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INTERNAL AUDIT AND ADVISORY SERVICES

Space Management

Advisory Service

Report No. M25C009

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Space Management Advisory Service

EXECUTIVE SUMMARY

Internal Audit and Advisory Services (Internal Audit) has conducted an advisory service of UC Merced's space management process. This engagement was performed at the request of the Director of the Office for the Prevention of Harassment & Discrimination (OPHD) and Title IX Officer, following a complaint filed with OPHD. The primary objective of the engagement was to gain an understanding of the space management processes and procedures, including the criteria used in decision making. In addition, Internal Audit was charged with assessing whether the established processes were used when assigning the space mentioned in the complaint.

Overall, Internal Audit noted UC Merced's space management process is functioning effectively. The Office of Space, Capital Planning and Real Estate (SCPRE) works hard to accommodate space requests from UC Merced stakeholders and often has to coordinate multi-phased moves to ensure UC Merced community is provided with the space resources they need to accomplish their mission. In addition, space utilization has changed dramatically post-pandemic, and guidance on incorporating hybrid work arrangements into the campus space management principles and guidelines has not been clear. Hence, it has been difficult for SCPRE to adapt its practices to the hybrid paradigm. In Fall 2024, SCPRE was approved to proactively develop a comprehensive space utilization study which will begin in January 2025 to create new principles and guidelines associated with effective and equitable use of campus space.

However, Internal Audit noted several challenges impacting the efficiency of space management that need improvement in order to provide reasonable assurance that risks are being mitigated, objectives are being met, and the space management process aligns with Campus Space Management Principles. Post-pandemic, SCPRE noted several of these areas where principles and guidelines need updating. The following are observations of areas that need improvement to strengthen internal controls and/or effect compliance:

Space Management Policy - Internal Audit recommends SCPRE consult with stakeholders, including the Provost, Vice Chancellors, Deans, and Human Resources to reimagine the space management policy to ensure effective governance structure, clear and transparent criteria, and an equitable process. SCPRE has indicated that this recommendation will be incorporated into the Comprehensive Space Utilization Study planned to begin in January 2025.

Space Allocation and Assignment Guidelines – Internal Audit recommends the Space Allocation and Assignment Guidelines be revised to reflect current work paradigms. UC Merced should consider revisiting the process to ensure it is effective with attention paid to governance over the process. The University should consider launching a Chancellor’s Advisory Committee on Space Use. Finally, SCPRE should consider incorporating the guidelines into the policy.

Campus Advocacy, Resource, and Education (CARE) Space – Internal Audit recommends SCPRE work with the CARE office to locate suitable office space that meet its confidentiality requirements but is sized for their current staffing. As was suggested by SCPRE, one solution UC Merced should consider is creating a door to the interior hallway for space KL107A¹ and closing off the current door into the suite, which would allow the office to have its own entrance and allow the rest of the CARE space to be self-contained. Resources will have to be identified and dedicated if this solution is to be implemented.

Space Management Website Update – Internal Audit recommends SCPRE review its website, removing outdated or inconsistent content and ensure its current policies and processes are posted.

BACKGROUND

Space planning and allocation (space management) at UC Merced is managed by the Office of Space, Capital Planning and Real Estate (SCPRE). SCPRE is responsible for the following:

- Provides strategic advice and analytical support to the Provost/Executive Vice Chancellor, and Chancellor’s office in the oversight and management of the university's space inventory.
- Provides strategic advice and analytical support to the faculty, Academic Senate, and the Dean's Council regarding all space related issues.
- Collaborates with leadership, stakeholders, and capital finance to create the six-year rolling UC Merced consolidated capital plan.
- Assists and consults with the Office of the Registrar concerning all instructional space.
- Partners in the programming, design, and construction of all academic and non-academic buildings.
- Provides support for the development of minor capital projects, including outlining project scope and rough order of magnitude (ROM) budget estimation.

¹ KL107A is located in the Kolligian Library.

- Leads and manages all real estate interactions and transactions.
- Provides high level professional support to UC Merced leadership.
- Serves a primary liaison role between Physical Operations, Planning and Development (POPD), and the Office of the President.

Per the campus space management principles, “The process by which the Chancellor, Provost, Space Control Officers and [SCPRE] plan, prioritize, allocate and reallocate, assign and reassign campus space will be transparent, timely, equitable, consistent and data-informed.”

The overarching principles are as follows:

1.1 Space is a financial resource that should be used to serve the University’s highest-level programmatic, academic, and strategic goals in alignment with the University vision and priorities.

1.2 Space needs that directly support the pursuit of research excellence, academic distinction, and student success will receive priority in the space allocation process and shall usually be awarded first consideration for on campus space.

1.3 Space needs that directly support research excellence, academic distinction and student success are defined as those that:

- facilitate faculty and student research.
- facilitate first class, technology-enabled instruction.
- facilitate student learning and personal growth.
- enable significant interpersonal interactions among faculty, students, and/or staff.

1.4 In alignment with the campus priority around diversity & inclusion, the Campus Space Management Principles should be applied to the space needs of all elements of the organization and emerging needs and priorities.

