more than \$40,000 in revenue for the Commission. The UFC will promote a third event in December at the Amway Center in Orlando. Revenue from that event is expected to surpass the last event.

We are committed to ensuring health and safety, improving our processes, and eliminating unnecessary regulation. To accomplish these goals, the Commission is finalizing an overhaul of its administrative rules. During Fiscal Year 2014-15, the Commission held six rules workshops and completely rewrote its health and safety standards for professional boxing, kickboxing and mixed martial arts. As a result, more than 20 administrative rules and all of the Commission's forms have been updated. The new rules and forms modernize regulation to keep pace with a rapidly changing combat sports environment.

Amateur combat sports, particularly amateur mixed martial arts, continue to rise in popularity in Florida. During Fiscal Year 2014-15, the Division of Regulation conducted 31 compliance checks at amateur events sanctioned by Amateur Sanctioning Organizations. These inspections ensure compliance with Florida law and help protect the health and safety of amateur athletes.

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 continue improving the combat sports industry in Florida. 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

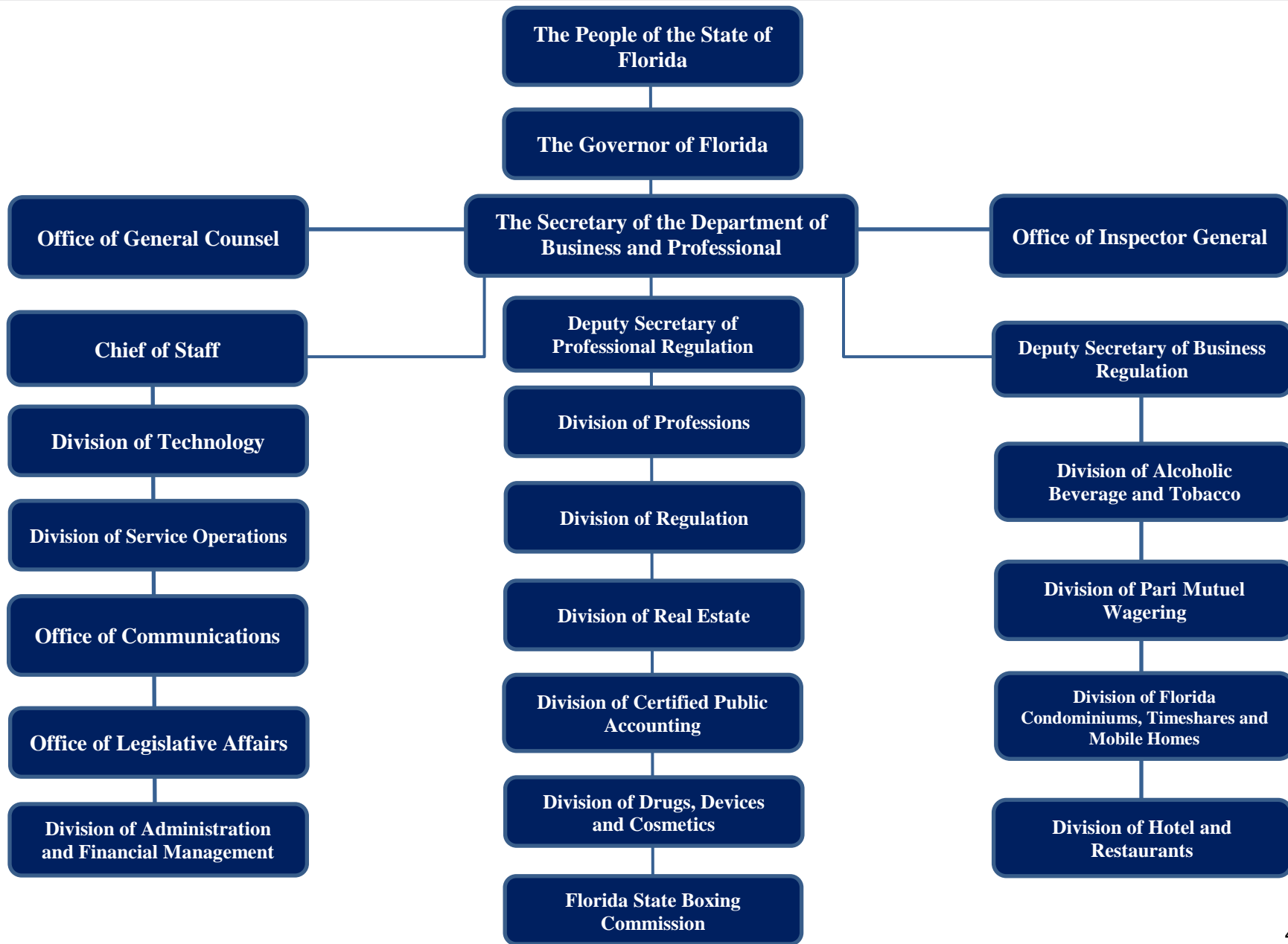
We are approachable and empathetic, we provide timely, accurate and consistent information and we offer alternative solutions when available.

