

The Columbus Dispatch

Dispatch endorsement: For State Issue 1

Third Frontier program deserves continued push for good of Ohio

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Ohio voters should seize the opportunity to keep the state's successful Third Frontier program humming, expanding high-tech industries and creating jobs, by voting yes on **State Issue 1**.

Issue 1, a proposed amendment to the Ohio Constitution, would authorize the state to issue \$700 million in general-obligation bonds over three or more years for research-and-development projects.

Because of the state's excellent record in administering such programs, these bonds will not affect the state's credit rating and will not raise taxes. In fact, according to the Ohio Business Roundtable, tax revenues related to Third Frontier-funded activities thus far have repaid the state 50 percent of its investment, with the entire amount from that funding expected to be repaid by 2013. In other words, the program pays for itself.

The issue also includes provisions for continuing independent reviews and evaluations of the merits of proposals that seek Third Frontier funding. This proven process ensures that the best ideas, with the greatest likelihood of success, receive Third Frontier money.

Voters' approval of Issue 1 will send a strong signal to potential investors in these projects that Ohio is a place that welcomes and nourishes innovation.

The Third Frontier, an initiative of then-Gov. Bob Taft, dates to 2002, but leaders of both parties have kept it rolling. Ohio voters gave it an extra push in November 2005, approving the issuance of \$500 million in bonds over seven years for projects at university research centers and pioneering businesses to develop technology, materials and manufacturing techniques.

Because this funding measure will expire soon, Issue 1 is vital to maintain this effort, which has been enormously rewarding to Ohio and Ohioans. A study of money spent on Third Frontier projects from 2003 through 2008 found that the projects generated 41,300 jobs, accounting for \$2.4 billion in workers' wages and

benefits and \$6.6 billion in economic development. That added up to a \$10 return on every \$1 the state invested in the program. The study determined that venture-capital investment in Ohio grew by 13.2 percent per year in 2004-08, more than double the rate of total U.S. venture-capital investment in the same period.

Gov. Ted Strickland last year began pushing extension of the program. The overwhelming approval in both the Ohio House and Senate of the measure that brings this issue to the May 4 ballot reflects the broad bipartisan recognition of its value to this state.

Voters can do their part by continuing Ohio's investment in entrepreneurship in the businesses and industries that are filling the gaps created by the erosion of the state's old manufacturing base.

A yes vote on Issue 1 in the May 4 primary is a vote for the workers in these new endeavors and a vote for Ohio's future.