

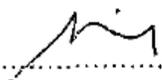
# REPORT OF THE GATE TASK FORCE



Submitted: 11<sup>th</sup> July, 2016

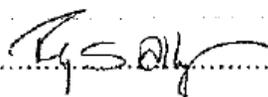


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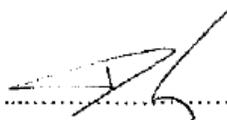
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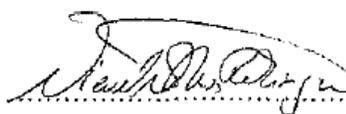
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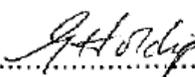
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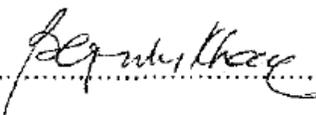
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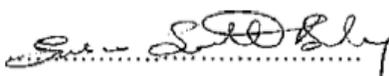
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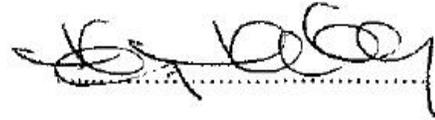


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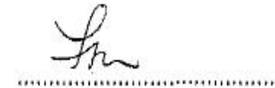


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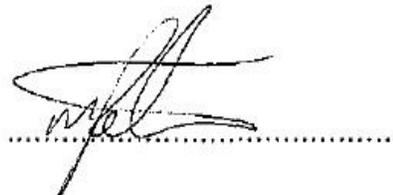


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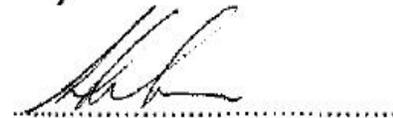
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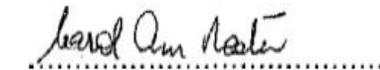
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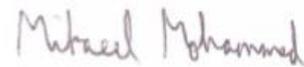
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## **Acknowledgements**

In carrying out its work, the Task Force relied on the contribution of a number of individuals and institutions and we wish to express our gratitude to them. Firstly, we would like to thank Mr. Martin Franklin, Dr. Roger Hosein and Dr. Darren Conrad for providing us with their results of their earlier research on the GATE programme. Secondly, Mr. Ian Chinapoo, Mrs. Linda Wilson-Mano and the rest of the team from the Unit Trust Corporation for conducting the student survey and developing the Savings Plan models contained in the report. Thirdly, the Trinidad and Tobago Manufacturers Association (TTMA), the Ministry of Public Administration, the Ministry of Planning and Development, the Ministry of Social Development and Family Services, the Ministry of Health, the Ministry of Labour and Small Enterprises Development, Civil Society groups, the Office of Chief Secretary of the Tobago House of Assembly and the Public Service Commission for their contribution in relation to the priority human resource needs for the development of the country.

We would also like to express our appreciation to the students of University of the West Indies, University of Trinidad and Tobago and the University of the Southern Caribbean for participating in the student survey and the student forum that was held.

Finally, we would to express our gratitude to Ms. Farisha Lalman, Mrs. Lisa Ramkissoon-Gildharry and other members of staff of the Funding and Grants Administration Division, Ministry of Education for their assistance in the provision of secretarial services at Task Force meetings and for responding to various data requests.

## **Glossary**

ACTT – The Accreditation Council of Trinidad and Tobago

CAPE - Caribbean Advanced Proficiency Examination

COSTAATT - College of Science, Technology and Applied Arts of Trinidad and Tobago

EFA - Education for All

FASP - Financial Assistance (Studies) Programme

FGAD- Funding and Grants Administration Division

GATE – Government Assistance for Tuition Expenses

GoRTT – Government of the Republic of Trinidad and Tobago

HEFCE - Higher Education Funding Council of England

HELP – Higher Education Loan Programme

PSIP - Public Sector Investment Programme

SAM- School of Accounting and Management (Caribbean Limited)

SATD – Scholarships and Advanced Training Division

SGU – St. George’s University

TVET – Technical Vocational Education and Training

USC - University of the Southern Caribbean

UTECH- University of Technology (Jamaica)

UTT – The University of Trinidad and Tobago

UWI- The University of the West Indies

WACs- Workforce Assessment Centres

## Executive Summary

The Task Force which was convened on 15th April, 2016 was given the mandate to:

1. Review policy guidelines that govern the GATE Programme and recommend revised policy guidelines
2. Review mechanisms for the funding of students at the tertiary level to ensure that the outcomes are in alignment with the human resource needs of the country.
3. Recommend mechanisms for reducing the overall cost of GATE funding to the government, such as cost-sharing models and arrangements with the private sector, means-testing, funding of programmes to vary based on development needs/priority areas.
4. To set criteria for eligibility of programmes and institutions to be funded via the GATE Programme and review all programmes that were previously funded to determine edibility based on set criteria.
5. Review and recommend other mechanisms to provide assistance for tertiary education to citizens, for example, an Education Savings and Insurance Plan as well as expansion of the current Higher Education Loan Programme (HELP).

In furtherance of the above mandate, the Task Force undertook extensive research that entailed a review of relevant literature, the interrogation of the database of the Funding and Grants Administration Division, an examination of the relevant GATE policies and a review of submissions received from interested parties in Trinidad and Tobago. Primary data collected from students and other relevant institutions were also deliberated upon.

Based on the analysis carried out, it was found that:

- From the inception of the GATE Programme in 2004 up to the 2014/15 academic year, the Government of the Republic of Trinidad and Tobago (GoRTT) expended over \$5.8 billion dollars, covering programmes that ranged from Technical and Vocational Training (TVET) to PhD studies.
- To date over 200,000 students have benefited from the GATE Programme. Currently, approximately 45,000 students participate annually.
- Only institutions that are registered with the Accreditation Council of Trinidad and Tobago (ACTT), and are Centre approved by the National Training Agency (NTA), are eligible for GATE funding. Some institutions that are registered with the ACTT have

acquired accreditation status. Accredited institutions account for over two-thirds of overall funding via the GATE Programme.

- The GATE Programme has been laudable and transformative initiative that significantly impacted the tertiary education landscape of Trinidad and Tobago, particularly with respect to the tertiary participation rate which increased from 8% in 2002 to over 65% in 2015. The current level of tertiary participation compares favourably with the rate for developed countries.
- Despite the gains achieved, there are some inefficiencies associated with the GATE Programme, particularly in relation to the fact that most of the recipients are from families which fall in the middle to high income groups of the society.
- Many Governments in both developed and developing countries have found it necessary, over the last decade to reduce public funding of tertiary education due to constrained economic circumstances.
- Trinidad and Tobago is the only country in the English-speaking Caribbean which currently provides free tertiary level tuition support at the undergraduate level to all citizens. Barbados provided such support but as of the 2014/15 academic year, this support was discontinued.
- In addition to the expenditure on the GATE Programme, GoRTT spends substantial sums in support of tertiary level education by way of National Scholarships, HELP and the Financial Assistance (Studies) Programme (FASP).

Given the aforementioned findings and the current budgetary constraints under which GoRTT is operating (arising from the substantial fall in revenue due to plummeting oil and gas prices) the Task Force is of the view that the status quo in respect of GATE Programme cannot be maintained. Accordingly, the following recommendations are submitted for the consideration by GoRTT:

1. Adoption of cost-sharing for undergraduate programmes
2. Re-introduction of means testing
3. Discontinuation of funding for some postgraduate programmes
4. Adjustment to HELP
5. Introduction of an age limit for access to funding
6. Limiting funding to one undergraduate degree programme only
7. Implementation of new criteria for programme eligibility
8. Instituting a cap on tuition for non-medical programmes at regional University of the West Indies (UWI) campuses

9. Revision of policy on funding for medical training
10. Strengthening the administrative capacity at FGAD
11. Alternative funding arrangements

It will be seen that some these recommendations are for immediate implementation whilst others are proposed to be implemented over a two-year period.

