



**SCES**  
SAFE COMMUNITY  
EMPOWERMENT SYSTEM

# SCES OMB Fiscal Appendix

## Cost Architecture, System Exposure, and Cost Avoidance Mechanism

### FRAGMENTED COSTS

\$195K–\$325K per person/year

### CONTINUITY CORRIDOR COSTS

\$55K–\$75K per person/year



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# SAFE COMMUNITY EMPOWERMENT SYSTEM (SCES)

## OMB FISCAL APPENDIX

### Cost Architecture, System Exposure, and Cost Avoidance Mechanism

#### I. FISCAL CONDITION: DISTRIBUTED COST, SINGLE DRIVER

City expenditures related to public safety and human services are distributed across multiple agencies, funding streams, and contractual obligations. These include, but are not limited to:

- Correctional operations and incarceration
- Probation and supervision
- Law enforcement response
- Emergency medical services
- Shelter and housing systems
- Behavioral health services
- Workforce and contracted program delivery

These expenditures are budgeted, tracked, and evaluated independently.

They are not generated independently.

A concentrated segment of the population—**characterized by repeated system engagement**—produces recurring demand across these systems over time. Each interaction is recorded as a separate expenditure. Collectively, they represent a single, repeating fiscal condition.

**The system does not pay once.**

**It pays repeatedly for the same instability.**

#### II. THE 1% POPULATION EFFECT (COST CONCENTRATION)

A small, high-frequency population generates a disproportionate share of total system cost.

This population is characterized by:

- Repeated arrest and re-incarceration cycles
- Frequent emergency response utilization

- Shelter entry and re-entry
- Repeated enrollment in publicly funded programs
- Ongoing behavioral health intervention

While precise percentages vary by jurisdiction, the pattern is consistent: A minority population drives a majority of high-intensity system demand.

This is not a marginal inefficiency. It is the central cost structure.

Because this population moves across systems, no single agency captures total cost exposure. Each agency absorbs a portion. The cumulative burden is not governed as a unified fiscal condition.

### III. COST ARCHITECTURE: HOW EXPOSURE IS GENERATED

The current cost architecture is driven by recurrence.

When continuity is absent, system interaction follows a predictable pattern:

#### 1. Initial Intervention

An individual engages with a system (custody, supervision, service program, or crisis response).

#### 2. Temporary Stabilization

Progress is achieved within the controlled environment of that intervention.

#### 3. Transition Without Continuity

Responsibility shifts to another system or the individual exits structured support.

#### 4. Progress Reset

Development is not preserved. Expectations change. Accountability weakens.

#### 5. Re-entry at Higher Cost

The individual re-engages the system, often through crisis or enforcement pathways.

Each cycle increases system intensity and cost.

This is not episodic failure. It is structural recurrence.

### IV. COST MIGRATION (CROSS-AGENCY EXPOSURE)

In the absence of continuity, cost does not disappear. It migrates.

Examples of cost migration include:

- Reduced incarceration followed by increased emergency service utilization

- Decreased supervision costs followed by increased shelter or behavioral health demand
- Program completion followed by re-entry into enforcement systems

These shifts create the appearance of localized efficiency while total system cost remains unchanged or increases.

Traditional budgeting structures do not capture this dynamic because:

- Agencies are evaluated independently
- Funding is siloed
- Cost attribution is not longitudinal

As a result, decisions that appear cost-effective within one system may increase total city expenditure.

SCES addresses cost at the level where it is generated: cross-system recurrence.

## **V. SCES INTERVENTION: STRUCTURAL CONTINUITY**

SCES modifies the cost architecture by eliminating the reset condition.

It installs continuity across all systems interacting with the same population, ensuring that:

- Progress achieved in one system is preserved in the next
- Developmental standards remain consistent across transitions
- Evaluation reflects longitudinal stability rather than isolated activity

This changes the system from episodic intervention to continuous development.

The result is a measurable reduction in recurrence.

## **VI. COST AVOIDANCE MECHANISM (DETAILED)**

Cost avoidance within SCES is not based on reduced service provision. It is based on reduced system re-entry.

When continuity is governed:

- Individuals stabilize for longer periods
- Crisis events occur less frequently

- Enforcement-based re-engagement declines
- Reliance on high-cost systems decreases

This produces a direct fiscal effect:

**Reduced recurrence → Reduced demand → Reduced high-cost utilization**

The impact is observable across:

- Correctional intake rates
- Emergency response frequency
- Shelter re-entry rates
- Repeated program enrollment

Because these systems are cost-intensive, even modest reductions in recurrence produce significant fiscal impact over time.

**This impact compounds.**

**Each avoided cycle prevents future cycles.**

## VII. TIME HORIZON OF FISCAL EFFECT

SCES does not produce immediate, isolated savings.

It produces staged fiscal impact:

### **Short-Term (0–12 months)**

- Stabilization of high-frequency system users
- Improved visibility into cross-agency cost patterns

### **Medium-Term (12–24 months)**

- Measurable reduction in repeat system engagement
- Decline in crisis-driven utilization

### **Long-Term (24–36+ months)**

- Sustained reduction in high-cost system demand
- Improved predictability in budgeting and resource allocation

This progression reflects structural change, not temporary efficiency.

## VIII. FISCAL DISCIPLINE AND ATTRIBUTION

SCES enables a level of fiscal discipline not achievable under fragmented systems.

By aligning evaluation across agencies, the system can:

- Identify where costs are avoided rather than shifted
- Attribute outcomes to continuity rather than isolated programs
- Distinguish between activity reduction and true demand reduction

This creates a defensible framework for:

- Budget planning
- Performance evaluation
- Cross-agency accountability

Cost avoidance becomes attributable, not assumed.

## IX. RELATIONSHIP TO EXISTING EXPENDITURE

SCES does not require the City to create an entirely new funding structure.

It operates within existing expenditure by:

- Aligning current investments to continuity
- Reducing inefficiencies caused by recurrence
- Improving the return on existing spending

The City is already funding the population that drives system cost.

SCES determines whether that funding continues to repeat—or begins to produce cumulative outcomes.

## X. RISK POSITION

The primary fiscal risk is not implementation.

The primary fiscal risk is maintaining current conditions.

Under the existing model:

- Recurrence continues

- Cost remains distributed and ungoverned
- High-intensity system demand persists

Without structural intervention, these conditions do not self-correct. SCES introduces a governed alternative.

## XI. CONCLUSION

The fiscal question facing the City is not whether to invest in public safety and human services.

That investment is already occurring.

The question is whether that investment will continue to produce repeated cost—or be governed to produce cumulative outcomes.

SCES operates at the level where that determination is made: System behavior over time.

**Safe Community Empowerment System, PBC (SCES)** is a New York State Public Benefit Corporation established to design, license, and support the implementation of municipal operating infrastructure that aligns public safety, human development, and cross-agency service delivery within a unified, outcomes-governed framework.

SCES operates as a government-aligned infrastructure provider, not a program operator or direct service agency. The organization delivers a city-licensed governance system that enables municipalities to coordinate justice systems, housing stabilization, workforce development, behavioral health services, and community-based programs through structured developmental pathways and standardized evaluation architecture.

### Briefing Availability

Beginning April 16, 2026, the Safe Community Empowerment System will be prepared to offer a 45-minute working session with appropriate OMB leadership to present the full cost architecture, phased installation model, per-participant cost logic, and cross-agency ROI documentation. The complete supporting package — Cost Architecture Report, Capital Allocation and Funding Flow Plan, and Implementation Master Plan — is available for advance review.

### For More Information:

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