

## AAUP-UD Update to Bargaining Unit Faculty

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ASSOCIATION OF  
UNIVERSITY  
PROFESSORS

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Dear Bargaining Unit Faculty:

We are writing to update you on the steps the AAUP-UD has taken to determine our response to the administration's September 18 request to return to the bargaining table. Simply put, we are still waiting to see if the administration will provide us with all the information that is needed to assess whether UD's financial situation and fiscal management practices warrant our return to the table. Because the administration has clearly stated that they seek to reopen bargaining negotiations to ask for financial concessions from faculty, and because we renegotiated our contract just this past June when we relinquished approximately \$6 million in faculty raises for AY 2020-21, we take our responsibility for due diligence in this matter very seriously.

To review the history of our request for financial information thus far, we will begin by reminding you that the AAUP-UD made our request for information from the administration back on September 29. Since then, we have been making a good faith effort to get it fulfilled. This request was a comprehensive but reasonable one that included our asking for materials related to both the university's current financial position as well as its spending practices that might have contributed to it. It would do us no good, after all, to make concessions now, only to be asked to make more later because of questionable financial practices by the administration. On October 2, the administration initially denied our request, saying that they would not give us this information outside of collective bargaining. On October 7, in a conversation with AAUP-UD President Deni Galileo, Provost Morgan indicated that she would try to get us some of the requested material before the next meeting of our Steering Committee, which oversees collective bargaining matters and was scheduled to meet on October 9. However, that date arrived with no such information, and the Steering Committee voted to reaffirm its earlier decision not to enter into collective bargaining without adequate financial information. The Steering Committee also voted to form a Financial Analysis Subcommittee and to enlist an outside CPA firm to analyze any forthcoming data and report back with specific recommendations as to how to proceed.

On October 14, the administration sent us financial information that was published later that day on [UD's website](#). But, this information was only what they wished to disclose and was still incomplete. For example, it lacked specific details about the endowment and administrative bonuses, and it combined faculty salary and benefits data with data about administrators and staff even though we asked to see faculty data separately. We forwarded this material to our Financial Analysis Subcommittee and our newly retained CPA firm--Belfint, Lyons & Shuman--for their review, and we conveyed our concern about the missing information to Vice Provost Kinservik and Dean Pelesko in an October 21 meeting. The Vice Provost and Dean indicated that they would provide us with yet further information, but we did not receive it until a follow up meeting with them on November 19 (4 weeks later). In the eleven working days since then, the Financial Analysis Subcommittee and the CPA firm have been analyzing this new information.

What is clear thus far is that important questions remain unanswered even with this additional information. For example, we still do not know how many hires have been made since the hiring "freeze" last spring and what financial commitments the administration has made to establish these new positions. We do not yet know whether some administrative officers have received, or will receive, their historically large bonuses this academic/fiscal year. We do not yet know why capital expenditures have apparently increased so significantly over the last several years and remain high this year. We do not yet know why UD was apparently facing a substantial budget deficit prior to the COVID-19 pandemic. And, we do not yet have a clear understanding of the administration's rationale for diverting a seemingly small portion of its large amount of investment and endowment funds to cover the COVID-related financial fallout. In summary, we still do not know whether the administration has made financial decisions that have cost, or will cost, the university multiple millions of dollars despite their stated commitment to fiscal restraint. Nor do we know if they passed up reasonable opportunities to cover COVID's financial fallout with withdrawals from UD investment funds rather than with staff furloughs and terminations.

In the hope of finding answers to the questions above, we have forwarded a letter to the administration from our CPA firm that asks for the additional data their accountants believe will allow them to fully and accurately assess UD's finances and financial management practices. Once the external CPA firm and the Financial Analysis Subcommittee finish analyzing any remaining information that the administration provides, they will issue a report to the Steering Committee detailing their analysis and making

recommendations as to the need for and prudence of a return to the bargaining table. After receiving this report, the Steering Committee will meet again to determine the best steps forward.

As always, we will inform you of any important developments in this process, and we encourage you to contact us if you have any questions or concerns in the meantime.

We hope that you are staying safe and healthy during these unprecedented times. We also wish you and your families a happy and safe holiday season.



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