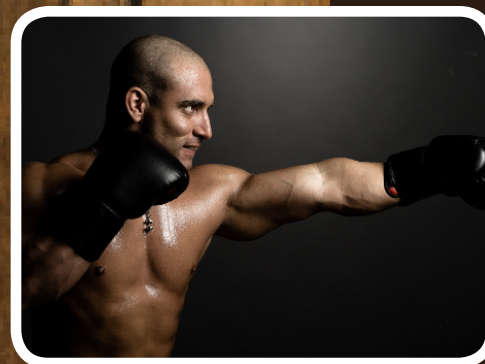


Florida State Boxing Commission

Annual Report Fiscal Year 2011-2012

Rick Scott Governor

Ken Lawson Secretary



Florida Department of
**Business & Professional
Regulation**



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Message from the Secretary

Dear Fellow Floridians,

Fiscal Year 2011/2012 was a great year at the Department of Business and Professional Regulation, and I hope a great year for you as well. Last year, I pledged that our Department was committed to increasing the Department's efficiency and making our processes easier for those that matter: our customers. Over the past 12 months, we've made several improvements which I believe are helping us achieve that goal.

The first improvement we have made and continue to work toward is reducing the license processing times. In October 2008, the average license processing time was 41 days, and as of the end of July 2012, the average had decreased to less than two days. This success can be attributed to three main principles: using technology to maximize use of employees, focusing on core business functions to guide improvements and regularly measuring and evaluating our performance.

Additionally, during the last Legislative Session, the Department proposed a bill to waive initial licensure fees for military veterans who have been honorably discharged within the past 24 months. The new law went into effect July 1, 2012. I am so glad we are able to pass along this small token of appreciation to our military heroes who have sacrificed so much to protect and defend our nation.

Lastly, through our ongoing ApplyNow! Project, we are reviewing existing applications and revising them to ensure they make more sense for each respective profession and our customers. We have completed the revisions to many of the application forms such as construction, cosmetology, and barbers and we will continue to work on other application types in the weeks and months to come.

Through these improvements, I am certain we are on the right track to helping Florida's professionals and businesses get to work. I appreciate all of the feedback I have received from licensees across the state this past year, and I am always open to hearing more. We are committed to serving the people of this great state, and I appreciate the opportunity to do so. Thank you for doing business with us, and I look forward to many more improvements over the next Fiscal 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

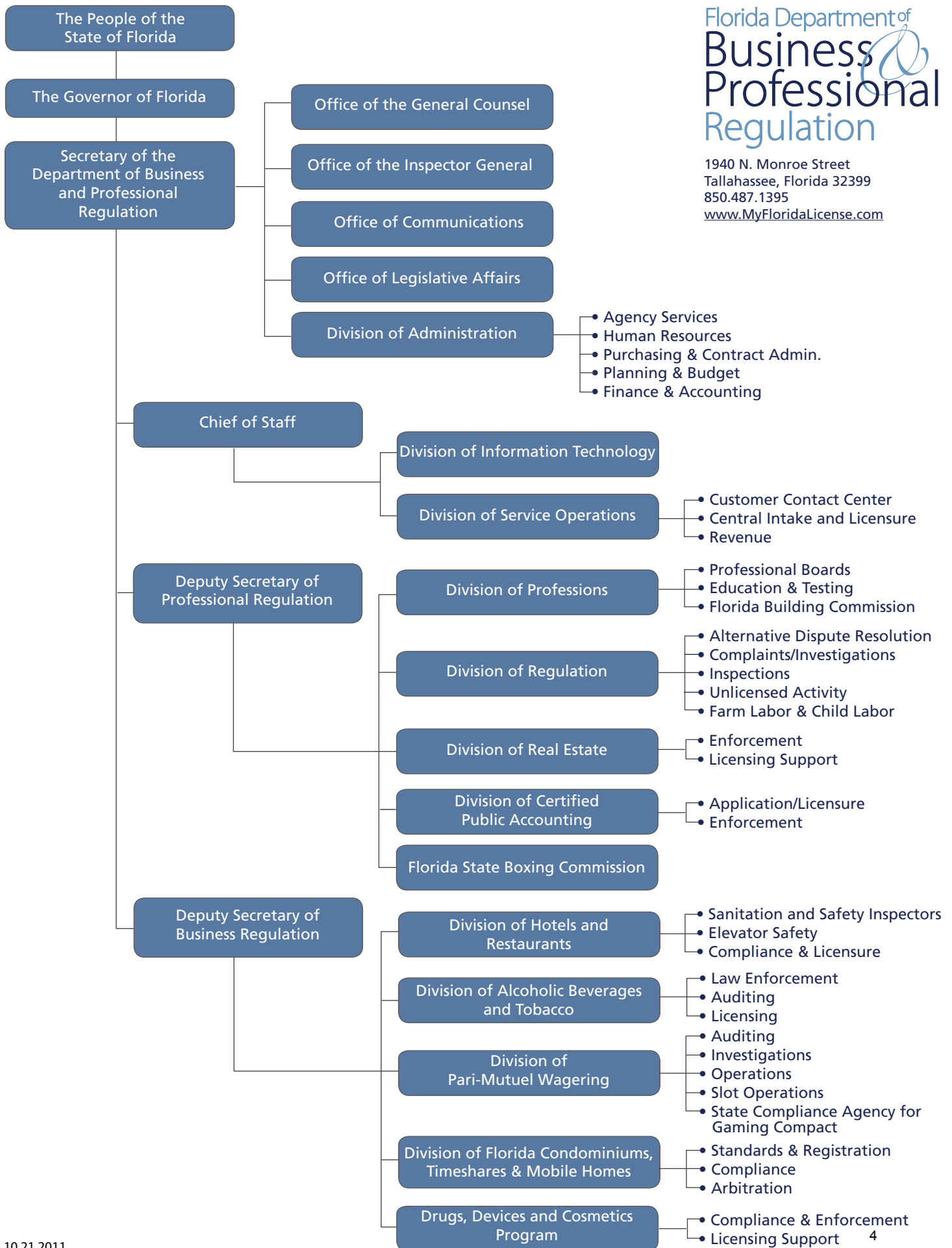
We are approachable and empathetic, we provide timely, accurate and consistent information and we offer alternative solutions when available.

