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↻ Designates that this is a change item

Agency Purpose

The state's Boxing Board, recreated in 2006, was officially renamed the Combative Sports Commission (Commission) in the 2008 legislative session. The new name reflects the commission's expanded oversight of mixed martial arts events that was added to the commission's purview in 2007. The commission's purpose is to protect the health and safety of professional boxers and mixed martial arts fighters, and to ensure the fairness of both boxing and mixed martial arts events.

Core Functions

The Commission licenses boxers, mixed martial arts fighters, promoters, referees, trainers, and related positions. It establishes regulatory safeguards for the protection of fighters, and regulates events to ensure fairness. The Commission is currently working to establish its administrative and program procedures. The rapid growth of the mixed martial arts industry has substantially redirected the main focus of the Commission from boxing to mixed martial arts.

Operations

The Commission conducts its work primarily through the executive director, who reports to a nine member executive board appointed by the governor. The executive director is currently a part-time position, and is one of only two paid employees at the Commission. Administrative and financial transaction services are provided to the Commission by the Department of Administration through its Small Agency Resource Team (SmART) program.

Key Goals

The key goal of the Commission is to continue to keep professional boxing and professional mixed martial arts events safe, fair and economically viable in Minnesota.

Budget

The legislature originally intended the Boxing Board to be self sufficient – fee supported – when it was created. For a number of reasons, that proved unworkable. The Commission is currently funded with a base general fund appropriation of \$80,000 each year. The Commission also has dedicated fee authority and normally anticipates about \$40,000 in fees annually.

The rapid growth in popularity of mixed martial arts events has greatly stretched the Commission's workload and it has made fee revenues much less predictable. For example, a large, nationally advertised mixed martial arts event was held on August 9, 2008 in Minneapolis. That event drove August fee collections to \$87,000. That is over 20 times the Commission's normal monthly fee revenue and is actually larger than their entire general fund appropriation for all of FY 2009. It is unknown if or when an event like that might come to Minnesota again.

At A Glance

- ◆ Boxing Board created in 2006
- ◆ Mixed martial arts added in 2007
- ◆ Renamed Combative Sports Commission in 2008
- ◆ Annual general fund budget of \$80,000 per year
- ◆ Estimated annual dedicated fee revenues of approximately \$40,000 per year.
- ◆ Rapid growth in mixed martial arts competition has greatly increased workload and made fee revenue much more volatile.

Contact

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COMBATIVE SPORTS COMMISSION

Agency Overview

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	50	80	80	80	160
Recommended	50	80	0	0	0
Change		0	(80)	(80)	(160)
% Biennial Change from 2008-09					-100%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	50	80	0	0	0
Statutory Appropriations					
Miscellaneous Special Revenue	21	156	155	155	310
Total	71	236	155	155	310
<u>Expenditures by Category</u>					
Total Compensation	61	64	66	68	134
Other Operating Expenses	10	172	89	87	176
Total	71	236	155	155	310
<u>Expenditures by Program</u>					
Boxing Comm Fees	71	236	155	155	310
Total	71	236	155	155	310
Full-Time Equivalent (FTE)	1.3	1.3	1.3	1.3	

COMBATIVE SPORTS COMMISSION

Change Summary

Dollars in Thousands

	FY2009	Governor's Recomm.		Biennium 2010-11
		FY2010	FY2011	
Fund: GENERAL				
FY 2009 Appropriations	80	80	80	160
Subtotal - Forecast Base	80	80	80	160
Change Items				
Eliminate State General Fund Support	0	(80)	(80)	(160)
Total Governor's Recommendations	80	0	0	0
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	156	155	155	310
Total Governor's Recommendations	156	155	155	310

COMBATIVE SPORTS COMMISSION

Change Item: Eliminate State General Fund Support

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(80)	\$(80)	\$(80)	\$(80)
Revenues	0	0	0	0
Net Fiscal Impact	\$(80)	\$(80)	\$(80)	\$(80)

Recommendation

The Governor recommends the elimination of the Combative Sports Commission's annual general fund base operating budget of \$80,000. The Governor intends that Combative Sports Commission (CSC) should focus its operating funds on maintaining its highest priority services and intends to provide as much flexibility as possible to the agency for the implementation of these reductions. The Governor believes this elimination in state funding is necessary to deal with the current budget deficit.

Background

Combative Sports Commission (then Minnesota Boxing Commission) was created in the 2006 session and given a one-time appropriation of \$50,000 to become operational. It was the intent of both the legislature and Governor that the commission would be self-sustaining after FY 2007. The timeframe proved to be too optimistic and the commission, after being given an additional one-time appropriation of \$50,000, was eventually given a base general fund appropriation of \$80,000 with the intent to be self-sustaining after FY 2008.

The commission expects to receive on-going dedicated receipts of about \$155,000 starting in FY 2009. This increase in dedicated receipts is largely due to anticipation of more large mixed martial arts events such as the recent event at the Target Center and the new fees that were added when Minnesota Boxing Commission became Combative Sports Commission.

The commission receives a general fund base appropriation of \$80,000 each fiscal year. CSC's operating budget includes amounts budgeted for salaries and operations. For budgeting purposes, this reduction was taken from CSC's operating expenditures during the FY 2010-11 biennium.

Relationship to Base Budget

This proposal represents a 100% base level reduction to CSC's general fund budget.

Due to the increase in dedicated receipts, the commission's activities should not be impacted by this change in funding.

Key Goals and Measures

The commission was to become self-sustaining after FY 2008. Due to the new fees added in 2008 and the mixed martial event held at the Target Center, it appears as though the commission has accomplished its goal.

The budget submitted for CSC seeks to safeguard core activities and reduce administrative overhead. The agency will manage budget reductions through various service level reductions or eliminations, staffing decreases, and/or operating expense reductions. The resulting budget will focus on new ways to operate the department's core functions.

Statutory Change: Not Applicable

COMBATIVE SPORTS COMMISSION

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<i>Non Dedicated Revenue:</i>					
Total Non-Dedicated Receipts	0	0	0	0	0
<i>Dedicated Receipts:</i>					
Departmental Earnings:					
Miscellaneous Special Revenue	54	155	156	156	312
Total Dedicated Receipts	54	155	156	156	312
Agency Total Revenue	54	155	156	156	312