1.5 All space planning, allocations and reallocations, assignments and reassignments will adhere to the Space Planning Guidelines. These guidelines will be reviewed and updated annually.

SCOPE AND OBJECTIVES

This engagement was performed at the request of the Director of OPHD and Title IX Officer, following a complaint filed with OPHD about how space was allocated. This led to its inclusion in Internal Audit's fiscal year 2025 audit plan. Internal Audit met with the Director of OPHD and Title IX Officer to discuss and formulate the objectives and agreed upon procedures that would guide the advisory service. Based on those discussions and subsequent approval from the Director of OPHD and Title IX Officer, Internal Audit developed the following objectives and agreed upon procedures (AUPs):

Objective 1 – Gain an understanding of the processes and procedures in place for space management, including the criteria used for decisions.

- Review the space management website for policies, procedures, and guidelines related to the process for allocating space at UC Merced.
- Interview the Executive Director of Space, Capital Planning and Real Estate to determine the processes in place for allocating space.

Objective 2 – Determine if the processes and procedures for allocating space were followed for the CARE move under review.

- Interview the Director OPHD and Title IX Officer, and Deputy Director OPHD to gather facts about the space management issue.
- Interview the CARE Director to gather facts about the CARE space assignment issue.
- Interview Assistant Vice Chancellor & Executive Director, Health, and Wellness to determine leadership response to CARE space assignment issue.
- Interview the Executive Director of Space, Capital Planning and Real Estate to determine the processes used in the space assignment issue.
- Assess whether the decisions for the space assignment issue followed the established space management processes.

POSITIVE OBSERVATIONS

UC Merced is dedicated to upholding excellence in fulfilling its core objectives of teaching, research, and public service. To fulfill this mission, all university stakeholders are expected to demonstrate a strong commitment to driving positive transformations within the institution. As such, Internal Audit is committed to highlighting practices within the reviewed areas that facilitate changes both within the respective unit and across the University.

During the Space Management Advisory Service, Internal Audit noted the following positive observations:

- The SCPRE function is diligent in attempting to accommodate space requests from management.
- SCPRE is proactively developing a comprehensive space utilization study to update its principles and guidelines to ensure that space is effectively and equitably assigned and utilized at UC Merced.
- CARE leadership advocates effectively for their role on campus and resources to effectively manage their mission.

RESULTS

Internal Audit was asked to assess if the decisions for the CARE space assignment issue followed the established space management processes. Notwithstanding the observations below, overall, the established processes were followed. Internal Audit notes, while the process was followed, there could have been more communication with CARE leadership before the space request was approved. The confidentiality concerns that CARE has expressed are valid and they would best be served with a self-contained space that is sized for their authorized staffing level. Internal Audit notes that CARE staff have been using space not formally assigned to CARE as noted by SCPRE.

OBSERVATIONS

1. SPACE MANAGEMENT POLICY

Background

A current and accurate space management policy is essential for a university for the following reasons:

- Helps ensure the efficient use of resources.
- Promotes fairness and transparency in space decisions.
- Allows the university to adapt to the dynamic academic environment with new programs, increased enrollment, changes in pedagogy, modality, and technological advances.
- Provides a framework for making necessary adjustments to space allocation.
- Provides transparency with a clear governance structure.

- Provides a basis for assessing space needs, planning for future growth, and making informed decisions on renovations, new construction, or repurposing of existing spaces.

Observation

The Academic and Administrative Space Policy is out of date in the following areas:

- The space allocation procedures do not reflect the current procedures in use by SCPRE.
- The policy does not appear to have been updated since its issuance date of 04/22/2014. The Executive Director of SCPRE was unaware of the existence of the policy and had not been made aware of the policy by any of the previous leadership to which she had reported.
- The executive sponsor for the policy is the AVC of Capital Finance, a position that no longer exists.
- The policy references the Real Estate Services Group in the Division of Planning and Budget, which has since been reorganized.
- The policy references the Space Advisory Committee, which has been disbanded by the previous EVP and Provost. Internal Audit notes the Executive Director of SCPRE recommended in 2023 to relaunch the committee.

There are multiple risks associated with an outdated space management policy. Chief among these risks is the inefficient use of space on campus. Outdated policies can also result in a lack of clarity and transparency in how space is allocated. Without a clear governance structure, perceptions of favoritism or unfairness may arise, leading to dissatisfaction among faculty and staff. Further there are risks to business continuity when there is a perception that other than the governance structure defined by the policy is being utilized to make space assignment decisions.

Recommendation

Internal Audit recommends SCPRE consult with stakeholders, including the Provost, Vice Chancellors, Deans, and Human Resources to reimagine the space management policy to ensure effective governance structure, clear and transparent criteria, and an equitable process. SCPRE has indicated that this recommendation will be incorporated into the Comprehensive Space Utilization Study planned to begin in January 2025.

