

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 1111	Department Department of Consumer Affairs	Priority No. 1
Budget Request Name 1111-037-BCP-BR-2016-GB		Program 1110 - CALIFORNIA STATE ATHLETIC COMMISSION	Subprogram 1110010 - ATHLETIC COMMISSION SUPPORT

Budget Request Description
 SB 469 (Chapter 316, Statutes of 2015) - Drug Testing

Budget Request Summary

The California State Athletic Commission (Commission) is requesting a budget augmentation of \$115,000 in FY 2016-17 and \$107,000 ongoing to fund a 0.5 Associate Governmental Program Analyst (AGPA), and fund the additional drug testing necessary to regulate the provisions set forth in Senate Bill (SB) 469 (Chapter 316, Statutes of 2015). The AGPA will process the workload associated with the additional drug testing.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By <i>Adria Cornejo</i>	Date <i>9-28-15</i>	Reviewed By <i>Mark M. Ito</i>	Date <i>9/28/15</i>
Department Director <i>Macey Rhine</i>	Date <i>9-28-15</i>	Agency Secretary <i>Mauro N. Galbello</i>	Date <i>10-1-15</i>

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA	Original signed by <i>Jeff Carosone</i>	Date submitted to the Legislature <i>1-7-16</i>
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BCP Fiscal Detail Sheet

BCP Title: CSAC Drug Testing (SB 469)

DP Name: 1111-037-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	0.5	0.5	0.5	0.5	0.5
Total Positions	0.0	0.5	0.5	0.5	0.5	0.5
Salaries and Wages						
Earnings - Permanent	0	30	30	30	30	30
Earnings - Temporary Help	0	5	5	5	5	5
Total Salaries and Wages	\$0	\$35	\$35	\$35	\$35	\$35
Total Staff Benefits	0	16	16	16	16	16
Total Personal Services	\$0	\$51	\$51	\$51	\$51	\$51
Operating Expenses and Equipment						
5304 - Communications	0	1	1	1	1	1
5306 - Postage	0	1	1	1	1	1
5340 - Consulting and Professional Services - Interdepartmental	0	52	52	52	52	52
5368 - Non-Capital Asset Purchases - Equipment	0	10	2	2	2	2
Total Operating Expenses and Equipment	\$0	\$64	\$56	\$56	\$56	\$56
Total Budget Request	\$0	\$115	\$107	\$107	\$107	\$107
Fund Summary						
Fund Source - State Operations						
0326 - Athletic Commission Fund	0	115	107	107	107	107
Total State Operations Expenditures	\$0	\$115	\$107	\$107	\$107	\$107
Total All Funds	\$0	\$115	\$107	\$107	\$107	\$107
Program Summary						
Program Funding						
1110010 - State Athletic Commission - Support	0	115	107	107	107	107
Total All Programs	\$0	\$115	\$107	\$107	\$107	\$107

Analysis of Problem

A. Budget Request Summary

The California State Athletic Commission (Commission) is requesting a budget augmentation of \$115,000 in FY 2016-17 and \$107,000 ongoing to fund a 0.5 Associate Governmental Program Analyst (AGPA), and fund the additional drug testing necessary to regulate the provisions set forth in Senate Bill (SB) 469 (Chapter 316, Statutes of 2015). The AGPA will process the workload associated with the additional drug testing.

B. Background/History *(Provide **relevant** background/history and provide program resource history. Provide workload metrics, if applicable.)*

The Commission was created by an initiative vote in 1924 and is now under the umbrella of the Department of Consumer Affairs. The Commission was established because of the increasing number of boxer injuries/deaths occurring in the ring, and the involvement of unethical persons, management and promoters in the sports. Prior to the Commission, no government agency existed to provide oversight of managers, promoters, event officiating, or to protect the health and ensure the safety of the participants. Today, the Commission oversees licensing, prohibited substance testing, and event regulation throughout the state with a seven member Commission; five appointed by the Governor, one by the Senate Rules Committee, and one by the Speaker of the Assembly. The Commission meets at least six times a year to:

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

The Commission licenses boxers, mixed martial arts fighters, promoters, managers, seconds, matchmakers, referees, judges, timekeepers, professional trainers, and approves ringside physicians. The Commission regulates events within its jurisdiction and regulates each event by staffing specialized and well trained athletic inspectors to enforce the regulations related to combat sporting events.

Prior to the implementation of the provisions set forth in SB 469, the Commission's law prohibited the administration or use of any drugs, alcohol or stimulants, or injections in any part of the body, either before or during a match to or by any boxer or mixed martial arts fighters. Any individual who applied for or held a license and who had a positive drug test confirmed by any Commission for any illegal substance was required, as a condition of licensure or renewal, to provide a urine specimen for drug testing. Additionally, a licensed boxer or mixed martial arts fighter was required to provide a urine specimen for drug testing either before or after the bout, as directed by the Commission's regulations.

