New York State Comptroller
THOMAS P. DiNAPOLI

Office of Addiction Services and Supports

Oversight of Transitional Safety Unit Providers

November 2026 | Report 2024-S-35
Prepared by the Division of State Government Accountability

Audit Highlights

Objective

To determine whether the Office of Addiction Services and Supports (OASAS) is adequately monitoring providers of Transitional Safety Units and evaluating whether the program is achieving the intended goals. The audit covered the period from March 2022 through November 2025.

About the Program

Substance use disorders—the misuse of, dependence on, or addiction to alcohol and/or legal or illegal drugs leading to effects that are detrimental to an individual's physical and mental health, or the welfare of others—affect the lives of millions of Americans and are characterized by health problems, disability, and failure to meet major responsibilities at work, school, or home. Due to these factors, there is a strong correlation between housing insecurity and substance use disorders.

OASAS oversees one of the nation's largest substance use disorder systems of care, with approximately 1,700 prevention, treatment, and recovery programs that collectively serve more than 730,000 individuals per year. OASAS' mission is to provide, support, and oversee a data-driven continuum of addiction services delivered with equity, dignity, compassion, and respect.

In March 2022, OASAS announced more than $3.2 million in federal funding was available to its Permanent Supportive Housing providers to offer rental subsidies for individuals with a substance use disorder through the Transitional Safety Unit (TSU) program. The TSU program provides short-term supportive housing, with an overall goal of helping individuals with a substance use disorder to transition to permanent housing. Although funding was intended for only rental subsidies, providers were expected to deliver standard supportive housing services, including case management, to tenants. The TSU program aims to assist individuals with substance use disorders who are either homeless or at risk of homelessness and are exiting residential treatment or the criminal justice system. Others may be eligible for the program if they are, or are at risk of becoming, homeless and have a substance use disorder diagnosis, subject to OASAS approval.

The federal funding for the TSU program initially covered the 3-year period from March 2022 through June 2025. In July 2025, OASAS approved to extend the program another 4 years, through June 2029, and expand the program using the Opioid Settlement Fund. Providers are required to adhere to OASAS' permanent housing guidelines, which require occupancy agreements signed by both the providers and tenants, as well as initial and annual unit inspections. The occupancy agreement includes a provision that a service plan be created for

each tenant within 30 days of admission, and that their case managers establish goals, conduct progress reviews, and update objectives and outcomes.

As of September 2025, OASAS approved 16 housing providers to operate a total of 74 TSUs.

Key Findings

We found OASAS needs to improve its monitoring and oversight of the TSU program to provide better assurance that tenants are receiving the support and services needed to assist them in obtaining permanent housing. Specifically:

- OASAS' practice of selecting units across providers' multiple housing programs during their site reviews results in smaller programs' units—such as the TSUs—being less likely to be selected compared to other housing programs (e.g., Empire State Supportive Housing Initiative) that cover a larger number of units.
    - While OASAS visited all 16 housing providers (which also operated other housing programs) in 2025, only half of the site visits included a review of their TSU program.
    - OASAS' site visit procedures indicate an objective to visit all TSUs within 4 years, or to visit 25% of units annually. However, we found that OASAS did not meet this objective, visiting only 24 of 74 total TSUs (32%) in the TSU program during the 4-year period from March 2022 through February 2026.
- Based on a review of 123 TSU tenants, there was a lack of documentation supporting key case management activities to aid tenants in their recovery and pursuit of permanent housing. These issues spanned each of the five sampled providers, and include:
    - 51 files (41%) lacked documentation of tenant service plans, and an additional 34 files (28%) had service plans that were not developed within 30 days of admission, as required.
    - 48 files (39%) lacked documentation that a unit inspection was completed at move-in.
    - 39 files (32%) lacked documentation that monthly home visits were conducted.
    - 21 files (17%) lacked documentation of an occupancy agreement.
    - 2 files indicated that the individuals had entered the TSU program in October 2023 and April 2024, but they were not in OASAS' tenant data as of November 2025.

    Note: Some of the above files had more than one issue.

    The absence of this documentation makes it difficult to determine if appropriate actions are being taken to address individual needs, modify plans, and ultimately assist these individuals in achieving the goal of living independently in permanent housing.