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 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.

During Fiscal Year 2014-2015, Commission staff conducted orientations with new promoters, explaining health and safety regulations, staffing and officials' needs, and ring and cage set-up requirements. In addition, Commission staff strived to improve the service that it provided to promoters by conducting pre-event meetings to discuss pending issues and post-event meetings to discuss the overall outcomes of previous events.

The Commission conducted post-event audits of files to ensure that everyone involved was properly licensed and to ensure that all medical records were collected and that medical suspensions were properly processed.

To ensure the proper collection of revenue, Commission staff performed timely audits of every post-event tax reports filed with the Commission.

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.

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 2014-15, the Commission was budgeted \$1,061,963¹ 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.

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. 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 periodic compliance checks on behalf of the Commission. During Fiscal Year 2014-15, the Division of Regulation conducted 31 compliance checks.

The Commission collects revenue via license fees, event permit fees, fines and taxation on gross receipts associated with live events. The charts below depict the number of licenses issued during Fiscal Year 2014-15 and the total number of boxing, kickboxing and mixed martial arts events over the last five years.

License Type	Total
Participants	244
Seconds	314
Trainers	205
Managers	55
Promoters	26
Matchmakers	19
Judges	41
Referees	17
Announcers	9
Timekeepers	10
Amateur Sanctioning Organization	37
Ringside Physicians	23
Total Licenses	1000

Professional Events	2010 11	2011 12	2012 13	2013 14	2014 15
Mixed Martial Arts	31	26	23	20	22
Boxing	40	25	15	27	19
Kickboxing			1		
Total Events	71	51	39	47	41

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. The Commission is also reducing costs by minimizing expenses in all areas whenever possible.

Based upon its commitment to improve processes and eliminate unnecessary regulation, the Commission is finalizing an overhaul of its administrative rules. During Fiscal Year 2014-15, the Commission held six rules workshops, updating more than 20 administrative rules and all of the Commission's forms. The new rules and forms modernize regulation to keep pace with a rapidly changing combat sports environment.

Additionally, Commission staff is conducting orientations with new promoters, explaining health and safety regulations, staffing and officials' needs, and ring and cage set-up requirements. Staff has improved the service that it provides to promoters by conducting pre-event meetings to discuss pending issues and post-event meetings to discuss the overall outcomes of previous events.

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 intent 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 the Department's Office of the 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 2014-15, 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 physician, or referee without first obtaining the appropriate license. Participants, announcers, managers, matchmakers, promoters, seconds and trainers must be licensed as well.