SB 469 authorizes the Commission to conduct enhanced drug testing necessary to promote the health and safety of licensees by providing that the administration or use of any drugs, alcohol or stimulants or injections in any part of the body or the use of any prohibited substance specified in the Prohibited Substances List of the World Anti-Doping Code, as promulgated by the World Anti-Doping Agency, is prohibited. SB 469 also authorizes the Commission to conduct drug testing at any time during the period of licensure to ensure compliance with this prohibition. This will result in the Commission administering approximately 50 additional drug tests per year.

Analysis of Problem

Resource History (Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY
Authorized Expenditures	\$2,324	\$2,369	\$1,923	\$1,156	\$1,421
Actual Expenditures	\$2,153	\$1,832	\$1,311	\$1,194	\$1,404
Revenues	\$1,758	\$1,386	\$1,589	\$1,452	\$1,694
Authorized Positions	10.0	10.0	9.6	5.0	7.5
Filled Positions	8.3	9.1	5.6	5.0	6.5
Vacancies	1.7	0.9	4.0	0.0	1.0

C. State Level Considerations

Pursuant to the Boxing Act, the Commission is responsible for protecting the health, safety, and welfare of licensees. California Code of Regulations, Title 4, Division 2, Chapter 1, Article 6 § 303 states, "The administration or use of any drugs, alcohol or stimulants, or injections in any part of the body, either before or during a match, to or by any boxer is prohibited." To enforce this provision, the Commission must drug test athletes in order to ensure that performance-enhancing substances are not being used in competition that could result in the serious injury and/or death of the athletes. Without proper and ongoing testing for banned substances, the Commission will be unable to properly provide adequate protection to its licensees.

D. Justification

Testing for banned substances plays a critical role in maintaining a safe environment for athletes and other licensees including Seconds, Referees, Judges, and Timekeepers. In order to regulate competitive sporting events, while striving to protect the health and welfare of the participants, the Commission tests for anabolic agents, masking agents, diuretics, and drugs of abuse.

Currently, the Commission is budgeted \$31,860 annually for drug testing. This allows the Commission to drug test approximately 70 athletes out of approximately 2,000 athletes competing annually, or 3.5%. However, the Commission drug tested approximately 180 athletes in FY 2014-15 (\$85,386 drug testing expenditures/\$480 per test) in order to attempt to meet its mandate of protecting the health, safety and welfare of its athletes. Drug testing needs to be performed on a much larger scale at every event in California, thus emphasizing safety standards set forth by the Commission. Due to budget constraints, the Commission is unable to provide large scale ongoing testing for banned substances at every event in California. The Commission is hopeful that the additional drug testing will significantly deter athletes from using drugs in the future. The table below shows the Commission's drug testing expenditures from FY 2011-12 to FY 2014-15.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Drug Testing Expenditures	\$61,767	\$52,820	\$26,240	\$85,386

SB 469 authorizes the Commission to conduct drug testing at any time during a fighter's period of licensure. This will result in an increase in approximately 50 drug tests per year. The chart below shows a breakdown of the increased costs associated with the implementation of this bill. These costs include miscellaneous expenditures relative to drug testing an athlete.

Analysis of Problem

Expenditure	Cost	Quantity	Total Cost
Initial Drug Test	\$400.00	50	\$20,000
Additional Drug Test (Testosterone) – 10% of Initial Testers	\$600.00	5	\$3,000
Test Kit	\$80.00	50	\$4,000
Inspector*	\$100.00	50	\$5,000
Vehicle Expense	\$30.00	50	\$1,500
Postage	\$20.00	50	\$1,000
Cost of Appeals	\$8,500	3	\$25,500
		Subtotal:	\$60,000

* The Inspector Cost is @ \$25/hour. The Commission estimates that the Inspector will need 4 hours to fully conduct the examination.

The Commission is requesting for the ongoing funding and position authority for a 0.5 AGPA to process the additional workload associated with the implementation of SB 469. The attached chart shows the workload that the requested 0.5 AGPA will perform to regulate the provisions set forth in SB 469. The Commission will be unable to absorb this additional workload within its existing resources. Without the addition of this position, the Commission will be required to redirect resources from other mission critical functions, which would be inconsistent with the Commission's mandate of protecting the health, safety and welfare of its licensees.

