

Ohio's Third Frontier - Ticking Time Bomb of Debt

There is a \$500 Million ticking time bomb of debt that may well balloon by an additional \$700 Million *if* the voters of Ohio are duped into approving **Issue One** on the May 4th Primary ballot. This ballot issue would extend the life of the Ohio Third Frontier program which has already spent almost \$1 Billion supposedly transforming the “intellectual property” of Ohio’s universities into new high tech ventures at a multitude of corporations in Ohio and at some headquartered outside of Ohio.

As noble a goal as this may be, Ohio can ill afford to continue to spend billions and billions of dollars that it doesn't have. Though **Issue One** is billed as merely a “bond issuance”, and not a new tax - what is a state bond issuance if not a pledge of future tax revenue and perhaps future tax increases?

With Ohio already facing a \$7 Billion structural deficit...plus a projected \$4 Billion unemployment loan to the federal government due in 2010...you would think that our elected officials would pull in the reigns and exercise fiduciary caution. But clearly this has not happened. Of course, it's not their money. It is yours and mine...and future generations...that will be stuck with the tab long after the current politicians have retired and are enjoying their rich (unfunded) pensions.

Proponents of **Issue One** gleefully cite a \$325,000 “independent” study that was commissioned by the Third Frontier itself indicating that 41,300 new jobs have been spawned by the program thus far. Well I have read that report. And it states that only 8,527 *direct* jobs were actually created by the program. You arrive at the 41,300 “total jobs created” by “modeling” the impact that these direct jobs have *theoretically* had stimulating the economy...which is, frankly, more conjecture than proof positive.

Based on 8,527 *direct* jobs created...at a billion dollars in program spending...this equates to a whopping \$117,275 per job. Does that sound like such a wise taxpayer investment? Meanwhile, some of these program dollars are already finding their way into, yes, new high tech ventures in China and on the Island of Penang in Malaysia...spawned by the Ohio Third Frontier program. After all, it's cheaper to make solar panels there than in Toledo, Ohio.

In the final analysis, Ohio's high tech employment sector has grown by a meager 6.4% since the inception of the Third Frontier program...perhaps better than other Midwest states...but still lower than the 9.1% growth in high tech jobs throughout the entire US, according to the Ohio Business Roundtable.

With the trillions of dollars in bonded debt being issued by the nation's cities, counties and states...and a projected national debt so vast that it is projected to become 90% of our nation's GDP within the decade...I guess we should all just shut up and be happy, hoping and praying for the best. Well, that is a lousy and unacceptable excuse for the sound leadership that these trying times demand. And, it is precisely the reason that I am urging thoughtful Ohioans to vote NO on **Issue One** this May 4th...lest we face a ticking time bomb of debt that will explode in the faces of future generations while it