

BACKGROUND PAPER FOR The California State Athletic Commission

**Joint Sunset Review Oversight Hearing, March 12, 2024
Senate Committee on Business, Professions, and Economic Development
and Assembly Committee on Business and Professions**

IDENTIFIED ISSUES, BACKGROUND AND RECOMMENDATIONS

BRIEF OVERVIEW OF THE CALIFORNIA STATE ATHLETIC COMMISSION

History and Function of the California State Athletic Commission

The California State Athletic Commission (Commission) is responsible for protecting the health and safety of its licensees: boxers, kickboxers, and other martial arts athletes. Concerned with athlete injuries and death, the public established the Commission by initiative in 1924. The Commission is responsible for implementation and enforcement of the Federal Muhammad Ali Boxing Reform Act (Federal Boxing Act) and the California Boxing Act or State Athletic Commission Act (State Act). It provides direction, management, and control for professional and amateur boxing, professional and amateur kickboxing, and all forms and combinations of full contact martial arts contests, including mixed martial arts (MMA) and matches or exhibitions conducted, held or given in California. The Commission has four main functions: licensing, enforcement, regulating events, and administering the Professional Boxers' Pension Fund (Pension Fund).

Specifically, the Commission establishes requirements for licensure, issues and renews licenses, approves and regulates events, assigns ringside officials, investigates complaints received, and enforces applicable laws by issuing fines and suspending or revoking licenses. In 2023, the Commission supervised 150 events.

The current Commission mission statement, as stated in its 2019-2023 Strategic Plan, is as follows:

The California State Athletic Commission is dedicated to the health, safety and welfare of participants in regulated competitive sporting events, through ethical and professional service.

The Commission is in the process of updating its Strategic Plan for 2024-2028.

The Commission is comprised of seven members. Five members are appointed by the Governor and subject to confirmation by the Senate Committee on Rules. One member is appointed by the Senate Committee on Rules and one member is appointed by the Speaker of the Assembly. Commissioners are part-time employees who receive a \$100-a-day per diem. While there are no qualifications for an individual appointed to the Commission, no person currently licensed, or licensed within the last two years, as a promoter, manager, or judge may serve on the Commission. The law also specifies that efforts should be made to ensure at least four Commissioners have experience in either medicine as a

licensed physician or surgeon specializing in neurology, neurosurgery, head trauma or sports medicine, financial management, public safety, and the sports regulated by the Commission.

The Commission Executive Officer (EO) is appointed by the Commission, subject to approval by the Director of DCA. The current EO has served since November 2012.

The Commission meets about six times per year to:

- Handle matters related to licensure and appeals of license denials, suspensions and fines.
- Propose and review regulations or legislation focused on maintaining the health and safety of fighters.
- Consider issues related to the Boxer’s Pension Program and the Neurological Examination Account.
- Evaluate funding and revenue strategies.
- Address a variety of topics brought forth by stakeholders.

All Commission meetings are subject to the Bagley-Keene Open Meetings Act. The following is a listing of the current members of the Commission:

Name and Short Bio	Appointment Date	Term Expiration Date	Appointing Authority
<p>Peter Villegas, Chair Peter Villegas is Co-Chair at Actum, and is a nationally recognized corporate leader with expertise in managing various corporate, civic, political, and community issues and initiatives with a focus on multicultural communities. Prior to joining Actum, Peter served as Vice President & Head of Latin Affairs at The Coca-Cola Company, where he acted as a national spokesman responsible for North America for over six years. Prior to Coca-Cola, Peter was a national leader in the banking industry where he served as the Vice President of the Office of Corporate Responsibility at JP Morgan Chase & Co. Peter started his career as a bank teller, working his way up through various roles in the financial industry. He is a board member of the Congressional Hispanic Caucus Institute, the National Association of Latino Appointed & Elected Officials, and the Eva Longoria Foundation and is a Board Member of the Muhammad Ali Center.</p>	1/19/23	1/1/27	Speaker of the Assembly
<p>Dr. Vernon Williams, Vice Chair Dr. Williams completed his neurology residency at The University of Maryland in Baltimore, MD and is board certified by the American Association of Psychiatry and Neurology. After residency he completed a multidisciplinary, interventional pain fellowship in the Department of Anesthesiology and Critical Care (Division of Pain Medicine) at Johns Hopkins Hospital in Baltimore, MD. Dr. Williams joined the Kerlan-Jobe Orthopedic Clinic in Los Angeles in 1997. At Kerlan-Jobe, he is a consulting Team Physician for the Los Angeles Lakers, Dodgers, Kings, Sparks, KISS, Anaheim Ducks, and several southern California collegiate, high school, and elite club athletic programs. He is the Founding Director of The Center for Sports Neurology and Pain Medicine at the Kerlan-Jobe. He is also the Founding Director of the Sports Neurology Fellowship at Kerlan-Jobe and serves as Chief Medical Officer of the Sports Concussion Institute. Dr. Williams is an active educator on issues related to Sports Neurology and Concussion. He is the Chair of the American Academy of Neurology Sports</p>	1/26/23	1/1/27	Governor

Neurology Section. He often serves as an expert consultant on Pain and Sports Neurologic Disorders to major television networks, radio, satellite, and print media.			
<p>Dr. AnnMaria De Mars Dr. AnnMaria De Mars was the first American to win the world judo championships. She has competed, taught, and coached judo for over 50 years. She has been president of the United States Judo Association and California Judo, Inc. and chair of athlete development for the United States Judo Federation and Southern California Judo Black Belt Association (Nanka Yudanshakai). A serial entrepreneur and technology executive, Dr. De Mars founded The Julia Group and co-founded 7 Generation Games and Spirit Lake Consulting. Her forty-year career has been focused on expanding educational opportunities for youth and educators in under-served communities. She is currently president of 7 Generation Games, a company making customized educational games and the tools to make them. Dr. De Mars is also Executive Director of the Strong Mind, Strong Body Foundation, a family foundation aimed at helping families and communities, with a primary focus in southern California, Hawaii, and the Midwest. Dr. De Mars has a Ph.D. in Educational Psychology from the University of California, Riverside, with emphasis in Applied Statistics and Psychometrics.</p>	4/14/22	1/1/26	Governor
<p>Ron Fiore Ron Fiore is a third-generation Californian and is an expert in real estate finance and development who has earned a reputation as a trusted advisor to Fortune 100 CEO's, tech leaders, and entrepreneurs. He has worked extensively with professional athletes, coaches, owners, and teams. Ron is a founding partner of Guarantee Mortgage, and is president of Fiore and Company, which develops and manages properties in California, Nevada and Hawaii. Over three decades, Ron has consistently been ranked among the top mortgage consultants in the industry. Ron leads the Fiore Family Foundation, which focuses on promoting youth sports and rebuilding gymnasiums in underserved communities. In 2019, the foundation teamed up with Marshawn Lynch and Marcus Peters to bring 700 inner-city youth their first football camp in El Salvador. Ron received a B.A. in political science from St. Mary's College in Moraga.</p>	3/13/23	1/1/26	Governor
<p>Chris Gruwell Chris Gruwell is the CEO of New Deal Advisers and has a 20-year record of successful advocacy in San Francisco. He has advised his clients on government procurements, helped entitle the Salesforce Tower and the Warriors Chase Center, and has worked on a range of local and state issues including complicated land use, procurement, new mobility, tech startups, hospitality and labor. Prior to his work in public affairs, Chris worked as California Governor Gavin Newsom's Finance Director during his successful 2004 campaign for Mayor of San Francisco. Chris currently serves as a founding Trustee of the Laborers' Community and Training Foundation and is a member of LIUNA 261. In addition, Chris represents San Francisco Firefighters Local 798 and serves on the Board of the San Francisco Firefighters Cancer Prevention Foundation. Chris is an Army Veteran and served as a Veterans' Affairs Commissioner for the City and County of San Francisco. Chris is a graduate of UCLA.</p>	4/14/22	1/1/25	Governor
<p>Doug Hendrickson Doug Hendrickson joined Wasserman in 2018 and serves as Executive Vice President of Football. For 25 years, Hendrickson has been widely recognized as one of the top agents representing NFL players, coaches and management, and has been named by USA Today as one of the Top 100 Most Powerful People in the NFL and by Forbes as one of the Most Powerful Agents representing NFL players. Responsible for</p>	1/26/21	1/1/25	Governor