The savings projected with the adoption of the above recommendations will be at least \$302.7 million in 2016/17. GoRTT currently spends approximately \$700 million annually via the GATE Programme, so the savings to be realised are substantial.

The report also contains suggestions in respect of a few matters that are strictly outside the terms of reference of the Task Force but which are considered germane to the achievement of improved effectiveness of the GATE Programme. These pertain to the need for:

- (i) A communication strategy aimed at sensitising the population of the need for the adoption of tuition cost-sharing and the availability of alternative sources of funding such as HELP;
- (ii) Greater involvement of the private sector in funding tertiary education;
- (iii) The strengthening of the administrative capacity of the FGAD, Ministry of Education; and
- (iv) The reactivation of the Standing Committee on the GATE Programme.

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# INTRODUCTION

## Background to GATE Programme and the Need for Review

Cabinet, by Minute No. 229 dated January 22, 2004, agreed to the establishment of the Government Assistance for Tuition Expenses (GATE) Programme. The GATE Programme has now been in operation for almost twelve (12) years. Designed with the ultimate objective of increasing the local participation rate in tertiary education to 60% by the year 2020, the GATE Programme has been identified as the most effective Government policy to achieve widespread access to tertiary education.

Recognising that there are many persons who cannot afford tuition fees at the tertiary level, Cabinet, by Minute No. 3317 of December 30, 2005, agreed to cover 100% of the cost of tuition.

The specific objectives of the GATE Programme are as follows:

- Make tertiary education affordable to all so that no citizen of Trinidad and Tobago would be denied tertiary education because of inability to pay;
- Widen access to tertiary education that would support economic development and promote social equity; and
- Build and strengthen a national quality tertiary education sector through both public and private tertiary level institutions.

The GATE Programme has made tertiary education more affordable to all citizens of Trinidad and Tobago and has expanded access to post-secondary and tertiary education opportunities. As a result, the country's tertiary education participation rate increased from approximately 8% in 2002<sup>1</sup> to the estimated 65.23% in 2015<sup>2</sup>. The targeted tertiary participation rate of at least 60% by 2015 has, therefore, been exceeded.

### *The Need for Review*

Despite the success of the GATE Programme in greatly expanding access to postsecondary and tertiary education, there is now an urgent need for review in light of the following:

- The current local economic constraints; and
- A comprehensive review has not been undertaken since inception of the Programme.

#### *Current local economic constraints*

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<sup>1</sup> Budget Statement 2002, <http://www.finance.gov.tt/wp-content/uploads/2013/11/pub3.pdf> (Accessed: July 7th 2016)

<sup>2</sup> *The Future of Tertiary Education and Skills Training 2015-2015: A National Policy Framework*, Ministry of Tertiary Education and Skills Training, July, 2015

Local and global economic trends with respect to the falling prices of energy commodities (oil and gas), has led to concerns over the sustainability of current expenditure levels via the GATE Programme.

Currently, GoRTT is experiencing significant reduction in revenues and foreign exchange earnings as a result of the falling prices of oil and gas. From the Figures 1 and 2, it can be observed that the price of oil has fallen from a high of US\$128 in early 2011 to a low of US\$30 in 2015; currently selling for US\$48. This represents a price drop of approximately 63% from 2011 to 2016.

**Figure 1**  
**Crude Oil Price**  
47.60 USD/bbl  
27 Jun '16



Source: *InvestmentMine- Mining Markets and Investments* <http://www.infomine.com/investment/metal-prices/crude-oil/5-year/><sup>3</sup>

An examination of the *Figure 2* reveals that the price of gas fell from a US\$6 in 2010 to US\$2.50 in 2016, representing a drop of approximately 58% over the period.

<sup>3</sup> InvestmentMine- Mining Markets and Investments- <http://www.infomine.com/investment/metal-prices/crude-oil/5-year/> - (Accessed 28<sup>th</sup> June 2016)

**Figure 2**

***Historical Outline of Natural Gas Prices***



Actual	Previous	Highest	Lowest	Dates	Unit
2.82	2.73	15.39	1.02	1990 - 2016	USD/MMBtu

Source: <http://www.tradingeconomics.com/commodity/natural-gas><sup>4</sup>

Given the above, the feasibility of the current level of expenditure on the GATE Programme is called into question.

It is to be noted that GoRTT, has already instituted measures to curtail public expenditure, and agreed to decrease funding across all public organizations by seven percent (7%) of their respective budgets.

***Need for a comprehensive review of the GATE Programme***

Since its inception, the GATE Programme has expended over \$5.8 billion. However, a comprehensive review of its mandate and operations has never been undertaken.

Some of the current concerns relate to:

- Public perception that the GATE Programme is an entitlement, not a privilege, to all citizens of Trinidad and Tobago desirous of pursuing tertiary education;

<sup>4</sup> Trading Economic <http://www.tradingeconomics.com/commodity/natural-gas> (Accessed: 28<sup>th</sup> June, 2016)

- The need for a review of operating policy guidelines and in particular, student eligibility criteria for accessing funding, (e.g. age and income);
- The establishment priority areas for funding;
- The enforcement of student obligatory service;
- The conduct of tracer studies to evaluate the effectiveness of the GATE Programme; and
- Consideration and introduction of alternative funding mechanisms, such as, an Education Savings Plan.

## **Mandate of the Task Force**

The Task Force was given the responsibility for, inter alia, the review of the policy guidelines that govern the GATE Programme. The specific Terms of Reference are as follows:

1. Review policy guidelines that govern the GATE Programme and recommend revised policy guidelines
2. Review mechanisms for the funding of students at the tertiary level to ensure that the outcomes are in alignment with the human resource needs of the country.
3. Recommend mechanisms for reducing the overall cost of GATE funding to the government, such as cost-sharing models and arrangements with the private sector, means-testing, funding of programmes to vary based on development needs/priority areas.
4. Set criteria for eligibility of programmes and institutions to be funded via the GATE Programme and review all programmes that were previously funded to determine edibility based on set criteria.
5. Review and recommend other mechanisms to provide assistance for tertiary education to citizens, for example, an Education Savings and Insurance Plan as well as expansion of the current Higher Education Loan Programme (HELP).

## Membership of the Task Force

The Membership of the Task Force is as follows:

- Mr. Errol Simms (Chairman)  
Management Consultant
- Dr. Ruby Alleyne (Deputy Chairperson)  
VP Quality Assurance and Institutional Effectiveness  
University of Trinidad and Tobago
- Mrs. Teresa Davidson  
Director  
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- Mrs. Nieval Niles-Rolingson  
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- Dr. Gaynelle Holdip  
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Ministry of Planning and Development
- Mrs. Susan Smith-Bailey  
Chief Manpower Officer  
Ministry of Labour and Small Enterprise Development
- Dr. Rolph Balgobin  
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- Mr. Richard Saunders  
Campus Registrar  
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- Dr. Hyacinth Guy  
Human Resource Association of Trinidad and Tobago

- Ms. Essie Parks-Ewing  
Advisor to the Secretary of Education  
Division of Education, Youth Affairs and Sport
- Mrs. Muriel Alfred-James  
Deputy Director  
Budget Division  
Ministry of Finance and the Economy
- Ms. Folade Mutota  
Executive Director  
Women's Institute for Alternative Development (WINAD)
- Mr. Makesi Peters  
President  
Guild of Students  
University of the West Indies
- Ms. Natasha Subero  
Management Consultant and the Chair  
Employment and Labour Relations Committee  
Trinidad and Tobago Chamber of Industry and Commerce
- Ms. Carol Ann Hosten  
Budget Supervisor (Revenue Section)  
Budget Division  
Ministry of Finance
- Dr. Mikael Mohammed (Alternate Member)  
Member  
Trinidad and Tobago Manufacturers Association (TTMA)

## **Content and Scope of the Report**

Further to the Terms of Reference, the report will focus on the following:

- Trends in public funding of tertiary education in Trinidad and Tobago and worldwide
- Review and analysis of the GATE Programme
- Identification of national human resource needs
- Recommendation of policy changes
- Conclusion and the way forward

## Limitations

In carrying out the exercise, the only significant limitation encountered related to the limited time that was given to carry out the task. Letters of appointment were issued on 15th April, 2016 and although the Task Force worked assiduously thereafter, there were two areas of the mandate which could not be fully addressed due to time constraints. These relate to the following Terms of Reference:

- Review mechanisms for the funding of students at the tertiary level to ensure that the outcomes are in alignment with the human resource needs of the country.
- To set criteria for eligibility of programmes and institutions to be funded via the GATE Programme and review all programmes that were previously funded to determine eligibility based on set criteria.