- For the period from May 27, 2022 through November 4, 2025, we identified 146 tenants who were discharged from the program, with an average stay of 9 months. However, six tenants (three from a single provider) stayed between 1.5 and 2.5 years—longer than the ideal period for tenants to occupy a TSU. Of the 146 discharged tenants, 60 (41%) achieved outcomes that met the program's goals; 27 (19%) were discharged to situations that did not meet the goals (e.g., eviction, incarceration); and the data for the remaining 59 (40%) lacked sufficient details to determine their housing discharge situation, including indicating "other" or "unknown" as the housing status.
- Although OASAS obtains, on a monthly basis, data related to program occupancy and tenant-level information by provider, including admission and discharge dates, previous housing, and housing type upon discharge, which affords it the opportunity to assess the TSU program across providers and as a whole, it has not established performance measures or assessed the program since its inception in March 2022. Thus, OASAS has less assurance that the program meets the goal of providing supportive housing, including appropriate services and supports, to TSU tenants as they pursue and obtain permanent housing or an appropriate level of care. Despite the lack of performance measures or programmatic assessment, OASAS expanded funding for the TSU program by almost 400% to over $21 million for the 4-year period ending June 2029 (compared with the previous 3-year period), or $5.3 million annually (compared with the previous $1 million), using Opioid Settlement Fund monies, without documenting the justification for the increase.

Key Recommendations

- Develop and document a methodology for selecting housing programs to review during site visits that more deliberately includes the TSU program, along with other housing program units, to ensure sufficient oversight and coverage of the program.
- Ensure TSU providers complete case management activities and maintain supporting documentation.
- Develop, document, and implement procedures to:
    - Ensure adequate collection and analysis of TSU program data.
    - Assess the performance of the TSU program compared to intended goals and outcomes.
- Where applicable, and based on the results of program analyses, make changes to the TSU program to promote operations that most effectively achieve the goal of the program.

Office of the New York State Comptroller
Division of State Government Accountability

November 18, 2026

Chinazo Cunningham, M.D.
Commissioner
Office of Addiction Services and Supports
1450 Western Avenue
Albany, NY 12203

Dear Dr. Cunningham:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Oversight of Transitional Safety Unit Providers*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
OASAS	Office of Addiction Services and Supports	*Auditee*
TSU	Transitional Safety Unit	*OASAS Program*

Background

Substance use disorders—the misuse of, dependence on, or addiction to alcohol and/or legal or illegal drugs leading to effects that are detrimental to an individual's physical and mental health, or the welfare of others—affect the lives of millions of Americans and are characterized by health problems, disability, and failure to meet major responsibilities at work, school, or home. Due to these factors, there is a strong correlation between housing insecurity and substance use disorders. The U.S. Department of Housing and Urban Development's 2024 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations Report found that roughly 112,620 persons experiencing homelessness nationally in 2024 were also experiencing chronic substance misuse (14.6%), 5,157 of whom were in New York.

According to the Substance Abuse and Mental Health Services Administration's National Surveys on Drug Use and Health (2023–2024), nationally, 16.9% of individuals age 12 and over had a substance use disorder within the previous 12 months. In New York State, this number is 17.3%.

The New York State Office of Addiction Services and Supports (OASAS) oversees one of the nation's largest substance use disorder systems of care, with approximately 1,700 prevention, treatment, and recovery programs that collectively serve more than 730,000 individuals per year. OASAS' mission is to provide, support, and oversee a data-driven continuum of addiction services delivered with equity, dignity, compassion, and respect. OASAS envisions that all New Yorkers impacted by addiction can thrive and lead healthy lives.

In March 2022, OASAS announced that more than $3.2 million in federal funding was available to its Permanent Supportive Housing providers to offer rental subsidies for individuals with a substance use disorder through the Transitional Safety Unit (TSU) program. TSUs provide safe and temporary supportive housing for individuals as they pursue permanent housing. Ultimately, the goal of the program is to move tenants to permanent housing or other appropriate levels of care. Although funding was intended for only rental subsidies, OASAS expected providers to deliver standard supportive housing services, including case management, to tenants. The TSU program aims to assist individuals with a substance use disorder who are either homeless or at risk of homelessness and are exiting residential treatment or the criminal justice system with temporary housing. Others may be eligible for the program if they are, or are at risk of becoming, homeless and have a substance use disorder diagnosis, subject to OASAS approval.