- E. Outcomes and Accountability** *(Provide summary of expected outcomes associated with Budget Request and provide the projected workload metrics that reflect how this proposal improves the metrics outlines in the Background/History Section.)*

Conducting widespread drug testing would hold the licensees accountable to legal, acceptable practice, in compliance with current statutes and regulations.

F. Analysis of All Feasible Alternatives

Alternative 1 – Augment the Commission's budget by \$115,000 in FY 2016-17 and \$107,000 in FY 2017-18 and ongoing to fund a 0.5 AGPA and the additional drug testing necessary to regulate the provisions set forth in SB 469.

Pro: This alternative would address critical ongoing testing of banned substances on athletes to ensure that the Commission meets its mandate of protecting the health, safety and welfare of its licensees.

Con: Approving this alternative will require the Commission to increase its expenditures by \$115,000 in FY 2016-17 and \$107,000 in FY 2017-18 and ongoing.

Alternative 2 – Augment the Commission's budget by \$60,000 in FY 2016-17 and ongoing to fund the additional drug testing necessary to regulate the provisions set forth in SB 469; and have the Commission absorb the additional workload associated with the implementation of SB 469 within their existing resources.

Pro: This alternative would address critical ongoing testing of banned substances on athletes to ensure that the Commission meets its mandate of protecting the health, safety and welfare of its licensees.

Con: The Commission would be required to redirect resources from other mission critical functions to account for the additional workload associated with the implementation of SB 469. This would be inconsistent with the Commission's mandate of protecting the health, safety and welfare of its licensees.

Alternative 3 – Augment the Commission's budget by \$55,000 in FY 2016-17 and \$47,000 in FY 2017-18 and ongoing to fund a 0.5 AGPA to process the additional workload associated with the implementation of SB 469; and have the Commission absorb the costs of the additional drug testing necessary to regulate the provisions set forth in SB 469.

Analysis of Problem

Pro: This alternative would provide the Commission with the appropriate staffing authority to process the additional workload associated with the implementation of SB 469.

Con: This alternative would not provide the Commission with the budget authority to conduct the additional drug testing that would be required per SB 469.

Alternative 4 – Status Quo. The Commission would be required to absorb the additional workload and drug testing expenditures within existing resources.

Pro: This alternative would not require additional funding.

Con: This alternative would require the Commission to absorb the additional workload and drug testing expenditures associated with the implementation of SB 469 within existing resources. This would require the Commission to redirect resources from other mission critical areas in order to implement the provisions set forth in SB 469.

G. Implementation Plan

Upon approval, the Commission will begin the recruitment process for the 0.5 AGPA with a proposed hiring date of July 1, 2016.

H. Supplemental Information *(Describe special resources and provide details to support costs including appropriate back up.)*

Please see attached workload chart, fund condition, and org charts.

I. Recommendation

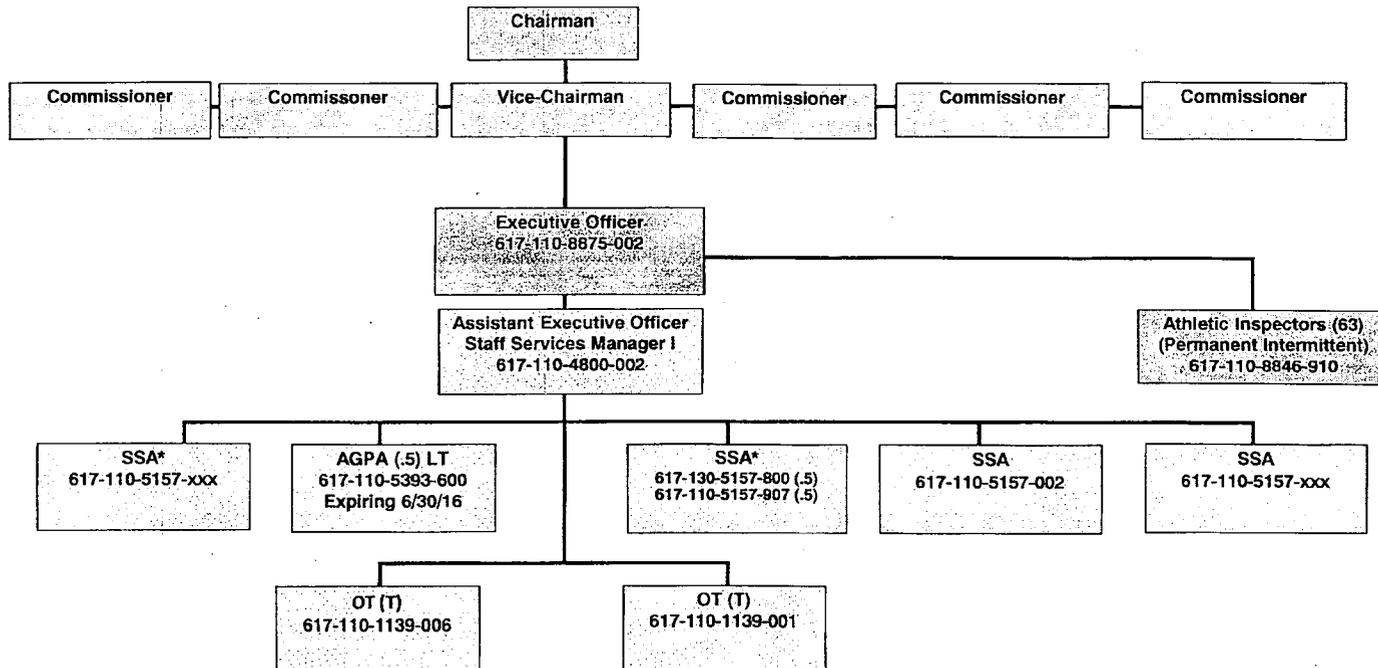
The Commission recommends alternative 1 because it will allow the Commission to fully implement the provisions set forth in SB 469.