Commission office staff, inspectors and event coordinators, utilize the following processes to curtail unlicensed activity:

- Pre-event audits of Commission records to ensure that judges, referees, promoters, matchmakers, 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 wristbands during professional events 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, 2011 THROUGH JUNE 30, 2020

	Actual					Projected				
	JUNE 30 2011	JUNE 30 2012	JUNE 30 2013	JUNE 30 2014	JUNE 30 2015	JUNE 30 2016	JUNE 30 2017	JUNE 30 2018	JUNE 30 2019	JUNE 30 2020
REVENUES										
Fees and Charges	\$ 146,240	\$ 79,020	\$ 83,811	\$ 91,775	\$ 82,988	\$ 82,988	\$ 82,988	\$ 82,988	\$ 82,988	\$ 82,988
Licenses	57,860	64,603	57,842	63,330	59,698	59,698	59,698	59,698	59,698	59,698
Taxes Post Event	524,551	206,254	235,582	359,016	149,653	109,653	109,653	109,653	109,653	109,653
Fines	14,806	3,995	4,454	1,627	5,408	5,408	5,408	5,408	5,408	5,408
Investment Earnings	5,189	2,105	-	-	49	-	-	-	-	-
Refund Revenue	2,173	2,055	143	-	2,536	-	-	-	-	-
Unassigned	(157,047)	(6,629)	3,016	(7,565)	2,775	-	-	-	-	-
Transfer in from General Revenue			200,000	515,824	469,154	326,527	326,527	326,527	326,527	326,527
Other Revenues	11,300	14,227	7,232	9,476	30,464	30,464	30,464	30,464	30,464	30,464
Total Revenues	605,072	365,630	592,080	1,033,483	802,725	614,738	614,738	614,738	614,738	614,738
EXPENSES										
Commission Office										
Commission Administrative Office	608,657	497,621	499,403	524,242	572,533	572,533	572,533	572,533	572,533	572,533
Refunds	1,800	17,025	-	-	2,490	-	-	-	-	-
Service Charge to General Revenue	44,052	27,703	30,138	41,861	23,299	23,057	23,057	23,057	23,057	23,057
Investment/Administrative Fee	-	-	-	-	-	-	-	-	-	-
Attorney General	44,954	62,935	7,642	43,133	42,640	30,000	30,000	30,000	30,000	30,000
Investigations	35,034	21,927	34,442	27,608	23,055	23,055	23,055	23,055	23,055	23,055
Call Center	908	1,296	2,577	2,596	1,419	1,419	1,419	1,419	1,419	1,419
Central Intake			5,143	23,467	11,878	11,878	11,878	11,878	11,878	11,878
Bank Charges			76	221	243	243	243	243	243	243
Department Administrative Costs										
Administration	68,964	54,314	36,524	42,205	34,739	34,739	34,739	34,739	34,739	34,739
General Counsel/Legal	869	4,962	51,225	30,252	7,336	7,336	7,336	7,336	7,336	7,336
Information Technology	29,153	21,367	38,366	28,874	27,628	27,628	27,628	27,628	27,628	27,628
Doah		1,111	-	-	-	-	-	-	-	-
Total Expenses	834,391	710,261	705,536	764,459	747,258	731,886	731,886	731,886	731,886	731,886
Excess (Deficiency) of Revenues Over (Under) Expenses	(229,319)	(344,631)	(113,457)	269,024	55,467	(117,148)	(117,148)	(117,148)	(117,148)	(117,148)
TRANSFERS										
Cash Bonds to Promoters										
Transfers (to)/from Division of Regulation										
Total Transfers	-	-	-	-	-	-	-	-	-	-
CHANGE IN ACCOUNT BALANCE	(229,319)	(344,631)	(113,457)	269,024	55,467	(117,148)	(117,148)	(117,148)	(117,148)	(117,148)
ACCOUNT BALANCE, Beginning of Period	279,332	50,013	(294,618)	(393,723)	(124,699)	(69,232)	(186,380)	(303,528)	(420,676)	(537,824)
Correction of Beginning Balance 7-1-2012			14,352							
ACCOUNT BALANCE, End of Period	\$ 50,013	\$ (294,618)	\$ (393,723)	\$ (124,699)	\$ (69,232)	\$ (186,380)	\$ (303,528)	\$ (420,676)	\$ (537,824)	\$ (654,972)