The federal funding for the TSU program initially covered contracts for the period from March 2022 through June 2025; however, when this funding ended, OASAS, in July 2025, extended and expanded the program for another 4 years through June 2029 using the Opioid Settlement Fund. Opioid settlements are agreements with companies that made, marketed, or sold opioids. These companies agreed to pay money to states, counties, cities, and tribal communities to help address harms caused by the opioid crisis that has claimed the lives of over 1 million Americans since 1999, according to the U.S. Centers for Disease Control and

Prevention. As of November 2025, New York received over $2.5 billion but the amount may change as additional settlements are reached and additional funds are distributed (most settlement agreements distribute funding over the course of several years or decades).

Although the overall goal of the TSU program remained the same for the period from March 2022 through June 2025, there were three different scopes of work that outlined the goals, objectives, deliverables, administration, and reporting requirements for the program. Initially, for the period from March 2022 through August 2022, the ideal period for tenants to occupy a TSU was 6–9 months. The only allowable program expenses were:

- Rental subsidies for a studio or one-bedroom apartment at the lower of either the county-level fair market rent established by the U.S. Department of Housing and Urban Development or the actual cost.
- One-time purchase of no more than $1,000 for furniture per apartment.
- One-time allowance of $500 for a security deposit for each unit.

In September 2022 and through June 2025, OASAS allowed increases in funding for:

- Security deposits up to the equivalent of 1 month's rent.
- Furniture allowance up to $3,000 per unit.
- Turnover expenses (e.g., cleaning and small repairs).
- One full-time staff person to provide case management/supportive services to TSU tenants, as well as to tenants of other OASAS housing program participants.

For the 4-year contract period ending June 2029, funded through the Opioid Settlement Fund, OASAS modified the length of stay to allow tenants to reside in TSUs for no more than 18 months, with an ideal target of 9–12 months. Allowable program expenses also now include rental subsidies reflecting 2025 county-level fair market rate, furniture, security deposit, and necessary household items purchased upon establishing a new TSU or when items reach their useful life or no longer function. Other added expenses include utilities and administrative costs allowable up to 20% of personal services, other than personal services, and fringe benefits. All providers are expected to have two full-time equivalent positions to offer both case management and peer advocacy services to all TSU tenants (increased from one full-time staff in the previous period), but, like the previous contact period, these staff are allowed to work on other OASAS housing programs (e.g., the Empire State Supportive Housing Initiative).

Providers are required to adhere to OASAS' permanent housing guidelines, which require occupancy agreements signed by both the providers and tenants, as well as initial and annual unit inspections. The occupancy agreement includes a provision that a service plan be created for each tenant within 30 days of admission, and that their case managers establish goals, conduct progress reviews, and update objectives and outcomes. OASAS conducts site visits to all its housing providers to ensure that they are operating their programs effectively and in accordance with program requirements. Site visits consist of a program review, including an assessment of tenant files, with a focus on admission criteria, service plans, case notes,

monthly housing unit inspections including initial move-in inspections, and interviews with program participants and case managers. OASAS staff aim to visit each housing provider annually, with a focus on the providers' administration of the housing programs they operate, rather than on any specific housing program (e.g., TSU, Empire State Supportive Housing Initiative). Units are selected randomly during the review with the goal of visiting 25% of the units annually.

As of September 2025, OASAS approved 16 providers to operate a total of 74 TSUs.

Audit Findings and Recommendations

We found OASAS needs to improve its monitoring and oversight of the TSU program to provide better assurance that tenants are receiving the support and services needed to assist them in obtaining permanent housing. Of those units we selected for review, 41% lacked documentation of tenant service plans. Further, for tenants discharged from the program for the period from May 27, 2022 through November 4, 2025, about 19% were discharged to situations that did not meet the goals (e.g., eviction, incarceration), and the data for 40% lacked sufficient details to determine their discharged housing situation. Additionally, although OASAS obtains, on a monthly basis, data related to program occupancy and tenant-level information by provider, including admission and discharge dates, previous housing, and housing type upon discharge, which affords it the opportunity to assess the TSU program across providers and as a whole, it has not established performance measures or assessed the program since its inception in March 2022. Consequently, OASAS has less assurance that the program meets the goal of providing supportive housing, including appropriate services and supports, to TSU tenants as they pursue and obtain permanent housing or an appropriate level of care. Despite the lack of performance measures or programmatic assessment, OASAS expanded funding for the TSU program by almost 400% to over $21 million for the 4-year period ending June 2029 (compared with the previous 3-year period), or $5.3 million annually (compared with the previous $1 million), using the Opioid Settlement Fund, without documenting the justification for the increase.