## METHODOLOGY

Pursuant to its mandate, the Task Force adopted the following guiding principles:

- The position articulated by Johnstone 2010<sup>5</sup> that, “*the financing of a country’s system of higher education must be seen within a context of that nation’s history, level of economic development, per-capita wealth, population, demographics, degree and nature of social stratification, political system, and prevailing ideologies*”. As such, financing models applied to some countries may be ineffective in another.
- The Ministry of Education’s stated policy position that seeks to “*ensure that the Government Assistance for Tuition Expenses (GATE) system, which [it] created in 2004, remains relevant, easily accessible and available to all citizens who need it.*”<sup>6</sup>
- The need to always preserve access to tertiary education especially for vulnerable groups in the society.

The following three models of education financing were also considered and served to guide the deliberations of the Task Force:

1. **Scandinavian model** -in which all education is free straight to the postgraduate level. However, this is only possible through a high rate of taxation (40%-50%)
2. **American model** -in which the student pays for their education. This system exists where there is a low level of taxation (zero-13%)
3. **Canadian model** - in which student and State shares the burden at a tertiary level. Taxes range from 20.5% for incomes over \$45k up to \$90k; 26% from 90k up to \$140k and 29% over \$140k up to \$200k).

The level of taxation in Trinidad and Tobago (25%) is closest to that of Canada and therefore that model serves as the best guide for our proposed system.

In order to expedite the work of the Task Force, three Committees were formed each with specific responsibilities as set out below:

- Funding Mechanisms
- Policy
- Human Resource Development

The Committees reported to the Task Force at meetings that were convened every two weeks.

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<sup>5</sup> Johnstone, *Financing Higher Education: Worldwide Perspectives and Policy Options*, 2010, [http://gse.buffalo.edu/org/inthigheredfinance/files/Recent\\_Publications/Financing%20H%20Ed%20WW%20Perspectives%20and%20policy%20options%20revised.pdf](http://gse.buffalo.edu/org/inthigheredfinance/files/Recent_Publications/Financing%20H%20Ed%20WW%20Perspectives%20and%20policy%20options%20revised.pdf) (Accessed 8<sup>th</sup> July, 2016)

<sup>6</sup> Ministry of Education, Government of the Republic of Trinidad and Tobago, website: <http://moe.edu.tt/> (Accessed: 8<sup>th</sup> July, 2016)

In terms of data sources, the Task Force relied heavily on the data contained within the FGAD database, as well as published studies that were accessed via internet research. The abovementioned sources of secondary data were supplemented by primary data collected from student surveys and a student forum. Additionally, interviews conducted with a number of governmental and private sector agencies particularly with respect to priority areas and human resource needs. A submission was received from the Civil Society groups in Trinidad and Tobago, and unsolicited submissions from the School of Accounting and Management (SAM Caribbean Limited) and the University of the Southern Caribbean.

# TRENDS IN PUBLIC FUNDING OF TERTIARY EDUCATION

## Philosophy on Education

At the World Education Forum held in Senegal in 2000, one hundred and sixty four (164) governments including GoRTT pledged to meet by 2015 the six goals identified under the “Education for All” (EFA) movement.<sup>7</sup>

In Trinidad and Tobago, the tertiary education sector plays a critical role in meeting the EFA goals, particularly Goals 3 and 6 which read:

*Goal 3: Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programmes.*

*Goal 6: Improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills.*

Prior to 2001, the Government of Trinidad and Tobago recognised that expanding tertiary participation from its 8 percent rate to the levels of industrialized countries would require significant financing. Thus, the Dollar-for-Dollar (DfD) Education Plan, which eventually evolved into the GATE Programme, was instituted in 2002.

## Worldwide Trends in Public Expenditure for Post-Secondary/Tertiary Education

Internationally, it has been observed that in recent times, several countries have reduced public funding to tertiary education including the Baltic countries, Czech Republic, Hungary, Croatia, Greece, Italy, Spain, Portugal, The Netherlands, Ireland and Iceland<sup>8</sup>. In 2012, the public expenditure within the tertiary education sector was approximately 1.2% of Gross Domestic Product (GDP) in Organization for Economic Cooperation and Development (OECD) countries (*Appendix I* refers). This represents a decline from 1.3% of GDP in 2009<sup>9</sup>.

In reducing public funding, countries have implemented various cost-sharing mechanisms such as “Matching Grants Scheme” in Hong Kong; funding for only “high quality qualifications” and introduction of ‘investment plans’ in New Zealand and movement towards performance-based

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<sup>7</sup> *The Dakar Framework for Action, Education for All: Meeting our Collective Commitments*, UNESCO, World Education Forum (2000) p.8

<sup>8</sup> Franklin et al, *Avoiding Vertical Inefficiencies in Funding Tertiary Level Education (TLE) in Resource Abundant States (unpublished)*

<sup>9</sup> *Education at a Glance* (OECD, 2009, p. 240) <http://www.oecd.org/education/skills-beyond-school/43636332.pdf> and <http://www.oecd.org/edu/skills-beyond-school/48630884.pdf>

funding in United States of America. In the United Kingdom, the Higher Education Funding Council (HEFCE) shifted from grants to tuition fee loans.

The Task Force has noted that regionally, Trinidad and Tobago is the only country in the English-speaking Caribbean that fully subsidises undergraduate degree programmes. It was also noted that in light of economic constraints, the Barbados Government, effective 2014, discontinued its subsidy on tuition fees for nationals attending UWI campuses and instituted a measure of means testing for students whose parents cannot afford university fees.<sup>10</sup>

## **Public Expenditure for Tertiary Education in Trinidad and Tobago**

Historically, GoRTT has subsidised the tertiary education sector by way of support for institutional development and student funding. The Ministry with responsibility for tertiary education allocates funding for both recurrent and capital expenditure, as well as tuition and non-tuition fees by way of grants, scholarships and soft-loans using mechanisms as outlined below:

1. Recurrent Expenditure and the Public Sector Investment Programme to public institutions {e.g. UWI, College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) and University of Trinidad and Tobago (UTT)}
2. GATE Programme;
3. Higher Education Loan Programme (HELP);
4. Financial Assistance Studies Programme (FASP); and
5. National Scholarships.

### **Recurrent Expenditure and the Public Sector Investment Programme**

The Ministry administers funding for capital and infrastructural development through the Public Sector Investment Programme (PSIP), to institutions within its portfolio. Funding is also allocated for recurrent expenditure to these public institutions to meet various operational costs. (Table 2 refers).

