

LSC Greenbook

Analysis of the Enacted Budget

Ohio Athletic Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio Athletic Commission

- Funding of about \$574,000 for the biennium is 12.5% above spending in the previous biennium
- Waning popularity of mixed martial arts affects revenue in recent years

OVERVIEW

Agency Overview

The Ohio Athletic Commission (ATH) regulates boxing, wrestling, kickboxing, karate, and tough-man contests – the striking sports – in an effort to protect the safety of the participants and the interests of the public. ATH carries out its mission by setting standards for licensure of individuals, granting permits, and conducting sanctioned events. Ohio has been particularly active in regulating amateur mixed martial arts (MMA) events. This is one of the reasons the Ultimate Fighting Championship (UFC) decided to come to Ohio to hold major events. Overall, ATH regulated over 4,100 competitors, promoters, officials, other event personnel, and athlete agents in FY 2011.

ATH's governing authority consists of five voting members appointed by the Governor, including two members knowledgeable in boxing, at least one member knowledgeable and experienced in high school athletics, one member knowledgeable and experienced in professional athletics, and at least one member knowledgeable and experienced in collegiate athletics. One member must be a doctor of medicine or osteopathy. Members receive a per diem in an amount fixed pursuant to state law as well as reimbursement for actual and necessary expenses incurred as part of their duties. The day-to-day operations of the Commission are managed by an executive director, a full-time executive secretary, and a part-time account clerk. The Commission receives no GRF funding; instead, its operations are entirely supported by fee revenue. ATH's annual budgets were \$254,128 and \$256,421, respectively, for FY 2010 and FY 2011.

Appropriation Overview

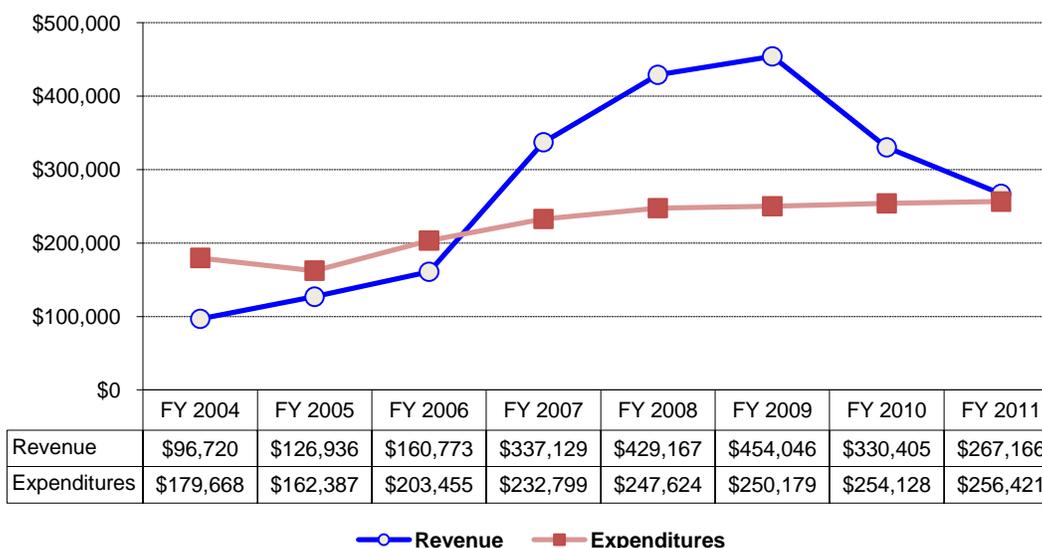
The budget provides funding of \$281,904 in FY 2012, an increase of \$25,483 (9.9%) over FY 2011 spending. Am. Sub. H.B. 153 provides this funding by way of a single line item, drawn from the Occupational Licensing and Regulatory Fund (Fund 4K90) in the General Services Fund Group. The appropriation for FY 2013 is \$292,509, \$10,605 (3.8%) higher than FY 2012 funding. As a regulatory entity, personnel costs are ATH's biggest expense.

Fee Revenues and Fund 4K90

The Commission issues several different types of license. The table below shows the current fee amounts charged. All of the Commission's licenses renew annually, except for the athlete agent license, which renews biennially.

License	Fee Amount
Athlete Agent	\$500
Wrestling Promoter	\$200
Boxing, Mixed Martial Arts, Tough Person Promoter	\$100
Competitor (Boxer, Mixed Martial Arts, Tough Person) License	\$20
Nonofficials (Manager, Matchmaker, Second, Trainer)	\$20
Officials (Judge, Referee, Timekeeper)	\$20
Federal Identification Card	\$20

Chart 1: Revenue and Expenditures, FY 2004 through FY 2011



These fees are deposited in Fund 4K90. In addition to ATH, several other occupational licensing and regulatory boards and commissions use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each board or commission is expected to be self-sufficient by generating enough revenues to cover expenses.

Chart 1 above shows revenues and expenditures since FY 2004. As the chart shows, through FY 2006 ATH's expenses consistently exceeded revenues. From FY 2007 through FY 2009, revenues increased significantly as a result of (1) the 5% event tax applied to gross ticket sales on major MMA events, such as the Ultimate Fighting

Championship and (2) a higher number of licensed MMA competitors and nonofficials. Revenue started declining in FY 2010, in part due to fewer participants paying for a national MMA identity card. The one-time issuance of national ID cards in previous years, and fewer large events in Ohio led to a 27% decrease in revenues in FY 2010, and another 19% decrease in FY 2011.

ANALYSIS OF ENACTED BUDGET

ATH's operations are funded by a single line item appropriation out of the Occupational Licensing and Regulatory Fund (Fund 4K90). The table below shows the funding for the Commission for the FY 2012-FY 2013 biennium.

Appropriations for the Athletic Commission				
Fund	ALI and Name		FY 2012	FY 2013
General Services Fund Group				
4K90	175609	Operating Expenses	\$281,904	\$292,509

This line item supports all of the Commission's operating expenses. The funding for FY 2012 and FY 2013 is about \$63,864 (12.5%) above total actual expenditures for the FY 2010-FY 2011 biennium.

Licenses

Table 2 shows the number of active licenses issued by the Commission as of the end of FY 2009, FY 2010, and FY 2011. The total number of active licenses increased 4.5% in FY 2010, but fell 27.5% in FY 2011, due in part to the waning popularity of mixed martial arts, which has decreased competitor and nonofficial license activity.

Table 2. Active Licenses, FY 2009, FY 2010, and FY 2011			
License Type	FY 2009	FY 2010	FY 2011
Competitor (Boxer, Mixed Martial Arts, Tough Person)	2,176	2,027	1,573
Nonofficials (Manager, Matchmaker, Second, Trainer)	1,846	2,063	1,501
Officials (Judge, Referee, Timekeeper)	150	150	100
Federal Identification Card	148	91	73
Boxing, Mixed Martial Arts, Tough Person Promoter	60	47	41
Athlete Agent	63	30	56
Wrestling Promoter	14	29	29
National Mixed Martial Art ID Card	1,063	1,329	806
TOTAL	5,520	5,766	4,179

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FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
ATH Ohio Athletic Commission								
4K90	175609	Operating Expenses	\$ 254,128	\$ 256,421	\$ 281,904	9.94%	\$ 292,509	3.76%
General Services Fund Group Total			\$ 254,128	\$ 256,421	\$ 281,904	9.94%	\$ 292,509	3.76%
Ohio Athletic Commission Total			\$ 254,128	\$ 256,421	\$ 281,904	9.94%	\$ 292,509	3.76%