Insufficient Monitoring of TSU Providers

During the audit, OASAS officials stated various goals for visiting housing providers. In response to the preliminary findings, OASAS officials stated that they aim to visit every provider annually and inspect 15% of the units of each program each year. Subsequently, OASAS provided clarification and indicated that its goal is to review 25% of the tenant files, and for small programs (e.g., under 10 units), 100% of the tenant files are reviewed. However, OASAS has not achieved any of the stated goals in reviewing TSU program units. Specifically, OASAS visited all 16 housing providers in 2025, but just half of the visits included a review of their TSU program. According to OASAS' records, from the inception of the TSU program in March 2022 through February 2026, 11 of the 16 (69%) TSU providers had their TSU program selected and reviewed. OASAS' site visit procedures indicate an objective to visit all housing units within 4 years, or to visit 25% of units annually, but according to OASAS' site review log and other site review documents provided, OASAS visited only 24 of the 74 total units (32%) in the TSU program between March 2022 and February 2026.

In addition to being reviewed less frequently than larger programs, we found providers were missing documentation supporting key case management activities, indicating a need for stronger oversight to ensure tenants are receiving appropriate services and support. Between May and October 2025, we conducted site visits to five of the 16 TSU providers covering 123 TSU tenants identified in OASAS' tenant data and on-site. We found a lack of

documentation supporting key case management activities to aid tenants in their recovery and pursuit of permanent housing. These issues spanned each of the five providers, and include:

- 51 files (41%) lacked documentation of tenant service plans, and an additional 34 files (28%) had service plans that were not developed within 30 days of admission, as required.
- 48 files (39%) lacked documentation that a unit inspection was completed at move-in.
- 39 files (32%) lacked documentation that monthly home visits were conducted.
- 21 files (17%) lacked documentation of an occupancy agreement.
- 2 files indicated that the individuals had entered the TSU program in October 2023 and April 2024, but they were not in OASAS' tenant data as of November 2025.

Note: Some of the above files had more than one issue.

Additionally, one provider that had 40 TSU tenants stated that they require proof of treatment and employment to be eligible for housing. According to OASAS officials, tenant employment is encouraged but is not a program eligibility requirement, and providers should not require tenants to be employed, nor should they be selective based on a prospective tenant's employment status.

Providing appropriate support and services is key to helping TSU tenants maintain housing stability and attain self-sufficiency. Furthermore, tenants' needs evolve over time, and assessment and re-evaluation are essential in meeting their needs and leading to more successful outcomes. Case notes should include appropriate documentation upon tenants' admission to the TSU program, as well as all interactions between tenants and case managers. This allows case managers to identify services, any additional stressors affecting the tenants, which goals have been met, and any modifications to service plans. The absence of this documentation makes it difficult to determine whether appropriate actions are being taken to address individual needs, modify plans, and ultimately assist these individuals in achieving the goal of living independently in permanent housing. Strengthening oversight of TSU providers would ensure that tenants are not only provided with a safe housing option but also receive the appropriate support and services needed to maintain recovery and obtain permanent housing.

We also selected a random sample of units and conducted inspections using OASAS housing guidelines and TSU program requirements. In total, we inspected 21 units, and although we found that they were generally in good repair, we identified issues such as missing smoke and/or carbon monoxide detectors (five units), plumbing leaks (two units), and a loose exterior railing (one unit).

OASAS officials said they will ensure all TSU providers are reviewed annually in support of the program objectives.

Lack of Program Evaluation

The lack of permanent supportive housing can create barriers for individuals with substance use disorders to maintain recovery and stay actively engaged in supportive services. Temporary housing, such as TSUs, allows individuals to receive supportive services in a stable environment while searching for permanent housing. Each housing provider is required to submit monthly data and reports to OASAS, including rental statements and program-related data, such as TSU tenant ID numbers, provider, previous employment, occupancy per month, admission and discharge dates, and housing type upon discharge from a TSU. Although this information affords OASAS the opportunity to assess the TSU program across providers and as a whole, OASAS has not, since the program's inception in March 2022, established performance measures or assessed the performance of the TSU program in meeting its goal of providing temporary supportive housing for individuals as they pursue permanent housing with the ultimate purpose to move tenants to permanent housing or other appropriate levels of care. OASAS also did not conduct any meaningful analysis of the program data to determine the need for the number of units or to make any potential modifications to the program. We analyzed tenant-level data that included a total of 201 tenants who rented a TSU for the period from May 27, 2022 through November 4, 2025, and found longer-than-desired stays and vacancy rates, and only about half of the tenants achieving desired program outcomes, indicating potential areas for program improvement. Despite the lack of program assessment and incomplete provider data regarding utilization, OASAS extended and significantly expanded the funding for the TSU program using the Opioid Settlement Fund.

