



AMERICAN  
ASSOCIATION OF  
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PROFESSORS

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### **Update on Mid-Term Bargaining Request**

To the UD Bargaining Unit Faculty:

In May 2020, in light of the financial impacts of COVID-19, the AAUP-UD agreed to renegotiate its contract with the UD administration. The product of this renegotiation was an amended *Collective Bargaining Agreement (CBA)* in which the faculty gave up scheduled 3% raises for the 2020-21 academic year in return for more modest 2% structural raises during each of the following two academic years and a contract extension through June 30, 2023. Less than three months later, the administration asked the AAUP-UD to return to the bargaining table yet again, suggesting that the increasing financial fallout from the pandemic necessitated additional faculty sacrifices. Because faculty had already made substantial and recent sacrifices (totaling approximately \$6 million), the AAUP-UD requested comprehensive financial information from the University to determine whether another round of costly and time-consuming renegotiations was warranted. The administration provided some, but not all, of this information over the subsequent months of October through December. To analyze this information as it arrived and, ultimately, to make a recommendation as to the merits of the administration's request for renegotiations, the AAUP-UD's Steering Committee, which oversees all collective bargaining matters, convened an *ad hoc* Financial Analysis Subcommittee (FAS) composed of nine faculty members. It also voted to retain an external accounting firm (see its report [here](#)) to help the FAS analyze all available financial data. In doing so, the Steering Committee took great care to ensure that the FAS's recommendation about bargaining would be data-driven and informed by multiple perspectives.

On February 12, 2021, the FAS delivered its recommendation ([linked here](#)) to the Steering Committee, which was that UD's current financial position did not warrant further faculty

concessions and, therefore, that the AAUP-UD should not return to the bargaining table. On February 15, the Steering Committee voted unanimously to accept this recommendation.

The FAS arrived at its recommendation after making three general findings:

1) Despite the challenges presented by COVID, the University has considerable means to support itself without requiring further sacrifice from faculty and/or staff. These means include substantial amounts of cash, cash-equivalents, operating investment funds, unrestricted funds from the endowment, and unspent state appropriation money for capital investment/deferred maintenance. In addition, the University's available funds will increase substantially in the near future as it receives tens of millions of dollars of state and federal COVID relief funds.

2) Although the pandemic has contributed to the University's restricted cash flows, the University has had a liquidity issue for some time. The University's cash flows are constrained as a result of its funding of capital projects from operations (e.g., tuition revenue) and operating investments in addition to using more traditional sources of funding such as donations and state appropriations.

3) Despite our repeated requests, the University of Delaware administration has not been forthcoming with information about whether historically large bonuses have been, or will be, paid to upper-level administrators. The administration has asserted repeatedly that 1) UD is facing a financial crisis and 2) administrators have shared significantly in the sacrifices necessitated by it. That the administration will not now say that these sacrifices extend to administrative bonuses leaves us no choice but to question the accuracy of their assertions.

**In sum, the AAUP-UD will not renegotiate the current faculty contract for a second time because the detailed financial analysis does not indicate that faculty compensation has created the University's liquidity problems or that a further reduction in faculty compensation is necessary to solve them.** The Collective Bargaining Agreement as amended on July 13, 2020 remains in full force. (See the CBA [here](#) and the amendments [here](#).) If you have any questions about the AAUP-UD's decision to decline the administration's request for a second round of mid-term bargaining, please contact us at [admin@aaupud.org](mailto:admin@aaupud.org).