



Ballot issues as economic investment tools

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In December 2013, the Brookings Institute issued a study of ballot measures as a tool to authorize public funding and investment mechanisms. *Using Ballot Measures to Drive Economic Investment in States and Metropolitan Areas* summarizes ballot issue trends across the country and found that state and city leaders are increasingly turning to ballot measures as an alternative vehicle for sustainable economic growth.

Although the concept of governance by ballot measures has its roots in the 1890s, the use of both citizen-driven and legislative initiatives has risen steadily since the 1960s and continues to tread upward today. Report authors Jessica A. Lee, Mark Muro and Bruce Katz examined financing and economic development measures and noted that three categories of measures “have been shown to have particular resonance with the voting public.” Researchers found that historically, the most successful ballot issues focus on: 1) innovation, such as research activity, commercialization of new technology and support for early-stage companies; 2) education; or 3) infrastructure.

The report notes that while these types of ballot measures are often seen at the local level, states are increasingly turning to ballot issues to solve funding needs. Ohio, North Carolina, New Jersey, Georgia and other states have successfully passed statewide economic ballot measures in recent years. For example, the Ohio Third Frontier Bond Renewal Amendment, also known as Issue 1, was approved in 2010 as a legislatively referred constitutional amendment and authorized the state to spend \$700 million in bonds over five years on the Ohio Third Frontier program, which promotes growth in the technology industry.

Ohio is also working on an economic development ballot issue for 2014 that would provide grant and loan funding for local infrastructure projects. If approved by voters, the issue would renew Ohio’s existing State Capital Improvement Program (SCIP) infrastructure bond program for another decade and increase annual funding to \$175 million for the first five years and \$200 million thereafter.

The report concludes by offering some considerations for state and local leaders contemplating a ballot issue to authorize funding for economic development. In addition to deciding between a bond issuance and voter-approved tax increase, the report urges public leaders to carefully consider the fiscal and political costs of a ballot issue. The full report is available on the [Brookings Institute website](#).

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