<p>over 40 top-100 Draft selections, more than a dozen first round picks and some of the largest contracts in the NFL, Hendrickson oversees Wasserman's day-to-day football operations, contract negotiations, client relations, brand management, draft preparation and business development efforts. Currently he represents, Kenny Clark, Cameron Jordan, Eric Kendricks, Marshawn Lynch, Marcus Peters, Jason Pierre-Paul, Jaylon Smith, Shaq Thompson, and Desmond Trufant. In addition to co-leading the Football group, Hendrickson brings clients access to his long-standing, deep, meaningful relationships with Fortune 500 executives and leaders across the tech, government and financial sectors. Hendrickson graduated from San Jose State University, where he played on the basketball and baseball teams. He and his wife, Shyla, reside in Marin County, CA with their three children.</p>			
<p>Scott Wetch Scott Wetch is the President and managing partner of Carter, Wetch and Associates a full service government relations and legislative advocacy firm. Scott has over 35 years experience working in the halls of the State capitol. He has been named by Capitol Weekly annually as one of California's Top 100 Most Influential People in Politics. Prior to becoming a Legislative Advocate, Scott spent more than a decade as a Legislative Consultant to several Standing Committees in both the Senate and Assembly, as well as serving several Legislative leaders. Scott is happily married to his wife Janelle, and they have three children. When they're not in Sacramento, the Wetch's enjoy family time at their home in Maui.</p>	3/15/23	1/1/27	Senate Committee on Rules

The Commission has three Committees in statute and has established sport- and issue-specific Subcommittees at its discretion over the past two years. The following is a list of Subcommittees and the work they have done since the Commission was last subject to the Legislature's sunset review oversight (some of the Subcommittees below no longer meet):

- *Advisory Committee on Medical and Safety Standards*, established in statute, consists of six licensed physicians and surgeons appointed by the Commission who meet for the purpose of studying and recommending standards for contests.
- *Gender Equity Subcommittee* researches and addresses issues related to gender equity including, but not limited to, sexual harassment in gyms and/or competitions, length of rounds in female boxing compared to female MMA athletes, income/pay disparity, weight cutting for females, education for trainers regarding gender specific issues, and improper barriers to those of different genders for fight, coaching, and/or management opportunities.
- *Instant Replay Subcommittee* creates and recommends instant replay procedures for combat sporting events, with a priority on ensuring fairness in competition, as well as appropriate training and education for officials.
- *Mixed Martial Arts Retirement Plan Subcommittee* works with the Executive Officer to make recommendations related to the creation of a retirement plan for MMA athletes.
- *Ringside Officials Subcommittee* oversees and evaluates proper training, education and pay of officials with a focus on ensuring that officials have awareness of and proficiency in California event rules and regulations.

- *Specialty License Plate Subcommittee* makes recommendations related to the creation of a specialty licensed plate to fund the Boxers Pension Plan and the MMA Retirement Plan.

The Commission is a member of the Association of Boxing Commissions (ABC), a federally recognized association which promotes uniform health and safety standards for boxing and MMA, keeps accurate records of athletes and event outcomes, encourages adherence to and enforcement of applicable federal laws and publishes medical and training information for boxing and MMA professionals. The ABC has federal oversight for boxing. The Commission has voting privileges with ABC and the current EO is Chair of the ABC Medical Committee, Chair of the Boxing Registry Committee, Chair of the Boxing Officials Training Committee, Chair of the MMA Training Committee, Chair of the MMA Rules Committee, Co-Chair of the Boxing Rules Committee, as well as a member of the ABC Governmental Affairs Committee and Fighters Committee.

The Chair of the Commission's Medical Advisory Committee is an emeritus member of the Association of Ringside Physicians, an organization aimed at developing medical protocols and guidelines to ensure the safety and protection of athletes.

Fiscal, Fund, and Fee Analysis

As a special fund entity, the Commission receives no General Fund (GF) support, relying solely on fees set in statute and collected from regulatory and license fees. For each event held in California that the Commission regulates, the Commission collects a "gate fee" from the event promoter, which is a 5% fee on gross ticket sales for that event, not to exceed \$200,000. The \$200,000 cap was recently amended into the State Act, up from \$100,000, pursuant to recent legislation (AB 1703, Carrillo, Chapter 591, Statutes of 2023) that took effect on January 1 of this year so the practical impacts of that increase have not yet been fully realized.

The Commission also collects a "TV fee" from the event promoter if the event is broadcast on television, which is a 5% fee on the revenue a promoter collects from broadcasting rights, not to exceed \$35,000.

The Commission receives the majority of its revenue from the fees above, however, unlike other programs within the Department of Consumer Affairs and subject to the timing of establishing budgets to coincide with the Governor's proposed budget, the Commission cannot rely on a predictable funding source such as license fees, when forecasting its revenue and projecting its ability to fund expenditures far in the future, given the fluid nature of the Commission licensing revenues and fluctuations in the sports that dictate when events do or do not take place.

The "gate fee" and "TV fee" can fluctuate greatly from year to year and are significantly influenced by market conditions, as promoters may not opt to hold the same number of fights in California during an economic downturn, among other economic factors.