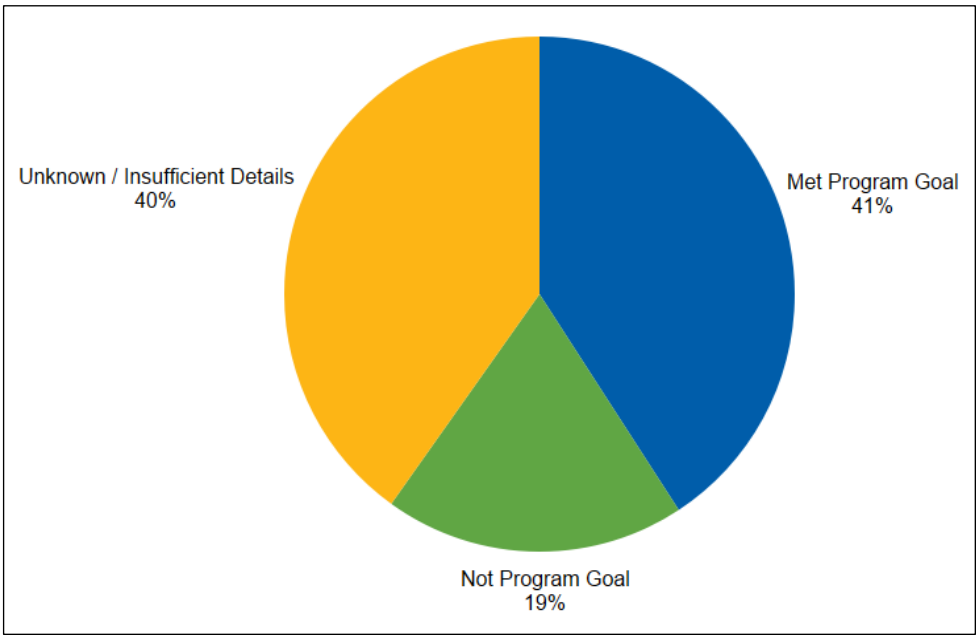
The TSU program may be a valuable addition to the State's tool kit of housing options for individuals with substance use disorders; however, OASAS should develop performance measures and use available information to evaluate against such measures to determine if the TSU initiative is effective, achieving its goals, and worth continuing permanently, and make revisions to the program as necessary. In response to our preliminary findings, OASAS officials stated that the two most important metrics for the TSU program are utilization rate and discharge to permanent housing. They will use data to evaluate the program and make modifications as needed, and are committed to ensuring that data collection is consistent and comprehensive across the program.

Discharges

For the period from May 27, 2022 through November 4, 2025, we identified 146 tenants who were discharged from the program, with an average stay of 9 months. However, six tenants (three from a single provider) stayed between 1.5 and 2.5 years. As shown in Figure 1, we identified the type of housing discharged tenants went to after leaving the TSU program and found that, of the 146 discharged tenants, 60 (41%) achieved outcomes that met the program's goals; 27 (19%) were discharged to situations that did not meet the goals (e.g., eviction, incarceration); and the data for the remaining 59 (40%) lacked sufficient details to determine their housing discharge situation, including indicating "other" or "unknown" as the housing status. Of the 60 discharged tenants who met the program goals, we found most (35, or 58%) were not discharged to independent housing—they were discharged to another level of care,

such as a residential substance use disorder treatment program or more restrictive housing. Twenty-two of the remaining 25 discharged tenants were reunited with family members.