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 2011-12, the Department continued to prioritize Governor Scott's mission to create 700,000 jobs in Florida in seven years. The Department is committed to reducing unnecessary regulation that inhibits job creation and streamlining application processes through the following agency initiatives and others:

- The Department launched the **ApplyNow!** Project to use common sense and accountability to simplify and improve the application process for professions within the Department of Business and Professional Regulation. The Department recognized that application deficiencies result in delays for applicants and an increased workload for the application processing unit. The ApplyNow! Project revised the applications of 19 professions over a 12-month period. The Department also identified many rules for repeal or amendment that were unnecessarily burdensome for applicants.
- 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 continues the process of expanding online license applications with the **Versa Online** project. More applicants now have the ability to upload required documents and fully complete and submit an application online for certain professions. The online system allows for faster processing times, helping our licensees begin working sooner.
- The Department reviewed its statutes to determine where it could make improvements to its business processes to assist its customers and the citizens of Florida. The Department sponsored a number of legislative initiatives during the 2012 legislative session to assist veterans and licensees.

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.

The Commission is working diligently on several items. An audit conducted by the Department's Office of Inspector General revealed issues related to the collection of revenue, unlicensed activity and the protection of confidential information. The Commission's priorities include:

- Upholding health and safety standards;
- Revising current statutes and rules;
- Strengthening controls over the collection of revenue and licensing activities;
- Refining and streamlining the business process; and
- Working with technology staff to adequately protect confidential information.

The Commission remains committed to its mission to provide customer-focused services related to the boxing, kickboxing and mixed martial arts industry in Florida in order to protect the health and welfare of participants and maintain the sport's

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 Chapter 61K1-1, Florida Administrative Code. The Commission's mission is to provide customer-focused services related to the boxing, kickboxing and mixed martial arts industry in Florida in order to protect the health and welfare of participants and to maintain the integrity of the sport.

In Fiscal Year (FY) 2011-12, the Commission was budgeted \$621,598 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 pugilistic events ranged from 74 in FY 2007-08 to 51 in FY 2011-12. The chart on page 8 depicts the total number of boxing and mixed marital arts events over the last five years.

Events	2007-08	2008-09	2009-10	2010-11	2011-12
Mixed Martial Arts	33	33	32	31	26
Boxing	41	34	33	40	25
Total Pugilistic Events	74	67	65	71	51

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.

Amateur mixed martial arts is a relatively new industry being regulated in Florida. Recently, the Commission approved a number of applicants for licensure as amateur mixed martial arts sanctioning organizations. Upon approval, the licensed amateur sanctioning organizations began offering their services to amateur promoters. This young industry is anticipated to grow and bring more amateur sanctioning organizations into Florida over time. Amateur mixed martial arts events will also have a positive impact on businesses as a whole. The events will bring additional revenue to businesses such as promoters, venues, ring rental businesses, announcers, sound technicians, concessionaires and clothing distributors. However, as a new industry, it is important that the State ensures the health, safety and welfare of citizens and participants.

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. It is anticipated that the number of approved mixed martial arts amateur sanctioning organizations will increase, which will increase the number of amateur events in Florida. The Commission is currently monitoring the number of boxing, kickboxing and mixed martial amateur events to determine if additional staff will be necessary to ensure periodic compliance checks are conducted.

Nationally, Florida is among the most active states for amateur and professional boxing and professional mixed martial arts events in the United States. In Fiscal Year 2012-2013, it is anticipated that the total number of pugilistic events in Florida will exceed 51 events.

