

Ohio Athletic Commission

Jason Phillips, Budget Analyst

- 1,222 licenses issued in FY 2004
- Enacted budget of \$248,150 for FY 2006
- Planned consolidation within Department of Commerce in FY 2007

OVERVIEW

Duties and Responsibilities

The Ohio Athletic Commission was created by Am. Sub. S.B. 240 of the 121st General Assembly. The purpose of the Commission is to regulate boxing, wrestling, kickboxing, karate, and tough-man contests in the state in an effort to protect the safety of the participants and the interests of the public. The agency carries out its mission by setting standards for licensure of individuals, granting permits, and conducting events sanctioned by the Commission.

Agency in Brief

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2006	2007	2006	2007	
7	\$248,150	\$0	\$0	\$0	Am. Sub. H.B. 66

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2005.

4K9 Fund

The Ohio Athletic Commission is funded by the Occupational and Professional Licensing Fund (Fund 4K9), which serves as a repository for license fees and other assessments collected by the state's occupational licensing and regulatory boards. The 4K9 Fund allows the agencies that it funds the ability to maintain operations during years where licenses are not renewed and revenue is much lower. However, the philosophy of the 4K9 fund is that each board must generate enough revenue to cover their expenses. Yet, it is also quite common for the boards to develop a surplus in the fund to cover unforeseen economic hardships.

Licensure

The Athletic Commission handles the administrative work for roughly 1,200 licenses. The Board renews its licenses annually with \$149,200 in revenue versus \$162,386 in expenditures in FY 2005. This has resulted in a deficit of \$13,186 to the 4K9 Fund in that span. While the Athletic Commission has consistently run deficits, the Commission notes that greater licensure activity should help alleviate the deficits in the future. The Commission is also working toward the enactment of a 5% event tax on wrestling events to increase revenue. The Athletic Commission's enacted budget appropriates a total of

\$248,150 in FY 2006 and \$0 in FY 2007, as the Board is slated for consolidation within the Department of Commerce.

Board Consolidation

The enacted budget recommended that 20 independent occupational licensing boards be absorbed into the departments of Health, Commerce, and Public Safety. As such, the enacted budget does not appropriate funding in FY 2007 for the boards and commissions included in the consolidation proposal. The specifics of the consolidation plan will be addressed during FY 2006 by a task force consisting of the agencies acquiring the boards, the Department of Administrative Services, the Office of Budget and Management (OBM), and three individuals selected by the boards included in the consolidation proposal. According to the plan, current staff will be retained through FY 2006 and a hiring freeze and early retirement incentives will be offered to regulatory board staff. These incentives should result in staff reductions. Effective July 1, 2006, all remaining regulatory board staff will be transferred to the relevant agency. Board and commission members for each agency will be retained and continue to serve in the manner in which they were appointed.

Expanded Authority for Executive Director

A provision in the enacted budget allows the Executive Director of the Athletic Commission, when authorized by the Commission, to issue, deny, suspend, or revoke permits to hold prize fights and public boxing or wrestling matches or exhibitions. This permanent law change allows the executive director more authority to oversee, make changes, and sign off on events and will save the Commission from \$7,500 to \$10,000 per year. Previously, the law stated all changes had to be made by the Commission, which required scheduled meetings. At times, a quorum could not be reached, preventing Commission-sanctioned events from going forward. As such, this provision allows events to continue as scheduled when there are last minute changes.

Progress in Responding to the Inspector General and Auditor of State Reports

According to the Board, significant progress has been made in responding to concerns raised in reports by the State Inspector General and Auditor of State. Reforms include preventing walk-ins from competing in tough-man contests, a mandatory 48-hour registration period before competing in events, a database to track wins and championships of competitors, and better accounting procedures that ensure receipts are more efficiently deposited into the state treasury.

Vetoed Provisions

The Governor did not veto any provisions affecting the Ohio Athletic Commission.

ANALYSIS OF THE ENACTED BUDGET

For budget purposes, as detailed below, the Ohio Athletic Commission is considered a single program series agency and its activities are not subdivided into separate programs.

Program Series 1

Operating Expenses

Purpose: Regulates boxing, wrestling, kickboxing, karate, and tough-man contests.

The following table shows the line items that are used to fund the Athletic Commission as well as the enacted budget's funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Services Fund				
4K9	175-609	Operating Expenses	\$248,150	\$0
Total Funding: Ohio Athletic Commission			\$248,150	\$0

Program Description: In accordance with Chapter 3733. of the Revised Code, the Ohio Athletic Commission regulates prizefights, boxing, professional wrestling, and athlete agents within the state in an effort to protect the safety of the fight participants and the interests of the public.

Funding Source: GSF Fund 4K9

Implication of the Enacted Budget: The Athletic Commission received funding of \$248,150 in FY 2006 and \$0 in FY 2007, as the Board is slated for consolidation within the Department of Commerce. The enacted funding for the biennium allows the Board to maintain FY 2005 service levels and to hire a part-time fiscal officer. The Commission notes that the fiscal officer should be in place by October 2005.

Permanent Law: Expanded Authority for Executive Director (R.C. sections 3773.34, 3773.38, 3773.39, 3773.40, and 3773.57). Current law requires the Athletic Commission to issue, deny, suspend, or revoke permits to hold prizefights and public boxing or wrestling matches or exhibitions. This provision allows the Executive Director of the Athletic Commission, when authorized by the Commission, to perform the duties previously stated.