Figure 1
TSU Discharges Compared to Program Goals

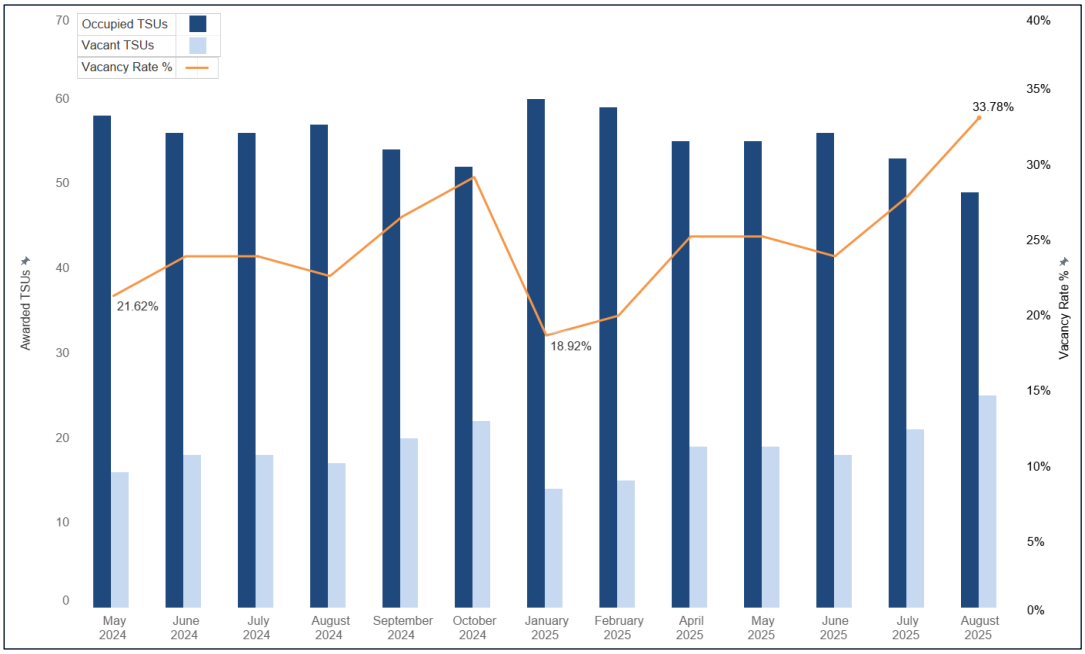


Utilization of Units

For the period from May 2024 through August 2025, we isolated information for 13 months that providers submitted data (some providers failed to submit their reports for 4 months of the 17-month period) and found the TSU program had an average unit vacancy rate of 25.2%, with a minimum rate of 18.9% in January 2025 and a maximum rate of 33.8% in August 2025, as shown in Figure 2.

The program utilization rate, though incomplete due to missing submissions from some providers, indicates the program may not be reaching the intended number of potential tenants, or that other barriers to program entry exist.

Figure 2
TSU Program – Occupied and Vacant Units



Note: This excludes November 2024, December 2024, March 2025, and September 2025, as not all providers reported in those months.

Extension and Expansion of the TSU Program

The most recent 4-year contract period for the program, ending June 2029, included a significant increase in funding. Using monies from the Opioid Settlement Fund, OASAS expanded funding by almost 400% to over $21 million (compared with the previous 3-year contract period), or $5.3 million annually, compared with the previous $1 million per year. The increased funding may be attributed to several factors, including added administrative cost reimbursement up to 20%, additional staffing for the TSU program and other housing programs overseen by OASAS, and updating the rent from the original 2022 fair market rates per county to 2025 rates, resulting in an average of about a 30% increase in monthly rents statewide. The average rent based on 2025 fair market rate is between $1,130 and $1,219 (from $864–$937 in 2022).

Critical decisions usually involve executive management, and documentation of such is essential to provide evidence validating the decisions and to create an organizational history that can serve as justification for subsequent actions and decisions. However, OASAS increased the investment in the program with limited analysis of the performance of the TSU program, and when we asked OASAS officials why the funding was significantly increased, they could not provide any support or justification for the decision to extend and expand the program.

In response to our preliminary findings, OASAS officials stated that the decision to expand the TSU program and increase its funding was based on institutional knowledge, programmatic

expertise, and research. Officials emphasized that the Opioid Settlement Fund Advisory Board has been recommending expansion and investment into housing in its annual reports since 2022. However, without documentation, we cannot determine what supported the decision for such a significant expansion of the program or that the funds were best utilized to support it.