The following is the past (since FY 2019/20), current and projected fund condition of the Commission:

Fund Condition						
(Dollars in Thousands)	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Beginning Balance	1741	1467	714	343	647	705
Revenues and Transfers	1830	894	1893	2498	2094	2092
Total Revenue	\$3571	\$2361	\$2607	\$2841	\$2741	\$2797
Budget Authority	1797	1774	1614	2218	1925	1983
Expenditures	1938	1626	2215	2194	2036	2094
Loans to General Fund	0	0	0	0	0	0
Accrued Interest, Loans to General Fund	0	0	0	0	0	0
Loans Repaid From General Fund	0	0	0	0	0	0
Fund Balance	\$1633	\$735	\$343	\$647	\$705	\$703
Months in Reserve	12.1	4.0	1.9	3.8	4.0	4.0

The fee schedule and revenue collected over the past four years is reflected below:

Fee Schedule and Revenue							
(revenue dollars in thousands)							
Fee	Current Fee Amount	Statutory Limit	FY 2019/20 Revenue	FY 2020/21 Revenue	FY 2021/22 Revenue	FY 2022/23 Revenue	% of Total Revenue
Gate Taxes (BPC 18824)	5% of Gate	\$100,000	898,943	72,276	800,989	1,260,977	45.5%
Television Taxes (BPC 18824)	5% of TV Revenue	\$35,000	626,247	571,000	671,734	954,020	42.4%
Professional (Club) Promoter (BPC 18804)	\$1,000	\$1000	34,000	23,000	41,000	45,000	2.1%
Professional Referee (BPC 18812)	\$150	\$150	8,300	4,500	5,250	5,250	0.3%
Professional Manager (BPC 18810)	\$150	\$150	15,300	18,000	10,200	11,100	0.8%
Second (BPC 18811)	\$50	\$50	70,850	24,400	83,500	100,750	4.2%
Timekeeper (BPC 18814)	\$50	\$50	750	450	550	600	0.0%
Professional Fighter (BPC 18809)	\$60	\$60	44,160	17,700	56,040	65,520	2.8%
Professional Judge (BPC 18812)	\$150	\$150	11,850	6,750	7,800	10,050	0.5%
Matchmaker (BPC 18806)	\$200	\$200	2,400	1,800	3,600	5,000	0.2%
Professional Trainer	\$200	\$200	7,200	2,800	14,200	17,000	0.6%
Federal ID Cards	\$20	\$20	7,260	2,880	8,080	8,760	0.4%

Due to the COVID-19 pandemic and issuance of a statewide directive to prohibit all major gatherings, all major sporting events were cancelled, which in turn impacted the Commission's ability to generate revenue mid-way through fiscal year 2019-20 and throughout 2020-21. During this time, the Commission relied on its fund reserves and various cost saving measures to support its operations. Between fiscal years 2019-20 and 2020-21, the Commission's fund reserves sharply dropped.

In 2021-22, major combat sporting events were allowed to resume in California and the Commission generated additional revenue, a significant improvement from the prior year. However, the Commission required additional spending authority of \$340,000 to pay the Office of the Attorney General for unanticipated litigation costs which further depleted the Commission's fund reserves to by the end of the fiscal year. The Commission continues to face fiscal challenges, as noted in the projected fund condition above and has requested an increase in the maximum "TV fee" collected from \$35,000 to \$45,000.

Licensing

The Commission licenses a number of individuals related to the participation in, oversight for, and management of events in California. The Commission does not require any *formal* education requirements for licensure of fighters, promoters, managers, seconds, matchmakers, referees, judges and timekeepers. However, licensees must possess a minimum level of skill to enable them to safely compete against one another and demonstrate their ability to perform. Licensees who do not fall into the combatant category such as referees, judges, timekeepers and ringside physicians (who are approved by the Commission) must have adequate knowledge of laws and rules so as not to jeopardize the health and safety of athletes. Many of the Commission's licensees must also pass competency exams provided by the Commission unless they are licensed in other jurisdictions. Fighters must also pass medical examinations that determine whether their health or safety may be compromised by licensure and participation in an event.

The Commission ensures that officials have completed approved training courses. The Commission makes many staff assignments based on the preparedness and education of an official, further promoting the importance of training and continuing education to protect fighters. The Commission maintains records of officials who have taken the appropriate training courses and ensures that competent officials are assigned to events by consulting these records, and does not assign staff who have not completed required and necessary training. The Commission has worked with the ABC to receive approval of a referee training course, as well as working with the national association to ensure the availability of more approved trainers eligible to work in California.

The following are explanations of the Commission's licensee population, as defined in statute, regulations, and the Commission's Standard Operating Procedures within the Commission Administrative Manual, as well as the licensing fees and numbers of licensees for each category:

- **Fighter** – Professional or amateur boxer or martial arts fighter or wrestler who engages in a boxing or martial arts contest and who possesses fundamental skills in his or her respective sport. Prior to licensure, fighters are evaluated on their skills and experience to determine their status as an amateur or professional and determine if they are qualified to be a Commission licensee. The evaluation may also occasionally include input from referees, judges, and other regulators. The Commission accepts evidence of experience in boxing, MMA or kickboxing

obtained in the military, including participating in hand-to-hand combat classes when approving matches. A fighter must also undergo review by a physician licensed in California to determine physical and mental fitness for competition and must undertake a specific test that tracks cognitive performance over time (*\$60 licensing fee*).

FIGHTERS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	713	295	930	1092

- Promoter** – A corporation, partnership, association, individual or other organization which conducts, holds, or gives a boxing or martial arts contest, match or exhibition; an entity licensed by the Commission finally responsible for an approved event. Prior to licensure, a promoter must demonstrate financial stability by providing a recent Certified Public Accountant (CPA) financial statement showing liquid assets of at least \$50,000 and by providing the Commission with a surety bond of at least \$50,000. Applicants are required to submit fingerprint cards or utilize the “Live Scan” electronic fingerprinting process in order to obtain prior criminal history criminal record clearance from the California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI). The Commission makes a final determination as to whether an applicant should be licensed as a promoter (*\$1000 licensing fee for professional promoters and \$250 licensing fee for amateur promoters*).

PROMOTERS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	33	23	37	45

- Manager** – A person who is paid to act as the athlete’s agent or representative, an individual who directs or controls the professional boxing or martial arts activities of a fighter, an officer, director, shareholder or organization which receives more than 10 percent of a fighter’s purse for services relating to the person’s participation in an event. Prior to licensure, a manager must include a statement of all persons connected with, or having a proprietary interest in, the management of a fighter and the application must be signed under penalty of perjury by the sole proprietor, a general partner or officer of the corporation or association. Managers must submit changes in proprietary interest or shareholders in writing. A manager must pass a written exam administered by the Commission on the fundamentals of sports regulated by the Commission, management of fighters and laws and regulations related to the sports. This written exam requirement may be waived if the applicant is licensed as a manager in another state and has not been subject to disciplinary action (*\$150 licensing fee*).