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<sup>10</sup> Jamaican Gleaner “*Barbados Cancels Free UWI Tuition*”, August 15<sup>th</sup>, 2013 - <http://jamaica-gleaner.com/gleaner/20130815/business/business1.html> (Accessed 11th July, 2016)

**Table 2**  
**Public Expenditure on Tertiary Education in Trinidad and Tobago**

<b>Fiscal year</b>	<b>Recurrent Expenditure</b>	<b>PSIP</b>	<b>GATE</b>	<b>HELP</b>	<b>Scholarship</b>
2010/11	\$2,186,314,384.00	\$490,786,208.00	\$611,646,565.05	\$26,956,999.69	\$161,851,832.84
2011/12	\$1,493,785,381.00	\$397,782,205.00	\$757,641,659.87	\$14,129,820.96	\$194,471,933.98
2012/13	\$2,160,259,514.00	\$661,572,556.00	\$720,775,071.50	\$28,739,271.54	\$175,581,090.00
2013/14	\$2,294,910,858.00	\$702,890,000.00	\$632,759,633.93	\$31,182,348.40	\$ 194,901,882.00
2014/15	\$2,357,538,941.00	\$473,813,438.00	\$699,884,393.33	\$ 828,031.11	\$ 186,288,881.00
<b>TOTAL</b>	<b>\$10,545,529,978.00</b>	<b>\$2,721,230,969.00</b>	<b>\$3,422,707,323.68</b>	<b>\$101,836,471.70</b>	<b>\$913,095,619.82</b>

*Source: Ministry of Education*

### **The GATE Programme**

Since its introduction in 2004, over 194,000 students have been funded at a cost of \$5.838 billion. The number of students and expenditure by fiscal year are detailed in **Table 3** and illustrated in *Figures 3 and 4*.

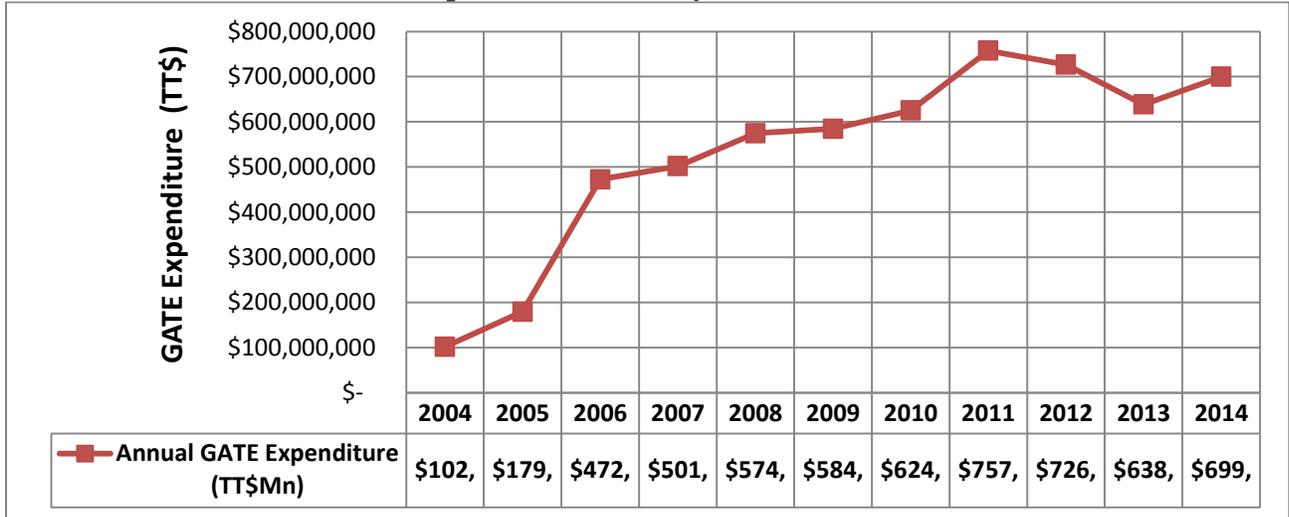
*Figure 3* shows that expenditure increased substantially in 2006/07 when 100% tuition funding was instituted for undergraduate programmes. There was a corresponding increase in number of students funded increasing from 19,154 in 2004/05 to 55,703 in 2006/07.

**Table 3**  
**GATE Expenditure and Students Funded By Fiscal Year**

<b>Fiscal Year</b>	<b>No. Students Funded</b>	<b>Amount Funded</b>
2004/2005	19,154	\$102,193,273.00
2005/2006	29,170	\$179,689,121.00
2006/2007	55,703	\$472,771,454.00
2007/2008	53,857	\$501,783,052.00
2008/2009	55,808	\$574,435,788.72
2009/2010	53,483	\$584,699,644.92
2010/2011	50,919	\$611,646,565.05
2011/2012	59,455	\$757,641,659.87
2012/2013	55,733	\$720,775,071.50
2013/2014	49,406	\$632,759,633.93
2014/2015	47,231	\$699,884,393.33
<b>TOTAL</b>		<b>\$5,838,279,657.32</b>

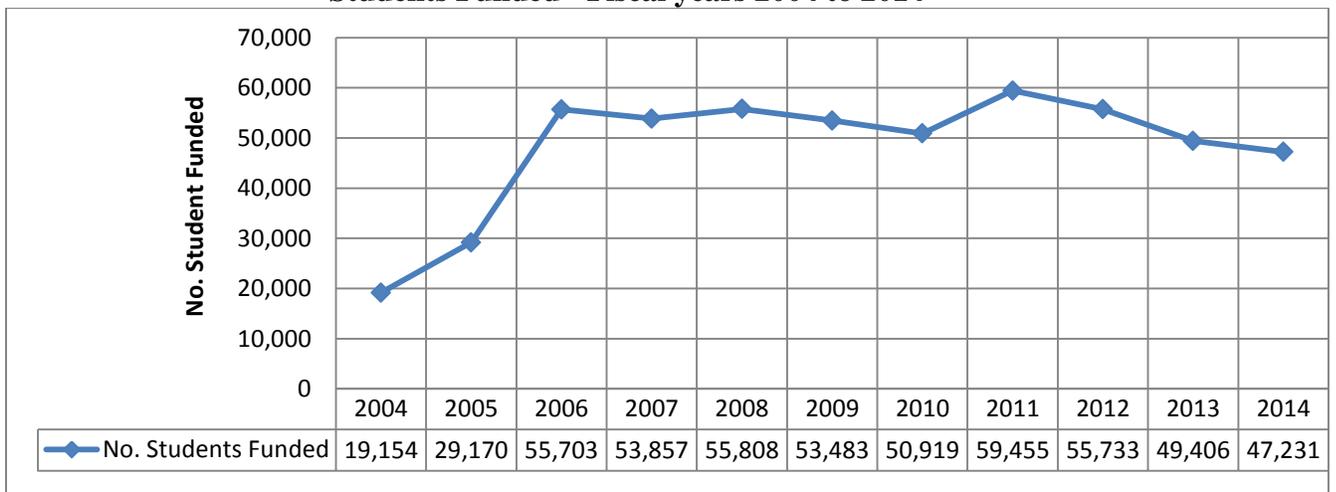
*Source: Ministry of Education*

**Figure 3**  
**GATE Expenditure - Fiscal years 2004 to 2014**



Source: Ministry of Education

**Figure 4**  
**Students Funded - Fiscal years 2004 to 2014**



Source: Ministry of Education

Further analysis will be presented in a later section.

### **The Higher Education Loan Programme**

Cabinet, by Minute No. 165 dated January 19, 2006, agreed to the establishment and implementation of the Higher Education Loan Programme (HELP) within the FGAD. HELP is a low-interest loan facility which provides financial assistance for tuition and non-tuition fees to students who have been accepted and enrolled in GATE-approved programmes.

The objectives of HELP are as follows:

- i. to provide financial assistance to citizens of Trinidad and Tobago pursuing tertiary education, thereby expanding equitable access to tertiary education;
- ii. to provide a low interest loan facility, approved and disbursed effectively and efficiently and within a reasonable time frame to students in need;
- iii. to assist in increasing the national participatory rate in tertiary education to 60% by 2015; and
- iv. to develop a well-educated, qualified cadre of citizens in identified areas of national development.