Recommendations

1. Develop and document a methodology for selecting housing programs to review during site visits that more deliberately includes the TSU program, along with other housing program units, to ensure sufficient oversight and coverage of the program.
2. Ensure TSU providers complete case management activities and maintain supporting documentation.
3. Develop, document, and implement procedures to:
    - Ensure adequate collection and analysis of TSU program data.
    - Assess the performance of the TSU program compared to intended goals and outcomes.
4. Where applicable, and based on the results of program analyses, make changes to the TSU program to promote operations that most effectively achieve the goal of the program.

Audit Objective, Scope, and Methodology

The objective of our audit was to determine whether OASAS is adequately monitoring providers of TSUs and evaluating whether the program is achieving the intended goals. The audit covered the period from March 2022 through November 2025.

To accomplish our objective and assess related internal controls, we reviewed program guidelines, interviewed agency officials, and reviewed certain OASAS-maintained data and provider reports. We also interviewed provider officials, reviewed case files, and inspected apartment units.

We used a non-statistical sampling approach to provide conclusions on our audit objective and to test internal controls and compliance. We selected both judgmental and random samples. However, because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations, even for random samples. Our samples, which are discussed in detail in the body of our report, include:

- A judgmental sample of five of 16 TSU providers to visit and review case files for all their TSU tenants residing at the providers at any point since the TSU program began. We selected providers based on their number of awarded units, the number of tenant stays longer than 12 months, and geographic location.
- A random sample of 12 of 25 active apartment units at two providers to conduct physical inspections. Three providers had less than six units, so 100% were selected for physical inspection. In total, we selected and reviewed 21 of 34 active units of our five sampled providers.

We obtained data from OASAS' tenant database and OASAS' monthly reports. We assessed the reliability of the data by reviewing existing information, interviewing officials knowledgeable about each system, and tracing to and from source data. We determined that the data from these systems was not sufficiently reliable. However, we have used the data when selecting our samples and as part of our findings, as explained in the body of the report, as it is the only data available to OASAS officials and employees as part of their oversight activities and to us for our audit work. As a result, our sample is drawn from the population of tenants whom OASAS is aware of and actively overseeing. Certain other data in our report was used to provide background information. Data that we used for this purpose was obtained from the best available sources, which were identified in the report. Generally accepted government auditing standards do not require us to complete a data reliability assessment for data used for this purpose.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. These duties could be considered management functions for the purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent performance audit of OASAS's oversight and administration of the Transitional Safety Unit program.

Reporting Requirements

We provided a draft copy of this report to OASAS officials for their review and formal written comments. We considered their response in preparing this final report and have included it in its entirety at the end of the report. While OASAS officials stated that they currently have policies, procedures, and practices in place to address the recommendations, they also identified changes in programmatic requirements and data collection that they plan to take. Our responses to certain OASAS comments are embedded within OASAS' response as State Comptroller's Comments.

Within 180 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Office of Addiction Services and Supports shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

OASAS Response and State Comptroller's Comments

New York State Office of Addiction Services and Supports
Comments on the
Office of the State Comptroller's
Draft Audit Report 2024-S-35 entitled,
"Oversight of Transitional Safety Unit Providers"

Corrections:

1. On page 2 and page 8, the OSC report states that "OASAS expected providers to deliver standard supportive housing services, including case management, to tenants."

   Correction: This was the expectation for the first scope of work, from March 2022 to September 2022. Funding for case management staffing was added as of Part of the scope of work which started September 2022. The report notes these changes correctly on page 9.

2. On page 3 and page 10 of the OSC report, it states that OASAS randomly selects units across providers' multiple housing programs, and therefore Transitional Safety Units are less likely to be chosen to be inspected.

   Correction: OASAS Housing policy is to inspect 25% of the units for each housing program annually; therefore, a TSU is not less likely to be selected.

   State Comptroller's Comment – As we note in our report, using the methodology OASAS outlined in its response for selecting units for review, TSUs are less likely to be selected because they represent less of a portion of providers' housing stock as a whole. However, certain revisions were made to the report to ensure its accuracy and provide clarity.

3. The OSC report notes on page 9 that the program lacks performance measures.

   Correction: OASAS collects and tracks data including utilization, length of stay, discharge disposition, geographic and population access, volume, and engagement. Performance measures, including the target length of stay, were included in each Scope of Work. Currently, the Scope of Work sets the target length of stay as 9-12 months, but no longer than 18 months. The goal is for the tenant to be discharged to a permanent housing situation. However, a discharge to a higher level of care when appropriate reflects effective case management meeting the needs of that tenant and is therefore seen as a positive outcome. This is reflected within the updated Scope of Work that is effective as of July 1, 2026.