MANAGERS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	93	120	73	76

- Second** – Also referred to as a “corner,” a person who aides and assists a fighter between rounds. Prior to licensure, a second must pass a written exam administered by the Commission on the fundamentals of sports regulated by the Commission and laws and regulations related to the sports. Applicants for licensure as a second must also demonstrate the duties of second before a Commission representative. Both the written and demonstration requirements may be waived if the applicant is licensed as a second in another state and has not been subject to disciplinary action (*\$50 licensing fee*).

SECONDS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	1309	488	1690	2015

- Referee** – Also known as an official, the boxing or MMA referee is a person who directs and controls contests and enforces the rules governing a contest, standing in the ring to ensure a contest’s fairness and the fighters remain able to compete. Prior to licensure, referees and judges are evaluated on skills, experience and training, continuing education development, and records of that individual’s historical accuracy when available. The EO makes a recommendation to the Commission about an individual’s suitability for licensure, however the Commission makes a final determination as to whether an applicant should be licensed as a referee or judge. Referees for boxing and MMA must meet the following requirements: have two years documented experiences refereeing matches, be physically and mentally fit as determined by a physician with at least 20/100 vision in both eyes; be in good physical condition, pass a written exam administered by the Commission on the fundamentals of sports regulated by the Commission and laws and regulations related to the sports, demonstrate competence by refereeing a match before a Commission representative and two licensed referees and demonstrate competence in judging by judging at least 50 contests. These requirements can be waived if the applicant is licensed or approved as a referee by the World Boxing Association, World Boxing Council, North American Boxing Foundation for boxing referee applicants and the Professional Kickboxing Association or the World Kickboxing Association for MMA referee applicants (*\$150 licensing fee*).

REFEREES	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	55	30	35	35

- Judge** – A person who scores contests. Prior to licensure as a judge, an individual must have been licensed in California for at least five years and pass a written exam administered by the Commission on the fundamentals of sports regulated by the Commission and laws and regulations related to the sports. This written exam requirement may be waived if the applicant is a judge in another state or country and has not been subject to disciplinary action (*\$150 licensing fee*).

JUDGES	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	75	45	52	67

- Timekeeper** – A person who keeps time for an event. Prior to licensure, a timekeeper must pass a written exam administered by the Commission on the fundamentals of sports regulated by the Commission and laws and regulations related to the sports. Applicants for licensure as a timekeeper must also demonstrate the duties of timekeeper before a Commission representative. Both the written and demonstration requirements may be waived if the applicant is licensed as a timekeeper in another state and has not been subject to disciplinary action (*\$50 licensing fee*).

TIMEKEEPERS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	17	9	11	12

- Matchmaker** – A person who proposes, selects and arranges a fight and the fighters participating in that event. Prior to licensure, a matchmaker must pass a written exam

administered by the Commission on the fundamentals of sports regulated by the Commission and laws and regulations related to the sports. The exam requirement may be waived if the applicant is licensed as a timekeeper in another state and has not been subject to disciplinary action (*\$200 licensing fee*).

MATCHMAKERS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	11	9	16	29

- **Professional Trainer** – A person responsible for signing off on the application of any professional fighter debuting who is accountable for possible poor performance of the fighter a professional trainer can help determine when an amateur is ready to turn professional. (*\$200 licensing fee*).

PROFESSIONAL TRAINERS	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
	32	14	72	91

The Commission also approves physicians who attend events to administer pre-fight medical examinations for fighters and referees, serve as primary emergency care physicians during contests and evaluate fighters after contests, recommending appropriate medical testing and suspensions as necessary.

Boxers are issued a federal identification card (Federal ID) per the Federal Act and State Act that contains a number assigned to the fighter, the fighter’s date of birth, height, weight and photo. These Federal IDs are issued by the state commission in which a boxer resides and are valid for four years from the date of issuance (the Commission issues Federal IDs for California-based fighters). MMA fighters may be issued a National Identification Card (National ID) that contains a number assigned to the fighter, the fighter’s date of birth, height, weight and photo. National IDs can only be issued by a state commission or tribal commission in good standing with the ABC.

For boxing fighters, promoters and trainers, the Commission relies on the official national boxing registry designated by the ABC in compliance with the Federal Act and registries like BoxRec.com to obtain information on suspensions, information, and license revocations. The Commission checks databases prior to issuance of a license related to boxing and subsequently reports outcomes from California to the national registry and related databases. For MMA, mixedmartialarts.com, is a database used by athletic commissions under the ABC umbrella to verify event results and fighter suspension information as a safety measure to ensure that fighters issued a medical suspension in one state are not authorized to fight in another state and potentially harm their health and welfare until they have served the term of their suspension. In addition to medical and administrative suspension data, the database contains statistics, upcoming bout cards, bout results, comments from commissions, and total fighter bout results. This database also has the ability to issue National IDs. The Commission consults the database prior to issuance of a license related to MMA.

The Commission may receive deficient applications for licensure and subsequently works with applicants to obtain missing information. While much of the evaluation of and background for an application approval takes place in the Commission’s Sacramento office headquarters, due to the fluidity of the sports regulated, as well as the schedules of athletes participating in events, the

Commission may also issue licenses at an event, or at the pre-event weigh-ins. The Commission has the ability to grant temporary licenses pending investigation of the qualifications or fitness of an applicant, however, these temporary licenses do not assume that an applicant will meet the requirements of licensure and may be terminated in the event the Commission denies licensure.

Enforcement

The Commission's enforcement activity differs greatly from the scope, methods and procedures used by other programs within the DCA. While other entities at the DCA are subject to the Administrative Procedures Act (APA), due to the nature of the Commission regulated sports and the profession of fighters within these sports, the Commission is not subject to APA. Instead, it has direct disciplinary authority to issue immediate suspensions and fines to ensure violations by Commission licensees are handled and reported quickly. The Commission also has the ability to issue cease and desist orders for unauthorized, illegal events in addition to the suspensions and license revocations for violations of the State Act and accompanying Commission regulations and rules. The Commission partners with the Office of the Attorney General (AG) when license revocations, suspension or application denials are appealed. The Commission also conducts arbitrations for its licensees when disputes arise within either the boxer-manager or boxer-promoter agreements and has sole authority over these arbitration proceedings.

The Commission did not provide the number of licensing enforcement matters that were handled by the AG's Office on behalf of the Commission for the past four years. These matters typically consist of arbitrations between boxers or MMA fighters and their managers and/or promoters. Administrative appeal cases before the Commission all dealt with license suspensions or revocations based on positive drug testing.