HELP operates in partnership with the commercial banks namely, Scotiabank Trinidad and Tobago Limited, First Citizens Bank, RBC Royal Bank and Republic Bank. The financial resources of the commercial banks are utilised for loan disbursement to student beneficiaries with a guarantee from GoRTT.

Normally loans shall not exceed \$25,000 per year for three years for students pursuing programmes in Trinidad and Tobago and \$75,000 per year for three years for those students pursuing programmes within the CARICOM region. Medical students in Trinidad and Tobago can access loans up to \$25,000 per year for five years and at the regional institutions up to \$75,000 per year for five years. Exceptions may be made also, in areas of study which are considered strategic to national development.

A Credit Committee, comprising representatives from the Ministry of Education and the Ministry of Finance, meets weekly and is responsible for reviewing and recommending loan limits. Final approval rests with the banks. Means testing is an integral part of the loan process to ensure that loans are appropriately targeted to students in need.

Full-time students are given a moratorium on interest accrued on the principal sum for the duration of their study and a defined period of time thereafter, not exceeding six (6) months. Upon commencement of the repayment period, GoRTT subsidises the first four percentage points of the amortised rate of interest, with the students being responsible for the balance.

Students who are in full-time employment shall be required to start repayment immediately after receipt of the loan, at subsidised interest rates, that is, GoRTT will also pay the first four percentage points of the interest with the students being responsible for the balance.

The repayment period for loans will not exceed ten (10) years.

Annually, an average of 2,000 students benefits from loans of approximately TT\$40 million. (**Table 4** refers)

**Table 4**  
*Value of Loans and Number of Students Granted Loans*

<b>Fiscal Year</b>	<b>No. of Students</b>	<b>Value of Loans (TT\$)</b>
August - September 2006	390	\$8,189,549
2006-2007	2,331	\$41,070,433
2007- 2008	2,177	\$39,033,521
2008-2009	2,125	\$41,605,075
2009 –2010	2,119	\$44,402,832
2010- 2011	2,036	\$42,412,683
2011 – 2012	1,925	\$41,802,529
2012 – 2013	1,872	\$40,805,007
2013 – 2014	1,554	\$36,551,534
2014 – 2015	1,337	\$30,108,441
<b>Total</b>		<b>\$365,981,604.00</b>

*Source: Ministry of Education*

HELP is managed and administered by the First Citizens Trustee Services Limited. GoRTT's contribution over the last five (5) years to the Trust Fund is detailed in **Table 5**. These contributions cover management fees, interest on loans, payment for delinquent loans, etc.

**Table 5**  
*Government Expenditure on HELP*

<b>Fiscal Year</b>	<b>Actual Expenditure</b>
2010/2011	\$26,956,999.69
2011/2012	\$14,129,820.96
2012/2013	\$28,739,271.54
2013/2014	\$31,182,348.40
2014/2015	\$828,031.11

*Source: Ministry of Education*

The current value of the Trust Fund is TT\$70,000,000.

## **Financial Assistance (Studies) Programme**

Another source of funding for tertiary education and skills training under the Ministry is the Financial Assistance (Studies) Programme (FASP). This Programme provides a ‘one time only’ supplementary financial grant to those students whose resources are insufficient to meet costs of post-secondary and tertiary education. A Cabinet-appointed Selection Committee is required to evaluate all applications in accordance to the specified criteria and recommend funding with the maximum value of the assistance of TT\$50,000 to be approved by Cabinet. Since November 2013<sup>11</sup>, a total of 145 scholarships were granted at a cost of **\$5,475,015**.

## **National Scholarships**

The Scholarship Programme of GoRTT consists of scholarships and long-term training awards offered by and through the Government to build the nation’s human resource capacity. The Scholarships and Advanced Training Division (SATD) is responsible for the administration of these awards which comprise offers made to top performers at the Caribbean Advanced Proficiency Examinations (CAPE) as well as others which are awarded on a competitive basis. In the latter case, applicants are vetted, short-listed and interviewed by the Cabinet-Appointed Scholarship Selections Committee which makes recommendations to Cabinet.

SATD manages approximately 5,500 scholars who are at various stages of their academic career. The contractual relationship between scholars and GoRTT is monitored on a continuous basis to assess the scholar’s academic progress and to ensure that the country receives the benefit of the scholar’s obligatory service. The latter is achieved through the placement and employment of returning scholars for a period of one year (called the Associate Professionals Programme) with the expectation of transitioning to longer periods of employment in either the public or private sector. In lieu of obligatory service, scholars may repay the scholarship loan with interest. As can be seen in **Table 6**, over a five-year period, GoRTT’s expenditure on scholarships totalled over \$TT1,000,000,000. Expenditure on Advanced Level Scholarships accounts for a significant proportion of this amount with the majority of scholars choosing to enter programmes of medicine

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<sup>11</sup> The FASP was placed under the administration of the Ministry of Tertiary Education and Skills Training in November 2013.

**Table 6**  
***Value of Scholarships Granted***

Fiscal Year	Value of Scholarships
2009/10	\$186,338,954.40
2010/11	\$161,851,832.84
2011/12	\$194,471,933.98
2012/13	\$200,215,000.00
2013/14	\$207,672,000.00
2014/15	\$233,954,000.00

*Source: Ministry of Education*

### **Summary of GoRTT Funding of the Sector**

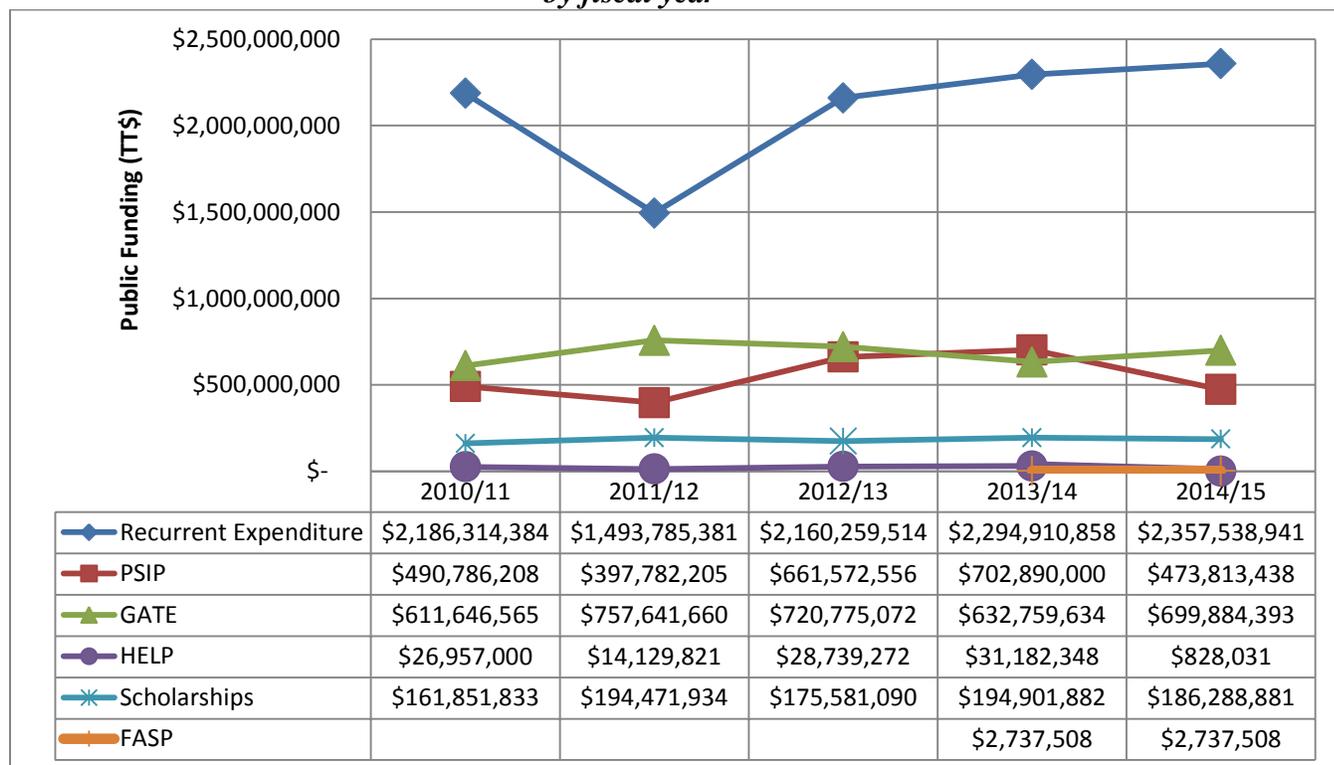
*Figure 5* summarises GoRTT expenditure by year for the funding programmes listed above. As can be seen, the primary driver of public funding in the tertiary education sector is recurrent expenditure to public institutions which annually represents approximately four (4) times the amount spent via the GATE Programme.