2. SPACE ALLOCATION AND ASSIGNMENT GUIDELINES

Background

Guidelines for space management are essential for optimizing campus resources and aligning space allocation with institutional goals. Effective guidelines should incorporate a

transparent, data-driven, and equitable process to ensure that all space requests are evaluated based on clear criteria aligned with institutional priorities. Guidelines should also reflect post-pandemic space considerations, ensuring that the university is allocating space efficiently and meeting the needs of faculty and staff in a hybrid working environment. This will enable effective and sustainable use of campus resources while supporting the University's long-term goals.

Observation

The current Space Allocation and Assignment Guidelines, which were revised in September of 2021, do not include the entire current documentation of approval and workflow, and do not address the post-pandemic strategy for space management at UC Merced. According to the guidelines, the Chancellor evaluates and authorizes all space requests. However, the current practice delegates this responsibility to the SCPRE Executive Director, Chief Operating Officer (COO), and the Chancellor's Chief of Staff. In this process, the SCPRE Executive Director evaluates the space requests and forwards them to the COO or the Chancellor's Chief of Staff for approval. At the Downtown Campus Center (DCC), the current practice involves assigning specific space to individuals who are expected to be on campus at least three days per week; however, this is not reflected in the guidelines. DCC Leadership agreed to this practice in Spring 2024 after an extensive space utilization study of DCC space.

The current practice for space management aligns with Project 2020, former Chancellor initiatives, and the COVID-19 pandemic. While the outdated guidelines aligned with the Chancellor's efforts to evaluate and authorize all space requests, competing priorities led to the delegation of this process to the Executive Director, COO, and Chancellor's Chief of Staff.

Recommendation

Internal Audit recommends the Space Allocation and Assignment Guidelines be revised to reflect current work paradigms. UC Merced should consider revisiting the process to ensure it is effective with attention paid to governance over the process. The University should consider launching a Chancellor's Advisory Committee on Space Use. Finally, SCPRE should consider incorporating the guidelines into the policy.

3. CARE SPACE

Background

In June 2014, UC President Napolitano formed a task force to combat sexual violence and sexual assault issues on every campus. In September 2014, the task force issued its report and in it discussed the establishment of an independent confidential advocacy office for sexual violence and sexual assault. The recommendation stated in part that:

It is critical that this office is easily accessible to all survivors, but in a physical location that protects individual's privacy. Moreover "confidentiality" of services of this office must be clearly defined and established across all locations. This definition should be shared with students in plain language to avoid confusion. Highlights:

- The office will have an appropriate level of staff dedicated to students.
- The office will serve as a confidential resource.
- The office will be independent and report to a Vice Chancellor or a similar level of authority.
- The office will be easily accessible, but in a physical location that protects individuals' privacy.

Observation

A review of the office space KL107 shows that currently, CARE occupies all the space apart from KL 107A, which is an office located in the far corner of the suite, away from the door leading to the rear library courtyard. This space had been used by the Director of International Affairs until fall of 2023. After the director departed, the CARE office began using that space as a storage room. Per SCPRE, this space has never been assigned to CARE as the current staffing of CARE does not require all of the space in that office suite. Due to the current shortage of private space on campus, SCPRE aims to be a responsible steward by allocating space that is adequate for the size of each group.

However, CARE has valid concerns that working in a shared workspace may negatively impact their ability to provide the confidential services required by individuals seeking their resources. It is not only a matter of suitemates maintaining confidentiality; it also involves ensuring that individuals outside of CARE do not know who is receiving services.

Because of the unique space requirements for CARE, it very difficult to identify space that meets those requirements and is correctly sized for their current staffing. SCPRE has attempted to identify alternate spaces on campus for CARE; however, these options have not met CARE's requirements for location and confidentiality.

Locating other suitemates in the CARE suites risks impairing the mission of CARE to provide confidential services and protect the identity of students seeking services. However, keeping CARE in an office suite that is too large for their current staffing is an inefficient use of scarce on campus office resources.

Recommendation

Internal Audit recommends SCPRE work with the CARE office to locate suitable office space that meets its confidentiality requirements but is sized for their current staffing. One solution UC Merced should consider is creating a door to the interior hallway for

space KL107A and closing off the current door into the suite, which would allow the office to have its own entrance and allow the rest of the CARE space to be self-contained.

4. SPACE, CAPITAL PLANNING AND REAL ESTATE WEBSITE UPDATE

Background

The SCPRE website serves as a key resource for faculty and staff at UC Merced, providing essential information about the policies and procedures for requesting space. Having accurate and up-to-date content on the website is critical for ensuring that faculty and staff understand how space management decisions are made, the process and timing for submitting space requests, and what types of requests are considered reasonable.

Observation

The SCPRE website contains outdated information. For example, the document titled “Space Allocation and Assignment: Definitions, Process and Standards” on the Campus Space Management Principles webpage is an outdated version. In contrast, the Space Requests, Allocations and Assignments webpage features an updated version that has been reviewed by the Academic Senate, Academic Deans, and the Provost’s office.

Conflicting information on the website can create confusion among faculty and staff at the University. In addition, if it is known that the website is not accurate, SCPRE may have to field more direct inquiries since their customers cannot have confidence that the information on the website is accurate and up to date.

Recommendation

Internal Audit recommends SCPRE review its website, removing all outdated content and ensuring its current policies and processes are posted.