The Commission's citation and fine option allows the Commission to penalize licensees rather than pursue formal discipline for less serious offenses, or offenses where probation or license revocation is not appropriate. The Commission notes that its authority to collect a fine of up to 40 percent of the purse from an athlete who violates various prohibited substances rules has provided for a greater level of deterrence from these violations. According to the Commission, the most common violations which result in a citation and fine are:

- Weighing more than authorized for an approved contest.
- Testing positive for performance enhancement substances.
- Conduct that brings discredit to combative sports or the Commission.
- Failing to report and/or pay event fees to the Commission.
- Various contractual issues

The Commission also works to take action against unlicensed activity, relying primarily on reports from licensed stakeholders of any events or actions that appear to be unlicensed activity. The Commission staff investigates complaints of unlicensed activity, reports of which may also come to the Commission via a link on its website and scanning by the Commission staff of popular boxing and MMA websites and blogs for mention of illegal activity. When unlicensed activity does occur, the Commission staff coordinates with DCA's Division of Investigation (DOI) or local law enforcement. The Commission also issues cease and desist notices and letters to further deter illegal activity.

Regulation of Amateur Sports

Current law allows the Commission to delegate its authority to oversee amateur sports to a qualified nonprofit organization if the Commission determines that the nonprofit “meets or exceeds the safety and fairness standards of the Commission.” If authority over regulation of an amateur sport is delegated to a qualified nonprofit organization, the Commission must conduct an annual review. Further, because the Commission has the “sole direction, management, control of, and jurisdiction over all professional and amateur boxing, professional and amateur kickboxing, all forms and combinations of forms of full contact martial arts contests, including mixed martial arts, and matches or exhibitions conducted, held, or given within this state,” the delegated organization’s oversight is limited to those sports.

The Commission has delegated its regulatory oversight responsibilities of amateur boxing and MMA to four different organizations, each of which is responsible for reporting to the Commission all major injuries, medical and administrative suspensions, schedules of event and licensing fees, revenue and expense reports, and current year to date profit and loss statements. The Commission takes swift action and works closely with the delegated entities when possible violations of safety standards at amateur events occur, such as a lack of an ambulance or the absence of other key athlete protections.

- *USA Boxing, Inc.* The Commission currently delegates its authority for regulation of amateur boxing to USA Boxing, Inc. a nonprofit organization that is a branch of the U.S. Olympic Committee.
- *The California Amateur Mixed Martial Arts Organization (CAMO).* CAMO was founded in 2009 as a non-profit corporation dedicated to help foster the growth of the sport of amateur MMA and to oversee the health, safety and welfare of the athletes that choose to participate in it. In 2009, the Commission delegated its regulatory authority for amateur MMA to CAMO.
- *The United States Fight League (USFL).* In 2014, the Commission delegated its authority for youth pankration event oversight to USFL. Modern pankration is a form of full-contact martial arts contests that involve limited striking (head strikes are not allowed) and grappling. Matches are decided by points or submission technique. The USFL primarily markets its events and certifications to youths The Commission requires USFL to provide the Commission regular reports detailing events, injuries, payments and results.
- *The International Kickboxing Federation (IKF).* The Commission delegates its authority to regulate amateur kickboxing and amateur Muay Thai to the IKF. The IKF is an international sanctioning body with a branch in California.

PRIOR SUNSET REVIEW: CHANGES AND IMPROVEMENTS

The Commission was last reviewed by the Legislature through sunset review in 2018-2019. During the previous sunset review, 14 issues were raised. In January 2024, the Commission submitted its required sunset report to the Senate Committee on Business, Professions, and Economic Development and Assembly Committee on Business and Professions (Committees). In this report, the Commission described actions it has taken since its prior review to address the recommendations made. The following are some of the more important programmatic and operational changes, enhancements and other important policy decisions or regulatory changes made. For those which were not addressed and which may still be of concern to the Committees, they are addressed and more fully discussed under “Current Sunset Review Issues.”

- **The Commission hired a Chief Athletic Inspector and Assistant Chief Athletic Inspector.** These important positions were restored, allowing the Commission to again have specialized staff with a unique set of skills and knowledge to enforce combat sports laws, rules, and regulations. The Chief Athletic Inspector historically supervised and trained inspectors, key staff in ensuring athlete safety, as well as evaluating and training officials; evaluating referees and; researching and comparing records to ensure fair matchmaking.
- **Neurological Examination Account assessment processes are clear and have been adopted and data is being shared.** As part of its continued efforts to evaluate impacts of participating in fights on fighters’ brains, the Boxer’s Neurological Examination Account (Neuro Fund) was originally established in 1986 to pay for costs associated with neurological examinations. The Commission has implemented a recommendation stemming from a 2012 California State Auditor report by establishing regulations outlining the process for collecting assessments on tickets in order to effectively fund the Neuro Fund for purposes of performing neurological examinations on fighters. The assessment was also increased as a means of ensuring Fund stability; now, one quarter of one percent of gross ticket sales per event are dedicated to this important effort. The Commission has also utilized the Fund to contract with C3 Logix in order to provide affordable tools to conduct neurological testing of athletes. This testing determines the relationship between the biomechanics of impact forces to the brain and their behavioral and physiological sequences to advance diagnostics, athlete care, return to play standards, understanding of the acute and long-term effects on brain health, and effective rehabilitation techniques to allow a safer environment for competition. The neurological testing is given before and after competition. The Commission has completed almost 3,000 baseline and/or follow-up tests on 2,655 athletes and periodically reviews data to compare an athlete’s baseline test to their follow-up test to see if any significant changes have occurred. The Commission is currently working with NeuroLogix Technologies to share its C3 Logix data with other groups who utilize C3 Logix to focus on analyzing the data collected.
- **Progress has been made in the area of transgender athlete participation.** The Commission’s Gender Equity Subcommittee explores issues related to gender equity, including sexual harassment, pay disparity, education for trainers to understand gender specific issues, and improper barriers to those of different genders for fight, coaching, and management opportunities. The Commission has worked with the ABC Medical Committee to establish transgender athlete testing standards.

- **The Commission continues to monitor research and advancements in the area of therapeutic use of certain substances.** The Commission notes that exploring the research on the abuse of performance-enhancing substances and their therapeutic uses is an important and nuanced area. Both aspects involve substances that can have significant impacts on the human body, and the line between abuse and therapeutic use can sometimes be blurry. The approach to this is done by research with a critical lens, considering both the potential benefits and risks associated with the use of these substances. Additionally, staying updated on the latest research findings and advancements in the field will contribute to a comprehensive understanding of the topic. The Commission continues to refer to the World Anti-Doping Agency (WADA) Prohibited list and updated its disciplinary guidelines for drug testing.