The total expenditure within the sector represents 2% of GDP in 2014/2015<sup>12</sup>. This compares favourably with the situation that obtains within OECD countries where public expenditure on tertiary education for 2012 was 1.2% of GDP.

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<sup>12</sup> Based on information contained in the *Review of the Economy, 2014*, the local Gross Domestic Product (GDP) was projected to increase from \$175,608.5 million in 2013 to \$179,842.0 million in 2014. Over the same period, the total funding within the tertiary education sector was \$3,531,197,349 which represents 2% of GDP.

**Figure 5**  
**Summary of Public Funding in Tertiary Education and Skills Training**  
**by fiscal year**



Source: Ministry of Education

## ANALYSIS OF THE GATE PROGRAMME

In this section the GATE Programme is analysed in detail with respect to:

- Policies and Operational Guidelines
- Expenditure on the GATE Programme
- Accomplishments of the GATE Programme
- Allocative Inefficiency in the GATE Programme
- Constraints (Funding and Administrative)

### Policies and Operational Guidelines

The policies and operational guidelines that govern the GATE Programme are informed by a number of Cabinet decisions as listed in *Appendix II* and detailed in a document entitled “*Policies and Operational Guidelines for the Funding and Grants Administration Division*”.

The key policies are highlighted as follows:

- Funding Provisions
- Student Eligibility
- Student Agreement
- Institution/Programme Eligibility

### Funding Provisions

Under the GATE Programme, students can access 100% funding for tuition expenses at the undergraduate level at both private and public institutions in the CARICOM region. Students pursuing postgraduate studies at public institutions are eligible for 50% of tuition costs per academic year, while those at private institutions receive 50% of tuition up to a maximum of \$20,000 and \$30,000 per academic year for Master’s and Doctoral programmes respectively.

### Student Eligibility

All citizens of Trinidad and Tobago pursuing tertiary education can access the GATE Programme. Documentary proof of citizenship must be provided. Citizens desirous of accessing the GATE Programme must show evidence that they have been resident in Trinidad and Tobago for a minimum period of three (3) years, prior to submitting an application for access to funding. Required documents include:

- Letters from school(s) attended
- Name and address of employers, where applicable
- National Passport, showing travel information over the period
- Documents from the Board of Inland Revenue and/or National Insurance Board, where applicable

### **Student Agreement**

Students accessing the GATE Programme are required to sign a Student Agreement as part of the application (*Cabinet Minute No. 3317 dated December 30, 2005*). A copy of the Student Agreement is attached at *Appendix III*. A more detailed Agreement was prepared for students accessing the GATE Programme at SGU and UTECH (*Cabinet Minute No. 1752 dated July 12, 2007*).

### **Institution/Programme Eligibility**

All public institutions and approved private institutions can access funding via the GATE Programme. Currently, there are sixty-six (66) institutions that have been approved for funding as follows:

- 11 local public institutions
- 45 local private institutions
- 8 regional public institutions
- 2 regional private institutions

Institutions seeking to access funding under the GATE Programme must be registered with the Accreditation Council of Trinidad and Tobago (ACTT) or have Centre Approval from the National Training Agency (NTA). Additionally, programmes must be approved or recognised by the ACTT and/or NTA.

Approval from ACTT or NTA does not guarantee approval for funding under the GATE Programme. Consideration for GATE funding is also based upon, but not limited to:

- Programme alignment with Government's socio-economic development priorities;
- Labour market information studies; and
- Availability of financial resources.

There are approximately two thousand (2,000) programmes approved for GATE funding. These programmes comprise both transnational and locally developed programmes.

Private institutions are required to sign a two-year Agreement with the Permanent Secretary, Ministry of Education. This Agreement outlines the roles and responsibilities of both parties with

respect to the GATE Programme. Details of policies, procedures and fee structure are also included in the Agreement.

Throughout the years, the GATE Programme has been expanded in accordance with Government policy. Expansions were effected mainly with respect to the funding of medical programmes, programmes at regional institutions and the inclusion of TVET skills training. Areas of expansion include:

- *Medical programmes at Mona Campus, UWI (2006 and 2007)*
- *Accredited Architectural and other programmes at University of Technology (UTECH), Jamaica (2007 and 2009)*
- *Medical programmes at St. George’s University (SGU), Grenada (2009 and 2010)*
- *Technical and Vocational Education and Training (TVET) (2011)*
- *Workforce Assessment Centres (WACs) (2011)*
- *Amended Policy on Medical programmes at Regional Institutions (2015)*

### **Absence of Programme Funding Limits**

There is no limit on the number of programmes a student may pursue. However, in order to access funding for a subsequent programme a student must submit evidence of completion of all previous programmes. A student is not entitled to receive GATE funding for more than one programme at a time.

### **Expenditure on the GATE Programme**

Expenditure on the GATE Programme is summarised in **Table 7** and is detailed by institution and programme type. An analysis of the data for 2014/2015 (the most recent year for which complete information is available) reveals the following:

#### **Expenditure by Type of institution:**

Expenditure at Private Institution	\$212,786,822.31	31%
Expenditure at Public Institution	\$421,875,568.99	61%
Other <sup>a</sup>	\$60,602,534.60	8%
<b>Total</b>	<b>\$695,264,925.90</b>	<b>100%</b>

<sup>a</sup> *SGU and UTECH*

**Expenditure by Programme:**

Undergraduate	\$611,901,022.37	88%
Postgraduate	\$67,726,698.53	10%
Professional Certification <sup>b</sup>	\$15,637,205.00	2%
<b>Total</b>	<b>\$695,264,925.90</b>	<b>100%</b>