Department of Consumer Affairs

California State Athletic Commission

CURRENT
FY 2015-16

110 Authorized Positions 8.0
130 Authorized Positions 0.5
Temporary Help Positions 63.5



*CORI Position

Asst. Executive Officer

Date

Personnel Analyst

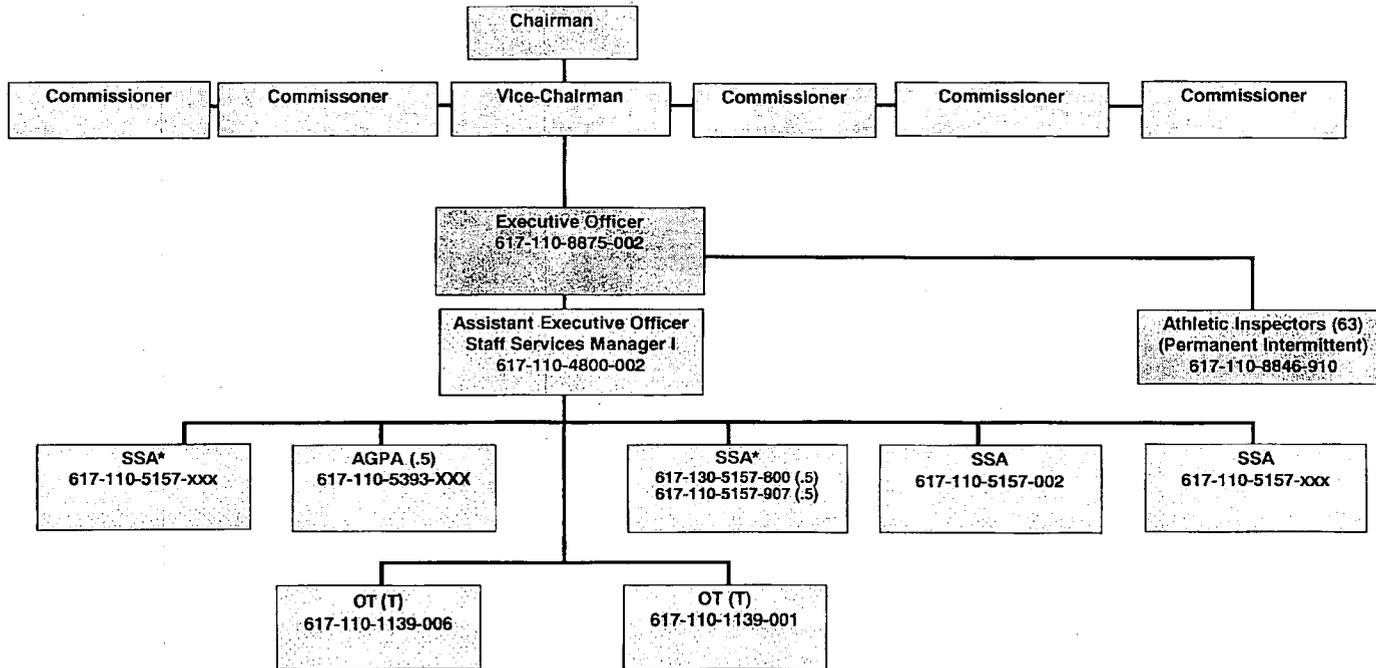
Date

Department of Consumer Affairs

California State Athletic Commission

PROPOSED
FY 2016-17

110 Authorized Positions 8.0
130 Authorized Positions 0.5
Temporary Help Positions 63.5



*CORI Position

Asst. Executive Officer

Date

Personnel Analyst

Date

Projected Workload - FY 2016/17	# OF TASK PERFORMED	TIME TO PERFORM TASK (HOURS)	HOURS PERFORMED ANNUALLY
Prepare/Issue citations and fines	10	2.00	20
Schedule/process appeal of drug citations/suspensions	10	3.00	30
Update/Maintain Citation/Fine tracking system	50	0.50	25
Communicate with UCLA Analytical Lab re: Drug Testing	50	0.75	37.5
Prepare/Maintain UCLA Analytical Lab Contract & Invoices	12	1.00	12
Track/Collect Fees for drug related fines	10	1.00	10
Weekly Licensing & Enforcement Workload Supervision/Oversight	52	3.00	156
Update/Maintain Policies & Procedures	10	4.00	40
Assist AEO with Regulation Changes related to drug testing	6	3.00	18
Weekly prepare/respond to Correspondence	52	1.00	52
Weekly tracking of Statistics/Reports for Management	52	2.00	104
Attend Meetings/Appeal Hearings	3	8.00	24
Prepare for & conduct Inspector Training re: Drug Testing	2	10.00	20
Maintain database for drug testing results	50	0.50	25
Weekly meetings with inspectors to review drug test results	52	3.00	156
Weekly tracking of cost recovery for arbitration meetings	52	2.00	104
TOTAL	473	44.75	833.5
		Total hours/year	833.5
1 PY = 1,776hours		Workload Required (PY)	0.5
		Authorized Staffing	0
		Total Program Need (PY)	0.5

0326 - Athletic Commission Fund

Analysis of Fund Condition