CURRENT SUNSET REVIEW ISSUES

The following are unresolved issues pertaining to the Commission or areas of concern that should be considered, along with background information for each issue. There are also recommendations Committee staff have made regarding particular issues or problem areas the Commission needs to address. The Commission and other interested parties have been provided with this Background Paper and the Commission will respond to the issues presented and the recommendations of staff.

ISSUE #1: (OUTDATED TECHNOLOGY SYSTEMS) The Commission historically has had woefully outdated systems. Despite having contributed resources to the DCA’s BreZE licensing system in the past and expending time and resources to develop a Business Modernization Plan, the Commission still does not have an updated system. What needs to be done in order to ensure that the Commission’s current strategic plan goal to “acquire a licensing database with online capabilities to be more efficient and save resources” is finally implemented?

Background: Concerns about the Commission’s lack of an updated, modern licensing system have been raised during all of the prior sunset review oversight efforts focused on the Commission for over ten years. The Commission was moved to the last phase of the rollout for the DCA’s BreZE Project, leaving it with no current, viable information system that encompasses all licensees, including information which is the basis for licensure and ability to participate in events and captures particulars about officials. The Commission has relied on Microsoft Excel spreadsheets to capture and maintain licensee, event and other key information involved in its oversight of combat sports in the state. A viable system would also speed up important processes like the transmittal of key licensee information, event results, and up-to-date performance specifics to national databases, for the purpose of matchmaking in this state and others. A lack of available technology to the Commission and lack of sound records it is able to keep has multiple negative effects.

In response to the issue being raised again during the Commission’s 2019 sunset review oversight, the Commission advised at the time that it anticipated having a new system in place by 2023.

This year, the Commission reported that staff began meeting with DCA project staff in May 2017. Initial meetings included general education and discussions about the business modernization effort and the related staff and workload demands for this effort. The Commission inventoried their business processes in August 2017 and finalized the mapping process in early 2020. In conjunction with DCA, the Commission developed a Business Modernization Plan to effectively facilitate the analysis, approval, and potential transition to a new licensing and enforcement platform. This plan outlines how the Commission’s specific business needs will be identified and an approach to determining cost effective options. According to the Commission, this plan also considers the impacts and requirements of the Project Approval Lifecycle, the project approval process required by the California Department of Technology.

According to the Commission, due to the COVID-19 pandemic, the Commission had to pause these business modernization plans but has now restarted that work.

It would be helpful for the Committees to understand barriers that exist to the Commission having an updated licensing and recordkeeping system, including any fiscal, staffing, and workload issues, as well as the support the Commission continues to receive from DCA to finally implement this effort.

Staff Recommendation: *The Commission needs a functional online system. The Commission should update the Committees on the status of its business modernization plan.*

ISSUE #2: (RETIRED FIGHTERS.) The Commission now administers funds aimed at promoting the welfare of retired boxers and MMA fighters. Is this work still feasible? Are funding sources stable? Are funds distributed appropriately? Does the Commission's lack of a viable online system impact its ability to effectively administer the existing Boxers' Pension Plan and will the newly-established MMA Retirement Benefit Fund be impacted? Are changes to the State Act necessary?

Background: Pursuant to the State Act ((BPC § 18881(a)), the Commission administers a Boxers' Pension Plan, which was originally established in 1982 aimed at providing monetary resources to retired professional boxers. The Commission is required to establish the method by which the Boxers' Pension Plan will be financed, including those who must contribute to the financing of the pension plan and specifies that the method of financing the Boxers' Pension Plan may include, but is not limited to, assessments on tickets and contributions by boxers, managers, promoters, or any one or more of these persons, in an amount sufficient to finance the Boxers' Pension Plan, as specified. Current law, specifies that, if the fee on admissions for a boxing contest exceeds \$70,000, the amount in excess of \$70,000 shall be paid one-half to the Commission and one-half to the Boxers' Pension Fund. (BPC § 18824(a)(2)(B)). The law further requires any Boxers' Pension Plan established by the Commission to be actuarially sound. (BPC § 18881(c)) The law specifies that the Boxers' Pension Fund is specifically not a retirement fund

The Commission is required to:

- Certify, and direct the amount and the kind of benefits to which any covered boxer shall be entitled;
- Maintain all necessary records for the administration of the Boxers' Pension Plan;
- Determine the size and type of any contract to be purchased from any insurer, if any, and to designate the insurer from which such contract shall be purchased;
- Prepare and distribute information to participating boxers concerning their rights and obligations, including a summary description stating the requirements and benefits of the Boxers' Pension Plan in English and Spanish, using commonly spoken language to the extent possible, which shall be sent to each manager and to each boxer at appropriate times, including at the time of initial licensure and renewal
- Place the funds in the Boxers' Pension Plan in trust and to select a trustee to invest and administer the funds.

Commission regulations require a promoter to contribute \$.88 on every ticket, excluding a working complimentary ticket, up to a maximum contribution of \$4,600 per show, to the Boxers' Pension Fund. (4 CCR § 402)

Regulations further specify that a participating boxer shall become vested in the amount credited to the participating boxer's regular account when they have fought in at least ten scheduled rounds per calendar year during each of four calendar years without an intervening break in service, and have fought in at least 75 scheduled rounds without a break in service. The Commission is authorized to:

- Pay benefits directly from the Boxers' Pension Fund in a lump sum or installments
- Invest the amount of the accrued benefit in an installment contract or annuity for the benefit of the covered boxer or the participating boxer's beneficiary by conversion of existing contracts or otherwise. Such installment contract, endorsed as nontransferable, may be distributed to the covered boxer or the covered boxer's beneficiary
- Distribute the contracts on the covered boxer's life

In 2005, the Bureau of State Audits (BSA) found that the fund was poorly administered and very few boxers have or would receive benefits from the Boxers' Pension Fund. The Auditor noted that from 2001-2004, total benefits paid to boxers were \$36,000, while administrative costs were six times greater. Further, the Auditor also noted that, as of 2003, only 14 percent of licensed boxers were vested and their accounts were very low. On December 31, 2005, only 43 participants were eligible for retirement benefits totaling just \$430,000. BSA recommended reducing vesting requirements and increasing the gate fees used to fund the plan. According to a report issued by BSA in January 2011, these recommendations from 2005 remained unresolved. The Commission responded to BSA's recommendation by stating that it would conduct a study on the impact of reducing vesting requirements and pursue changes in statute or regulation or an increase in gate fees.

During the 2013 sunset review oversight of the Commission, the Committee noted that the Commission had improved its outreach efforts to ensure that athletes know they are eligible for benefits but also noted that the administration of the fund (as well as costs to administer it that are paid to a third party plan administrator) as well as the potential that the monetary amounts received by a vulnerable fighter population may not serve their health and welfare needs continued to call the Boxers' Pension Fund's existence into question. Questions were raised as to whether a lump sum payment was a proper benefit to a fighter, or whether there were potentially more appropriate means by which to assist these athletes like providing health insurance benefits, connecting fighters to coverage for medical services, or directing retired boxers to medical coverage options like Covered California so they are able to receive ongoing, consistent medical treatment that is not likely covered by a one-time payment.