<sup>b</sup> *Examples – ACCA and CIPS*

**Table 7**  
**Funding (TT\$) per fiscal year for Programme and Institution Type**

Programme Type	Fiscal Year										
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
<b>PRIVATE</b>											
<i>Undergrad</i>	\$ 25,787,293.05	\$42,384,646.66	\$ 200,184,934.46	\$ 210,578,929.92	\$ 222,007,604.57	\$ 05,115,156.99	\$ 09,402,223.67	\$237,589,672.64	\$168,763,719.00	\$ 156,658,923.22	\$181,601,912.81
<i>Postgrad</i>	\$ 2,173,126.00	\$ 3,467,648.14	\$ 10,057,857.14	\$ 5,447,103.50	\$ 7,712,947.00	\$19,152,688.50	\$ 14,692,568.00	\$ 9,315,321.00	\$ 25,168,657.00	\$ 23,174,261.28	\$25,507,224.50
<i>Prof Cert</i>	\$ 4,033,366.50	\$ 11,455,162.50	\$15,918,940.00	\$ 13,923,035.00	\$11,861,665.00	\$ 8,603,730.00	\$6,655,150.00	\$7,612,600.00	\$ 5,296,450.00	\$ 6,157,920.00	\$5,677,685.00
<b>TOTAL</b>											<b>\$212,786,822.31</b>
<b>PUBLIC</b>											
<i>Undergrad</i>	\$30,162,487.15	\$75,985,881.99	\$ 208,354,888.65	\$239,361,273.59	\$ 303,058,653.96	\$323,153,358.80	\$310,146,231.71	\$419,019,561.92	\$409,771,638.85	\$356,653,672.66	\$369,714,872.56
<i>Postgrad</i>	\$ 9,522,790.40	\$ 11,528,518.54	\$ 16,858,380.04	\$19,828,426.63	\$ 21,904,686.54	\$ 26,223,728.14	\$28,686,426.49	\$42,704,738.81	\$40,016,558.61	\$ 19,844,539.98	\$42,201,176.43
<i>Prof Cert</i>	\$ 1,263,513.75	\$ 1,213,250.00	\$ 768,750.00	\$ 1,077,292.00	\$ 1,273,605.00	-	\$ 295,000.00	\$ 520,000.00	\$ 445,324.40	\$ 377,941.40	\$ 9,959,520.00
<b>TOTAL</b>											<b>\$421,875,568.99</b>
<b>OTHER</b>											
<i>Undergrad</i>	-	-	-	\$1,099,794.29	\$ 195,486.50	\$ 2,011,916.20	\$ 29,598,553.63	\$ 31,865,481.73	\$ 46,887,859.85	\$ 62,721,950.87	\$60,584,237.00
<i>Postgrad</i>	-	-	-	-		-	-	-	\$ 18,472.80	\$ 18,440.55	\$18,297.60
<i>Prof Cert</i>	-						-	-	-	-	
<b>TOTAL</b>											<b>\$60,602,534.60</b>

Expenditure based on age of student and accredited status of institutions is detailed in **Tables 8 and 9**.

An analysis of the data contained in these two tables for 2014/2015 reveals the following:

**Expenditure by age of student:**

25 and under	\$ 321,898,525.52	46%
26-49	\$ 345,888,679.63	50%
50 and over	\$ 27,897,221.14	4%

**Expenditure on accredited institutions:**

Accredited Institutions	\$470,910,942.95	68%
Non Accredited Institutions	\$224,353,982.95	32%
<b>Total</b>	<b>\$695,264,925.90</b>	<b>100%</b>

With respect to gender, FGAD data reveal that over the five year period (2011/2015) the expenditure for female students was 68% of the annual GATE expenditure.

**Table 8**  
**Expenditure by Fiscal year and Age Group**

<b>Age Group</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
25 and under	\$13,395,756.00	\$39,755,040.82	\$ 88,895,482.02	\$ 185,663,033.13	\$227,192,401.12	\$259,964,803.61	\$321,898,525.52
26-49	\$502,688,715.33	\$ 497,042,296.06	\$467,629,843.47	\$521,155,092.05	\$429,818,330.52	\$336,983,032.26	\$345,888,679.63
50 and over	\$53,169,107.74	\$48,146,354.14	\$43,074,534.09	\$52,107,095.18	\$39,515,598.86	\$ 29,120,951.59	\$27,897,221.14

**Table 9**  
**Expenditure by Fiscal Year for Accredited Institutions <sup>a</sup>**

<b>Programme Type</b>	<b>Fiscal Year</b>					
	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
<b>PRIVATE</b>						
<i>Undergrad</i>	-	71,011,579.00	84,119,107.00	48,745,128.00	42,554,850.00	46,187,458.00
<i>Postgrad</i>	1,842,820.00	2,042,452.00	2,361,291.00	1,379,842.00	2,518,313.00	1,052,730.00
<i>Professional Cert</i>	-	-	-	-	-	-
<b>PUBLIC</b>						
<i>Undergrad</i>	323,153,358.80	310,146,231.71	419,019,561.92	409,771,638.85	340,933,672.66	364,129,247.56
<i>Postgrad</i>	26,223,728.14	2,658.00	42,704,738.81	40,016,558.61	19,844,539.98	42,201,176.43
<i>Professional Cert</i>	-	295,000.00	520,000.00	445,324.40	377,941.40	-
<b>OTHER</b>						
<i>Undergrad</i>	2,011,916.20	29,564,781.63	31,865,481.73	46,887,859.85	62,721,950.87	60,584,237.39
<i>Postgrad</i>	-	-	-	18,472.80	18,440.55	18,297.60

<sup>a</sup> Accreditation was first granted to local institutions in 2010

## Accomplishments of the GATE Programme

Charged with the dual objectives of making tertiary education affordable to all so that no citizen will be denied access due to an inability to pay and to increase participation in tertiary education in support of economic development and promoting social equity, the GATE Programme has contributed significantly to the realisation of the following:

- The reported increase in tertiary education participation rate from 8% (2002)<sup>13</sup> to 65% (2015)<sup>14</sup>.
- The expansion of access to tertiary education for persons of modest means who might not have otherwise been able to afford.
- Contributing to national development through strengthening of the country's human resource capability in all areas inclusive of TVET.

## Allocative Inefficiency in the GATE Programme

One of the stated objectives of the GATE Programme is to make tertiary education affordable to all so that no citizens would be denied tertiary education based on inability to pay. The GATE Programme has certainly achieved this objective but in so doing the Programme has been expanded to the point where it now suffers from what economists term 'vertical inefficiency'. This refers to the situation where recipients who can afford to pay for their education are in fact receiving GATE funding. The *Trinidad Express* Editorial of June 28, 2016 aptly described this state of affairs as 'misplaced generosity'.

Research conducted by *Franklin et al* confirms the fact that the GATE Programme suffers from vertical inefficiency.<sup>15</sup> The results show that household heads earning \$9,000 or more per month access GATE funding at a much higher percentage rate than those earning less than \$9,000. In fact, the income group \$17,000 - \$18,999 accessed GATE at the highest level of 22.4% of all households. These findings are corroborated by figures in **Table 10** which is derived from the Household Budget Survey data contained in *Appendix IV* as reported by Franklin et. al.

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<sup>13</sup> Budget Statement 2002, <http://www.finance.gov.tt/wp-content/uploads/2013/11/pub3.pdf> (Accessed: July 7th 2016)

<sup>14</sup> National Policy Framework, Ministry of Tertiary Education and Skills Training, July 2015

<sup>15</sup> Franklin, et. al. *Avoiding Vertical Inefficiencies in Funding Tertiary Level Education (TLE) in Resource Abundant States (unpublished)*

**Table 10**  
*Receipt of GATE funding by Income Group*  
*2008/2009*

Income Group (TT\$)	% Distribution of Households by Household Income Group	% Accessing GATE funding by Income Group of Head
1,000 – 8,999	60.6	4.7
9,000 – 18,999	31.3	22.4
19,000 – 24,999	4.5	0
Over 25,000	3.6	5

*Source: Derived from data contained in Appendix IV*

The above clearly indicates the need for means testing which will be elaborated on in a subsequent section.

### **Constraints (Funding and Administrative)**

The FGAD has responsibility for the administration of the GATE Programme, HELP and other funding mechanisms for the tertiary education sector. The Organisational Chart of FGAD is shown at [Appendix V](#). The FGAD is currently understaffed to meet its commitment. There are in fact areas that have not been adequately addressed due to limited resources. These include monitoring of obligatory service, the conduct of tracer studies and evaluation of tuition fees.

## NATIONAL HUMAN RESOURCE NEEDS

In assessing the human resource needs and priority areas of development, the Task Force noted the following:

- There is a dearth of reliable, current information regarding human resource requirements in Trinidad and Tobago.
- The Inter-American Development Bank (IADB) is performing a human resource needs analysis for Trinidad and Tobago, but the final report is not ready.
- The quantum and enrolment levels at tertiary institutions suggest a supply-driven focus to tertiary education provision rather than a market or development-driven approach to satisfy either private or public sector needs.