   State Comptroller's Comment – Throughout the audit, we asked OASAS officials whether they completed any analysis or review of the TSU program to evaluate it in a

meaningful way or use it to support the decision to expand the program. However, while OASAS did collect programmatic information, officials did not provide any such analysis and/or review. Only in response to our preliminary audit findings did OASAS officials provide analysis of the program data they collect, generally mirroring the test we performed.

OSC Recommendations and OASAS Response:

1. **Develop and document a methodology for selecting programs to review during site visits that would deliberately include TSUs along with other PSH units that are applicable.**

   OASAS currently has a process/methodology for program reviews. That process dictates an annual visit to each provider and review of each program under each provider. TSU units have always been included in annual inspections; moving forward, OASAS will continue to review all Transitional Safety Unit programs annually and inspect 100% of TSU units.

2. **Develop, document and implement procedures to:**

   - **Ensure adequate collection and analysis of TSU initiative data.**

     The two most important metrics for transitional safety units are utilization rate and discharge to permanent housing. OASAS has and continues to analyze this data to evaluate the program and make modifications as needed. OASAS collects data on occupancy and tenant-level utilization, discharges and admissions, length of stay, and post discharge housing status. This data is used to determine if providers and the program generally meet the metrics that have been utilized since program inception, including occupancy rates, length of stay, and housing upon discharge.

     As of July 2026, OASAS has expanded data collection for the TSU program to incorporate tenant demographics, expanded options for prior and subsequent housing, primary substance use, referral source, case management and peer services provided monthly, and linkages to recovery supports. Moreover, the data collection processes for the TSUs are being integrated into a standardized process utilized for OASAS oversight and monitoring of other recovery support services. As of July 2026, individual- level data is entered in Excel by the providers and file(s) are uploaded to a central application. These revised data collection processes will ensure that data is timely, valid and reliable.

   - **Measure TSU initiative performance against established measures to determine whether the TSU initiative is meeting intended outcomes.**

     As stated above, OASAS currently collects multiple data elements to evaluate the program and timely identify adjustments that are needed to

support the success and viability of the program. An updated Scope of Work, effective as of July 1, 2026, defines the required outcomes for length of stay, appropriate discharges, an occupancy target, and minimum case management and peer services requirements. As we continue to gather data over time, we will analyze and report on outcome measures to demonstrate TSU effectiveness.

Additional monitoring activities have been implemented, including:

One-on-one monthly meetings with each TSU provider started in October 2025. These one-on-one provider meetings are an opportunity to discuss program data (occupancy, length of stay, spending) staffing, challenges and successes. Based on the data and monthly discussions, OASAS provides technical assistance to ensure full program implementation and fidelity to the program goals. Each meeting is documented to capture attendance, discussion points, and outstanding issues. Meeting frequency with individual providers may be reduced to monthly or every other month based on program performance and the absence of pressing concerns.

In January of 2026 OASAS implemented an all-provider workgroup that is held every two months to foster group learning and support across the provider network. All providers are expected to participate in the workgroup, to maximize impact of technical assistance and allow OASAS to uniformly address program changes, challenges and progress. Providers must also submit a quarterly spending report to reinforce attention to program budget, use of funds and to inform monthly program discussions.

- **Adjust the TSU initiative as applicable based on performance measure and analysis.**

  - OASAS has adjusted the scope of work based on data, provider performance, and other feedback. Changes implemented in July 2025 include:

    - Modifying the target length of stay to 9-12 months (no longer than 18 months). This is meant to address barriers to securing permanent placement within 6 to 9 months, such as long waitlists for supportive housing and increased costs.

    - Adding support for a Certified Recovery Peer Advocate to address provider feedback indicating that tenants were displaying a higher level of need for case management and

other supportive services than a typical tenant in permanent supportive housing.

- Developing and hosting workgroup calls every two months, facilitated by OASAS and required for all Transitional Safety Unit providers, to promote provider collaboration and on-going technical assistance from OASAS.

- In addition, OASAS is in the process of establishing Quality Assurance protocols to ensure that services are aligned with best practice and meeting the highest standards of service. These protocols are scheduled to be completed by the end of 2026.

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