During the 2019 sunset review oversight of the Commission, it noted that it had "increased Pension Plan distributions to qualified retired boxers, despite the obstacles in locating potential claimants. The Commission's outreach efforts regarding the Pension Plan have improved over the past several years, however, remains limited in further efforts to locate eligible boxers." At the time, there were almost 300 covered boxers and almost \$3.8 million in fund assets, with 11 boxers paid just over \$176,000 in 2018. The Commission advised that establishing a MMA Pension Plan was outlined in its Strategic Plan but questions were raised at the time about how a MMA Pension Plan would be structured, given its specificity for boxers, as well as the general challenges associated with underfunded pensions.

At its March 2023 meeting, it was reported that the Commission had deposited \$65,597.14 to the Boxers' Pension Fund in the current fiscal year and that the Fund has approximately \$4.658 million as of the beginning of 2023.

A May 2023 *Los Angeles Times* article, "California created the nation's only pension for aging boxers. But it's failing many of them", found that the pension plan does not have enough money to pay all unclaimed pensions without reducing the amount of money received by fighters who become eligible in future years - with just \$294,000 set aside for the \$2.1 million owed to boxers who haven't been paid. Many boxers have not claimed them because, in many cases according to the article, they were unaware that they were even eligible for a pension. While the Commission has made recent efforts to advertise this benefit to boxers, the article states that the Commission has waited until a boxer turns 50 before attempting to contact them for the first time, and by then, the vast majority of addresses are no longer current. The article found that approximately 200 boxers could have claimed a pension last year, but only 12 of them did so. The article also noted that the Commission's contracted pension administrator, Benefit Resources, has raised alarms in the past about the impact of too many boxers coming forward with late claims in the same year which creates uncertainty and instability in the fund.

A subsequent *Los Angeles Times* article in March 2024, "After losing a world champion boxer's pension records, California finally admits error", highlighted action taken by the Commission at its March 4, 2024 meeting to pay a retired boxer a lump sum payment after previously denying payment, only to learn that the fighter's pension records had somehow been lost.

In 2023, the Commission sponsored AB 1136 (Carrillo, Chapter 466, Statutes of 2023) to establish a MMA Retirement Benefit Fund. The MMA Fund is financed by any of the following:

- An assessment in the amount of one dollar (\$1) on each ticket sold for a professional MMA contest held in the state. The amount may be raised to up to \$2 through regulations.
- Revenue through the sale of special interest license plates and other commission-branded items, including, but not limited to, sport paraphernalia and souvenirs.
- Contributions by martial artists, managers, promoters, or any one or more of these persons, in an amount sufficient to finance the MMA Fund.

The MMA Fund fighter eligibility and vesting requirements are outlined in the State Act, rather than regulations, as the Boxers' Pension Fund administration is outlined.

The Senate Appropriations Committee analysis of AB 1136 noted that the bill will result in unknown, potentially significant contracting costs for MMA Fund management and investment services. The analysis stated that the Commission may require a future appropriation to stand up the retirement benefit plan until monies in the MMA Fund are sufficient to cover its administrative costs. The analysis noted that AB 1136 will also result in unknown, increased workload to the Commission to administer the MMA Fund for activities that may include tracking eligible martial artists, sending notifications, conducting outreach, monitoring and providing reports on the fiscal health of the MMA Fund, collecting and distributing monies, and responding to inquiries from the public and licensees. Actual workload increases to the Commission would vary, and depend on among other things, the number of MMA fighters who would be eligible for the retirement benefit plan and timeframe for when eligible fighters may seek to claim their benefits.

The Commission has requested a number of changes related to these programs, including changes aimed at increasing revenue for the Boxers' Pension Fund.

It would be helpful for the Committees to understand how the Commission, an extremely small regulatory program, will continue to carry out this important work. In addition to fund solvency efforts, it would be helpful for the Committees to understand the revenues necessary for the Commission's workload and where those resources will come from, considering the fluid nature of Commission revenue. It would be helpful for the Committees to understand what statutory updates are necessary to ensure that the state's goal of providing some benefit to former Commission licensees are met. It would be helpful for the Committees to understand how outreach efforts to fighters will continue, given historic challenges in connecting with even eligible boxers, now that an entirely new category of MMA fighters will also become eligible for benefits.

Staff Recommendation: *The Commission should advise the Committees whether there are better means by which to assist retired boxers lead a healthy life after years of participation in the sport and ensure that they receive important medical care. The Commission should provide an update about the ability for the Commission's current structure and revenues to support this important work. The Commission should provide an update on formal, ongoing outreach efforts to boxers and future efforts to MMA athletes. The Commission should provide an update on necessary statutory changes to the State Act related to these funds and programmatic efforts. The Committees should evaluate whether the current statute and regulations meets the intended purpose of assisting retired athletes.*

ISSUE #3: (CODIFICATION OF REGULATIONS AND STATE ACT MODERNIZATION.)
The State Act has been added to over the years but a comprehensive review of the Act and of regulations which may need to be codified is necessary.

Background: The State Act was written decades ago and, while updates have been made over the years, structural changes to ensure efficient Commission operations may be needed. Additionally, much of the athlete safety and provisions governing events, contracts, and fighter well-being are outlined in regulations rather than in the State Act. The Commission has historically been hindered in updating its regulations quickly due to delays in the process and general timeframes that may not allow the Commission to make appropriate changes in a timely manner.

Recommendation: *The Commission should work with the Committees to amend the State Act as necessary in order to modernize the law and further promote the clear and effective regulation of events, prioritizing the safety and welfare of athlete licensees.*

ISSUE #4: (UNSANCTIONED EVENTS.) The issue of the Commission's options for actively regulating "smokers," rather than passively waiting for complaints or hearing about them via social media or blogs remains important. The Commission advises that it still largely relies on complaints regarding illegal events due to its limited staff and funding. How can the Commission regulate necessary matches and promote participant safety?

Background: Because there is no beginner-level competition below amateur, many fighters and trainers resort to competing in "smokers," organized full-contact events that are unsanctioned. They are often characterized as inter-gym sparring events to assuage suspicion. However, due to the lack of

regulation, there are few checks against coming in overweight, dehydration, mismatches, and other issues that jeopardize the health and safety of the participants. This is exacerbated by the fact that medical personnel are not likely on-site.

The Committees have previously noted that the Commission's poor fund condition limited its ability to actively inspect or investigate unsanctioned events. During its 2019 sunset review oversight, the Commission advised that its fund was in a more stable place and it planned to do more in this area.

