

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Athletic Commission

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February 2021

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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 1,200 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 two full-time employees and one part-time employee.
- The Commission is fully supported by fees and receives no GRF funding.
- The executive budget recommendations total approximately \$556,000 over the biennium.
 - Uses of the budget are: 83.5% for personal services expenses and purchased personal services and 16.5% is for supplies and maintenance.

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Introduced	FY 2023 Introduced
4K90 ALI 175609, Operating Expenses					
\$297,222	\$275,469	\$278,715	\$331,822	\$280,501	\$275,423
% change	-7.3%	1.2%	19.1%	-15.5%	-1.8%

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 1,200 competitors, promoters, officials, other event personnel, and athlete agents in FY 2020.

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 part-time administrative assistant. The Commission receives no GRF funding; instead, its operations are entirely supported by fee revenue.

Analysis of FY 2022-FY 2023 budget proposal

The executive recommended budget provides funding of \$280,501 in FY 2022 and \$275,423 in FY 2023 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 – just over \$463,774 (83.4%) for the biennium – will go toward payroll (the Executive Director, and two administrative assistants). Of the remainder, \$91,710 will go to supplies and maintenance, while a very small amount, less than \$1,000, 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. 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).

Name of License or Permit	Fee Amount
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 2015 and FY 2020. 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. The Commission collected approximately \$30,000 in event tax receipts in FY 2020, when there were no such major events.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenue	\$182,685	\$155,458	\$353,169	\$160,412	\$157,301	\$137,955
Expenses	\$279,912	\$288,344	\$272,887	\$297,222	\$275,469	\$278,715
Net	-\$97,227	-\$132,866	\$80,282	-\$136,810	-\$118,168	-\$140,760

Table 3 provides a closer look at Commission receipts for FY 2020. 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)	73	\$36,500
Professional Wrestling Promoter License	30	\$6,000
Professional Wrestling Match or Exhibition Permit	196	\$19,600
Boxing, Mixed Martial Arts, Tough Person Promoter License	16	\$2,400
Boxing, Mixed Martial Arts, Tough Person Event Permit	35	\$3,500
Competitor (Boxer, Mixed Marital Arts) License	372	\$14,880
Competitor (Tough Person) Application	39	\$1,170
Nonofficials (Manager, Matchmaker, Second, Trainer) License	432	\$17,280
Officials (Judge, Referee, Timekeeper) License	55	\$2,200
Federal Identification Card for Boxers (Four Years)	55	\$1,100
National Identification Card for Mixed Martial Arts Fighters (Five Years)	130	\$2,600
Replacement Cards	5	\$50
Event Assessment – 5% of ticket sales	N/A	\$29,495
Fines and miscellaneous revenue	N/A	\$1,180
Total	1,438	\$137,955