Third Frontier grants oversight criticized

By Susanne Cervenka
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COLUMBUS -- A grant component of Gov. Bob Taft's Third Frontier Project has modest economic benefits while the oversight of its administration is inadequate, according to a report being released today.

The report from Policy Matters Ohio, a Cleveland-based research institute, examined the five-year progress of the Third Frontier Action Fund, a grant-giving arm of Taft's program to boost high-tech businesses in Ohio.

The fund began in 1998 under former Gov. George Voinovich to provide a state match of federal grants.

In five years, it has doled out 80 grants totaling $55 million.

The report cites several grant recipients and studies showing what, if any, benefits resulted for Ohio.

The institute's research director, Zach Schiller, said the program has merits, but it will take more time for the benefits to evolve.

"It isn't too likely lots of jobs will be created quickly," Schiller said. However, "with $55 million spent over five years, one would expect more jobs."

He also said the development department has made some provisions to improve oversight in the program, but it still isn't being run as closely as it should be.

Schiller suggested the program needed "more
oversight and better oversight."

"There needs to be some additional rules that don't exist now. But there also needs to be a better administration of the existing framework, particularly if this is going to be a key part of our economic development program," he said.

Accountability has been a major consideration for the department, said Frank Samuel, Taft's science and technology adviser.

"Can we improve based on experience? Can we tweak things to make them better? Absolutely," he said. "But to say because of that we lack oversight is just wrong. It's just not true."

Samuel said the program is a catalyst for a healthier business climate with long-term results.

"When you try to do that, you are going to take risks. You are going to have some successes. You are going to have some failures," he said.