It would be helpful for the Committees to understand how the Commission may be able to regulate lower-level matches, such as requiring gyms that offer sparring to register or undergo jurisprudence training, as well as whether the Commission has the authority it needs to undertake this work, including the necessary staff and funding required to promote safety in these events.

Staff Recommendation: *The Commission should provide the Committees an update on continued unsanctioned event efforts. The Commission should advise the Committees about what more could and should be done in this area, as well as the necessary revenue to address this issue.*

ISSUE #5: (FLUIDITY IN REVENUES AND EXPENDITURES.) The Commission's revenues are not predictable, not always stable and fluctuate greatly depending on the number of combat sporting events held in California for which the Commission provides oversight. As the Committees have previously asked, does the Commission need more flexibility in its spending authority?

Background: The Commission is not able to adequately predict revenues over time in the manner that other licensing boards do, given the fluid nature of the Commission licensing revenues and fluctuations in the sports that may dictate when events do or do not take place. The budget process requires that estimates be made many months in advance in order for the Commission's spending authority to be approved. The Commission faces a completely different fund situation depending on events that are held in California.

The issue of the Commission's staffing has continued to be of concern during past sunset review oversight discussions, audits, and budget discussions about appropriate expenditures. Athletic inspectors in particular perform a critical function in overseeing the safety of events and well-being of licensees at events. Inspectors facilitate key aspects of an event, including all of the pre-bout activities like weigh-ins and proper hand wrapping and ensuring only authorized individuals are in locker rooms. Inspectors also must be present in order for fighters to get paid after a fight. If too few athletic inspectors are assigned to an event, key fighter safety protections may be overlooked.

Due to the COVID-19 pandemic and issuance of a statewide directive to prohibit all major gatherings, all major sporting events were cancelled, which in turn impacted the Commission's ability to generate revenue mid-way through fiscal year 2019-20 and throughout 2020-21. During this time, the Commission's revenue dropped to approximately \$1.8 million in 2019-20 and to only \$894,000 in 2020-21. During this time, the Commission relied on its fund reserves and various cost saving measures to support its operations during the height of the pandemic. Between fiscal years 2019-20 and 2020-21, the Commission's fund reserves sharply dropped from \$1.6 million (12.1 months in reserve) in 2019-20 to \$757,000 (4.0 months in reserve) by the end of 2020-21.

In 2021-22, major combat sporting events were allowed to resume in California and the Commission generated roughly \$1.9 million in revenues, a significant improvement from the prior year. However, the Commission required additional spending authority of \$340,000 to pay the Office of the Attorney General for unanticipated litigation costs which further depleted the Commission's fund reserves to \$343,000 (1.7 months in reserve) by the end of the fiscal year. Based on expenditure and revenue projections, the Commission is anticipated to generate \$1.9 million in revenues and expend approximately \$2.4 million, which will cause a fund insolvency of \$79,000.

The Commission sponsored AB 1703 (Carrillo, Chapter 591, Statutes of 2023) which increased the cap on the amount of admissions revenue that promoters must report from \$2,000,000 to \$4,000, and increased the cap on the admissions revenue fee from \$100,000 to \$200,000. The Commission believes this will help to ensure that it remains solvent, however, with rising costs of doing business for state agencies, increased administrative workload at the Commission level related to a new MMA Fund and a long overdue business modernization project, as well as other important initiatives the Commission is undertaking (such as working to provide financial literacy information to fighters), it would be helpful for the Committees to understand what additional resources, revenues, and adjustments the Commission needs to continue its critical work.

Staff Recommendation: *The Commission should explain whether it can effectively protect fighters and oversee events with its current spending authority and other staffing needs it has to improve operations and promote fighter safety. The Commission should advise the Committees if its inability to adjust expenditures on an ongoing basis, as well as budget process delays in changing its spending authority on a regular basis, impede its health and safety efforts.*

ISSUE #6: (MINIMUM PURSE.) Should the amount be increased in the State Act?

Background: In response to concerns that athletes were not provided a minimum purse for fighting and exploitation by promoters who may pay them as little as \$1.00 instead of an industry minimum, the Commission promulgated regulations to set a minimum purse amount of \$100 per round. The Commission believes this amount should be updated to \$200 and included in the State Act.

Staff Recommendation: *The Commission should update the Committees on this effort. The Committees may wish to update the Act to ensure that fighters are provided appropriate compensation.*

ISSUE #7: (AMBULANCES.) Commission regulations require an ambulance staffed by at least one paramedic is available at the site during and after an event and that it remains on site until released by a ringside physician.

Background: While Commission regulations require an ambulance at events, concerns have been raised that fighter safety is significantly impacted when paramedics do not transport injured fighters in a timely manner to receive critical care. It would be helpful for the Committees to understand what discussions the Commission has held with stakeholders to ensure that fighter safety is prioritized and that appropriate judgment is made swiftly to protect these individuals. It would be helpful for the Committees to understand what steps need to be taken so that injured fighters are transported from events as necessary.

Staff Recommendation: *The Commission should update the Commission on necessary updates to state law to ensure that injured fighters receive proper, timely care.*

ISSUE #8: (TECHNICAL CHANGES MAY IMPROVE EFFECTIVENESS OF THE STATE ACT AND COMMISSION OPERATIONS.) There are amendments to the Act that are technical in nature but may improve Commission operations and the enforcement of the Act.

Background: There are instances in the State Act where technical clarifications may improve Commission operations and application of the statutes governing the Commission’s work.

Staff Recommendation: *The Committees may wish to amend the Act to include technical clarifications.*

**CONTINUED REGULATION OF FIGHTERS AND EVENTS BY THE
CURRENT COMMISSION**

ISSUE #9: (CONTINUED REGULATION BY THE CALIFORNIA STATE ATHLETIC COMMISSION.) Should the licensing and regulation of boxers, kickboxers and mixed martial arts athletes be continued and be regulated by the current Commission membership?

Background: California’s professional and amateur boxers, kickboxers and mixed martial arts athletes are better served with appropriate oversight by a Commission, and the state benefits from holding these events in California. If the Commission goes away, large scale events held in communities throughout the state will not happen, taking with them the economic windfall to local businesses. Most significantly, fighting will still take place, in an underground, unregulated environment that is not conducive to protecting athletes and promoting career opportunities and abilities of many young people. The most important work of the Commission happens on the ground level, managing and overseeing events and promoting the well-being of the competitors participating in combat sporting events in California. While the Commission has struggled with certain functions over the years like ensuring retired fighters receive benefits, the current membership and management have shown a commitment to improve the Commission’s overall efficiency and effectiveness and are working cooperatively with the Legislature and the Committees to bring about necessary changes.

Staff Recommendation: *The Commission should be continued, and reviewed again on a future date to be determined.*