

## QuickPoint! - The prudent person principle should be applied to all publicly funded projects

By Karen Rue

Last week, Cascade Policy Institute provided [suggestions](#) to the Board of Portland Public Schools to reduce costs on the Jefferson High School modernization project. The project is paused due to the budget ballooning from \$311 million (approved by voters in a 2020 bond issue) to \$491 million.

Cascade's primary advice for the PPS Board can be applied to all publicly funded projects: practice common sense prudence.

The prudent person principle provides perspective on three cost-prohibitive aspects of public projects:

1. Building above code requirements;
2. Energy efficiency expenditures with payback periods exceeding 20 years;
3. Overbuilding

To meet building code requirements for seismic resilience, Jefferson must be designed as a risk category III structure. Current plans call for building to the costly and unnecessary standard of risk category IV.

The state mandates 1.5% of most public buildings' budgets be allocated to green energy technology. Agency managers of four other Oregon school districts have refused to comply due to the excessive length of the pay-back period.

Finally, building realistically sized projects is key. Jefferson's current enrollment is below 500 students yet the rebuild is planned for 1,700, a flagrantly excessive size in a school district with declining enrollment.

The areas of excess in the Jefferson High School re-build are common in public projects. A prudent person would rein in this spending.

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