(Dollars in Thousands)

FY 2015-16 Budget Act w/ SB 469 Drug Testing BCP

	Actual 2014-15	CY 2015-16	BY 2016-17	BY+1 2017-18	BY+2 2018-19
BEGINNING BALANCE	\$ 501	\$ 763	\$ 1,013	\$ 1,119	\$ 1,204
Prior Year Adjustment	\$ -39	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 462	\$ 763	\$ 1,013	\$ 1,119	\$ 1,204
REVENUES AND TRANSFERS					
Revenues:					
125600 Other regulatory fees	\$ 1,420	\$ 1,389	\$ 1,389	\$ 1,389	\$ 1,389
125700 Other regulatory licenses and permits	\$ 207	\$ 243	\$ 243	\$ 243	\$ 243
125800 Renewal fees	\$ 58	\$ 65	\$ 65	\$ 65	\$ 65
125900 Delinquent fees	\$ -	\$ -	\$ -	\$ -	\$ -
141200 Sales of documents	\$ -	\$ -	\$ -	\$ -	\$ -
142500 Miscellaneous services to the public	\$ -	\$ -	\$ -	\$ -	\$ -
150300 Income from surplus money investments	\$ 2	\$ 3	\$ 3	\$ 4	\$ 4
160100 Settlements and Judgements - Anti-Trust Actions	\$ 1	\$ -	\$ -	\$ -	\$ -
161200 Sales of forest products	\$ -	\$ -	\$ -	\$ -	\$ -
161400 Miscellaneous revenues	\$ 6	\$ -	\$ -	\$ -	\$ -
164300 Penalty assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Totals, Revenues	\$ 1,694	\$ 1,700	\$ 1,700	\$ 1,701	\$ 1,701
Transfers from Other Funds					
Transfers to Other Funds					
Totals, Revenues and Transfers	\$ 1,694	\$ 1,700	\$ 1,700	\$ 1,701	\$ 1,701
Totals, Resources	\$ 2,156	\$ 2,463	\$ 2,713	\$ 2,820	\$ 2,905
EXPENDITURES					
Disbursements:					
1110 Program Expenditures (State Operations)	\$ 1,392	\$ 1,447	\$ 1,479	\$ 1,509	\$ 1,539
1111 Program Expenditures (State Operations)	\$ -	\$ -	\$ -	\$ -	\$ -
SB 469 - Drug Testing BCP	\$ -	\$ -	\$ 115	\$ 107	\$ 107
8880 FISC (State Operations)	\$ 1	\$ 3	\$ -	\$ -	\$ -
Total Disbursements	\$ 1,393	\$ 1,450	\$ 1,594	\$ 1,616	\$ 1,646
FUND BALANCE					
Reserve for economic uncertainties	\$ 763	\$ 1,013	\$ 1,119	\$ 1,204	\$ 1,259
Months in Reserve	6.3	7.6	8.3	8.8	9.2