License Type	Total
Participants	297
Seconds	340
Trainers	288
Managers, Management Companies	87
Promoters	24
Matchmakers	15
Judges	35
Referees	15
Announcers	11

Concessionaires	0
Booking Agents	3
Timekeepers	4
Officer	60
Amateur Sanctioning Organization	29
Ringside Physicians	16
Totals	1,224

Licensee Data: Fiscal Year 2011-12

Long-Range Policy Planning and Monitoring

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 14.

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 pugilistic exhibitions and contest 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 Operation

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. This is a contributing factor to the deficit faced by the Commission. (Please see page 14.) To address this issue, the Department organized a workgroup to explore options to reduce costs and promote pugilistic events in Florida.

The Commission is in the process of implementing audit recommendations to improve the efficiency and effectiveness of operations. Efforts to improve revenue collections and to identify unlicensed activity through the strengthening of controls and oversight are underway. Commission staff is also working with Technology to streamline the current business process related to event and licensing activities. Enhanced use of OnBase, the Department's document imaging system, and the possibility of utilizing the Division of Service Operations to process the collection of revenue and licensing will greatly enhance efficiency and effectiveness of operations. To ensure data integrity, staff is working with the Department's technology staff.

Regulation and Consumer Protection

Section 548.005 (2) (b) (d), Florida Statutes, requires the Department to evaluate how and why pugilistic exhibitions and contests 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, 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 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 Office of Inspector General conducted an audit of the Commission and found issues related to unlicensed activity. The audit identified that some officials assigned by the Commission were not properly licensed. Commission staff is diligently working to strengthen controls over the business process and to ensure the accuracy of licensing data.

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, 2008 THROUGH JUNE 30, 2017

	Actual					Projected				
	JUNE 30 2008	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
REVENUES										
Fees and Charges	\$ 144,585	\$ 74,359	\$ 97,589	\$ 146,240	\$ 79,020	\$ 78,515	\$ 78,515	\$ 78,515	\$ 78,515	\$ 78,515
Licenses	65,699	56,924	59,141	57,860	64,603	62,980	62,980	62,980	62,980	62,980
Taxes	404,608	743,636	577,212	524,551	206,254	115,258	115,258	115,258	115,258	115,258
Fines	2,516	9,886	15,052	14,806	4,032	4,032	4,032	4,032	4,032	4,032
Investment Earnings		-	696	5,189	2,105	-	-	-	-	-
Refunds	9	1,845	34	2,173	2,055	-	-	-	-	-
Unassigned			151,447	(157,047)	(6,629)	-	-	-	-	-
Transfer in from General Revenue						200,000				
Other Revenues	2,397	37,978	25,455	11,300	14,227	14,227	14,227	14,227	14,227	14,227
Total Revenues	619,814	924,628	926,626	605,072	365,667	475,012	275,012	275,012	275,012	275,012
EXPENSES										
Commission Office										
Commission Administrative Office	585,869	575,289	521,967	608,657	497,621	497,621	497,621	497,621	497,621	497,621
Refunds				1,800	17,025					
Service Charge to General Revenue	43,032	66,990	72,505	44,052	27,703	22,001	22,001	22,001	22,001	22,001
Investment/Administrative Fee	-	28,477	-	-	-	-	-	-	-	-
Attorney General				44,954	62,935	62,935	62,935	62,935	62,935	62,935
Investigations				35,034	21,927	21,927	21,927	21,927	21,927	21,927
Call Center				908	1,296	1,296	1,296	1,296	1,296	1,296
Department Administrative Costs										
Administration	53,410	100,256	42,595	68,964	54,314	54,314	54,314	54,314	54,314	54,314
General Counsel/Legal	33,801	9,462	864	869	4,962	4,962	4,962	4,962	4,962	4,962
Information Technology	19,366	34,758	24,407	29,153	21,367	21,367	21,367	21,367	21,367	21,367
Interest on Temporary Investment	947									
Doah					1,111					
Total Expenses	736,425	815,232	662,338	834,391	710,261	686,423	686,423	686,423	686,423	686,423
Excess (Deficiency) of Revenues Over (Under) Expenses	(116,611)	109,396	264,288	(229,319)	(344,594)	(211,411)	(411,411)	(411,411)	(411,411)	(411,411)
TRANSFERS										
Transfers to General Revenue Estimated										
Transfers (to)/from Administrative Trust Fund	-	-	-	-	-	-	-	-	-	-
CHANGE IN ACCOUNT BALANCE	(116,611)	109,396	264,288	(229,319)	(344,594)	(211,411)	(411,411)	(411,411)	(411,411)	(411,411)
ACCOUNT BALANCE, Beginning of Period	22,258	(94,353)	15,043	279,332	50,013	(294,581)	(505,992)	(917,403)	(1,328,814)	(1,740,225)
ACCOUNT BALANCE, End of Period	\$ (94,353)	\$ 15,043	\$ 279,332	\$ 50,013	\$ (294,581)	\$ (505,992)	\$ (917,403)	\$ (1,328,814)	\$ (1,740,225)	\$ (2,151,636)