

# Redbook

## LBO Analysis of Executive Budget Proposal

### Ohio Athletic Commission

Shannon Pleiman, Budget Analyst  
April 2019

#### TABLE OF CONTENTS

Quick look.....	1
Agency overview .....	1
Analysis of FY 2020-FY 2021 budget proposal.....	2
Operating statistics .....	2
Fee structure .....	2
Revenues .....	3

# LBO Redbook

## Ohio Athletic Commission

---

### Quick look...

- The Ohio Athletic Commission (ATH) regulates boxing, mixed martial arts, professional wrestling, kickboxing, karate, and tough person contests, overseeing 1,900 competitors, promoters, officials, other event personnel, and athlete agents in these sports.
- A five member board governs the Commission. Day-to-day operations are managed by three full-time staff.
- The Commission is fully supported by fees and receives no GRF funding.
- The executive budget recommendations total approximately \$663,000 over the biennium.
  - Uses of the budget are: 85.4% for personal services expenses and purchased personal services and 14.6% is for supplies and maintenance.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>4K90 ALI 175609, Operating Expenses</b>					
\$288,344	\$272,887	\$297,222	\$325,025	\$331,169	\$331,822
% change	-5.4%	8.9%	9.4%	1.9%	0.2%

### Agency overview

The Ohio Athletic Commission (ATH) regulates boxing, mixed martial arts, professional wrestling, kickboxing, karate, and tough person contests 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. Overall, ATH regulated about 1,900 competitors, promoters, officials, other event personnel, and athlete agents in FY 2018.

ATH's governing authority consists of five voting members appointed by the Governor. One member must be a doctor of medicine or osteopathy and two members must be knowledgeable in boxing and mixed martial arts. 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. Day-to-day operations are managed by an executive director, a full-time administrative assistant, and a full-time account clerk. The Commission receives no GRF funding; instead, its operations are entirely supported by fee revenue.

## Analysis of FY 2020-FY 2021 budget proposal

The executive recommended budget provides continuation funding of \$331,169 in FY 2020 and \$331,822 in FY 2021 for Commission operations under Fund 4K90, line item 175609, Operating Expenses. This funding, supported by fees collected from athletes, sporting officials, promoters, agents, and others in the field of boxing, wrestling, and mixed martial arts, supports all of the Commission's operating expenses. The bulk of the funding recommended – over 85% for the biennium – will go toward personnel (executive director, administrative assistant, and an account clerk). Of the remainder, \$53,000 in FY 2020 and \$44,000 in FY 2021 will go to supplies and maintenance, while a very small amount, less than \$1,000 annually, will be used for purchased personal services.

### Operating statistics

#### Fee structure

The Commission issues several different types of licenses, permits, and identification cards. The table below shows the current fee amounts charged. Please note that the following fees were increased during FY 2018: (1) Boxing, Mixed Martial Arts, Tough Person Promoter License, from \$100 to \$150, (2) Boxing, Mixed Martial Arts, Tough Person Event Permit, from \$50 to \$100, (3) Competitor (Boxer, Mixed Martial Arts) License from \$30 to \$40, (4) Competitor (Tough Person) Application, from \$20 to \$30, (5) Nonofficials License, from \$30 to \$40, and (6) Officials License, from \$30 to \$40. All of the Commission's licenses renew annually, except for the athlete agent license, which renews biennially. The Commission collects two national registrations – the Federal Boxing ID Card and the National Mixed Martial Arts ID Card. The former is valid for four years and the latter is valid for five years. These fees are deposited in the Occupational Licensing and Regulatory Fund (Fund 4K90).

<b>Name of License or Permit</b>	<b>Fee Amount</b>
Athlete Agent Registration (Two Years)	\$500
Professional Wrestling Promoter License	\$200
Professional Wrestling Permit	\$100
Boxing, Mixed Martial Arts, Tough Person Promoter License	\$150
Boxing, Mixed Martial Arts, Tough Person Event Permit	\$100
Competitor (Boxer, Mixed Martial Arts) License	\$40
Competitor (Tough Person) Application	\$30
Nonofficials (Manager, Matchmaker, Second, Trainer) License	\$40
Officials (Judge, Referee, Timekeeper) License	\$40
Federal Identification Card for Boxers (Four Years)	\$20
National Identification Card for Mixed Martial Arts Fighters (Five Years)	\$20
Replacement Card	\$10

## Revenues

Table 2 shows the Commission's operating revenues and expenditures between FY 2013 and FY 2018. Typically, the bulk of revenue collected comes from the permits, registrations, and licenses listed above. However, a 5% event tax applied to gross ticket sales from major competitions can boost revenue considerably, as was the case in FY 2017 when the Commission collected approximately \$130,000 from a UFC-sponsored event hosted in Cleveland in September 2016. In comparison, the Commission collected approximately \$52,000 in event tax receipts in FY 2018, when there were no such major events.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue	\$232,890	\$174,572	\$182,685	\$155,458	\$353,169	\$160,412
Expenses	\$259,299	\$287,541	\$279,912	\$288,344	\$272,887	\$297,222
Net	-\$26,409	-\$112,969	-\$97,227	-\$132,886	\$80,282	-\$136,810

Table 3 provides a closer look at Commission receipts for FY 2018. It shows the number of licenses, permits, and identification cards issued by the Commission, as well as the receipts from the 5% event tax during the fiscal year.

Revenue Source	Number Paying the Fee	Total Receipts
Athlete Agent Registration (Two Years)	53	\$26,500
Professional Wrestling Promoter License	35	\$7,000
Professional Wrestling Match or Exhibition Permit	185	\$18,500
Boxing, Mixed Martial Arts, Tough Person Promoter License	23	\$2,650
Boxing, Mixed Martial Arts, Tough Person Event Permit	61	\$4,350
Competitor (Boxer, Mixed Marital Arts) License	567	\$18,880
Competitor (Tough Person) Application	65	\$1,300
Nonofficials (Manager, Matchmaker, Second, Trainer) License	587	\$19,690
Officials (Judge, Referee, Timekeeper) License	72	\$2,660
Federal Identification Card for Boxers (Four Years)	46	\$920
National Identification Card for Mixed Martial Arts Fighters (Five Years)	219	\$4,380
Replacement Cards	19	\$190
Event Assessment – 5% of ticket sales	N/A	\$51,802
Fines and miscellaneous revenue	N/A	\$1,590
<b>Total</b>	<b>1,932</b>	<b>\$160,412</b>