Consultations were undertaken with key stakeholder groups and, in keeping with the methodology outlined earlier, the Task Force identified the following priority areas for national development:

- 1) Agriculture and Agro Processing
- 2) Maritime
- 3) Energy/Petroleum
- 4) Financial Services
- 5) Creative Industries
- 6) Information and Communication Technology (ICT)
- 7) Manufacturing
- 8) Aviation
- 9) Medicine (Medical Specialists, Pharmacists, Nursing, Allied-Health)
- 10) Construction
- 11) Research and Development
- 12) Teaching
- 13) Technical, Vocational Education Training (TVET)
- 14) Tourism

The skill sets to satisfy the above areas will need to be determined and supported. The consultations also revealed that employers highlighted the need for work-ready graduates with appropriate attitudinal and soft skills.

## RECOMMENDED POLICY CHANGES

Pursuant to its mandate and the analyses presented earlier, the Task Force proposes the following policy changes:

- Adoption of cost-sharing for undergraduate programmes
- Re-introduction of means testing
- Discontinuation of funding of some postgraduate programmes
- Limitation of funding to one undergraduate degree programme only
- Adjustment to HELP
- Introduction of an age limit for access to funding
- Implementation of new criteria for programme eligibility
- Instituting a cap on tuition for non-medical programmes at regional UWI campuses
- Revision of policy on funding for medical training
- Strengthening the administrative capacity at FGAD
- Consideration of alternative funding arrangements

Each policy change is detailed in the following section and the financial impact of all recommendations will be outlined in the final section.

### **The adoption of cost-sharing for undergraduate programmes**

Consistent with the prevailing world trend identified earlier where governments in both developed and developing countries are reducing public expenditure on tertiary education, and given the severe budgetary constraints within which the GoRTT operates, the Task Force recommends that students be required to pay a portion of the tuition fees for undergraduate programmes.

A 2/3:1/3 ratio is recommended with the government contributing 2/3. FGAD has done a review of fee structures and it was determined that if this recommendation were to be adopted students would be required to pay an annual tuition of less than \$10,000. For example, a student at UWI would be responsible for approximately \$6,000 - \$8,000 in tuition fees annually, except in the case of medical students at Cave Hill and Mona campuses where their annual contribution could range from \$70,000 to \$75,000.

## Recommendation

***Effective August 2016, all students (continuing and new) enrolled in undergraduate programmes should be required to pay a portion of tuition fees (approximately 1/3).***

### **Re-introduction of means testing**

The term ‘means’ refers to the assessed ability of the family, or of independent individuals, to contribute financially to the cost of their education. Means testing systems are established to calculate the gap between the cost of education and the financial wherewithal of the student/family.<sup>16</sup> In addition to tuition fees, the cost of education includes – transportation, living costs including rent, clothing, food, books, and administrative and other fees.

Low income persons’ inability to cover the cost of education often translates into low levels of aspiration to postsecondary/tertiary education and training. Often, this results in the under-representation of marginalised populations at higher levels of education. Several governments, in order to ensure that tertiary education continues to be accessible to all academically qualified students and that no one is denied an opportunity to fulfil his/her career aspirations, have introduced means testing to determine a student’s or his/her family’s ability to pay for some of the costs of his/her education.

Based on research of means testing systems in Australia, Canada, Chile, China, Colombia, Costa Rica, Germany, Hong Kong, Kenya, South Africa, St Lucia, The Philippines, United Kingdom, and United States of America, the Task Force noted that effective means testing requires:

- *a culture that accepts the underlying appropriateness of the expectation that families will contribute to higher education expenses at least to extent of family’s financial ability (at least to some accepted point – i.e. undergrad only or to a certain age or until married);*
- *a culture that accepts the right of government (or the university) to ask very personal and perhaps financially threatening questions about incomes and assets;*
- *the Government or university to be able to verify this underlying information in a cost efficient manner despite natural incentives and abundant opportunities for families to hide income and assets;*

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<sup>16</sup> Marcucci, Pamela and Johnstone D, Bruce. (2010). *Targeting Financial Assistance to Students in Higher Education: Means Testing with Special Emphasis on Low- and Middle-Income Countries* (unpublished) [http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099079956815/547670-1276537814548/Marcucci\\_Johnstone\\_Means\\_testing.pdf](http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099079956815/547670-1276537814548/Marcucci_Johnstone_Means_testing.pdf) (Accessed: June 27<sup>th</sup> 2016)

- *the existence of systems of income/wealth calculation (e.g. an income tax system) with administrative capacity to implement throughout the country and a limited shadow economy;*
- *a system that is developed in a context-specific manner so that it uses those indicators of wealth that are most appropriate to a specific country; and*
- *a strong administrative system to implement the means testing system.*<sup>17</sup>

The Task Force recommends, therefore, the design and implementation of a reliable and cost-effective system of means testing that would be appropriate and culturally relevant to our local context.

The main features of the system should be:

- The use of income and assets (household or individual) in the calculation of means.
- Graded levels of qualification from full grant (100% cost of attendance) to partial grant (eg 25 % cost of tuition) aligned to levels of assessed need.
- Online applications for means testing.
- Electronic access to relevant databases to facilitate the transfer of information to the online application for financial aid.
- Consultation and ongoing monitoring and evaluation of the relevance and effectiveness of the system.

A sample instrument reflecting the above requirements is contained in [Appendix VI](#)

Persons over 25 years of age are likely to be employed and can contribute to their tuition expenses. Further, the focus of funding of tertiary education ought to be on the recent graduates of the secondary system. It is estimated that there are approximately 20,000 students who currently enrolled and are 25 years and under. The Task Force is mindful that there are persons in society who may be vulnerable<sup>18</sup> and over the age of 25 and that special consideration should be given to them. In the case of medical students, given the high fees paid it is proposed that they be allowed the opportunity of “Means Testing” irrespective of age.

In summary, means testing provides an opportunity for the vulnerable and under-served<sup>19</sup> to qualify for greater level of GATE funding, albeit at a graded scale, depending on their assessed level of need.

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<sup>17</sup> Ibid

<sup>19</sup> Vulnerable refers to individuals who, due to age, health, economics, may be open to physical, emotional, financial, or psychological deprivation. Underserved students include low income students, those who are first in their families to access tertiary education, students from underserved geographic areas (rural or urban), high performing or high

### Recommendation

***Effective August 2016, only students who are 25 years and under should be eligible for means testing. Exceptions should be made for vulnerable students including the differently abled. Medical students over the age of 25 years who are enrolled at the Cave Hill or Mona campuses should also be eligible given the high cost of tuition.***

### **Discontinuation of funding of some postgraduate programmes**

As noted earlier, the expenditure on postgraduate programmes in 2014/15 amounted to approximately TT\$68 million dollars. A significant portion of this amount (approximately 50%)<sup>20</sup> was expended on students pursuing MBAs and other business related programmes which do not entail a significant research component.

The Task Force noted that many students enrolled in postgraduate programmes:

- would have already benefitted from GATE funding at the undergraduate level
- are employed and may have other means (fellowships, scholarships, bursaries etc.) to fund their education
- are not pursuing research degrees that hold the potential to add to the knowledge base and thereby serve to enhance national competitiveness.

### Recommendations

***Effective August 2016, funding for all postgraduate programmes should be discontinued.***

***Effective August 2017, funding should be provided to students pursuing research degrees which are aligned to the national priority areas.***

### **Limitation of funding to one undergraduate degree programme only**

Currently, once a student has successfully completed a programme, there are no restrictions on accessing GATE funding for another programme. As a consequence, students have accessed funding for as many as two or three programmes at the undergraduate and postgraduate levels.

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potential students in arts and sports, special needs students, and individuals with learning or developmental disabilities, including individuals who require assistance in order to participate in and contribute to community life

<sup>20</sup> Derived from FGAD database

### Recommendation

*Effective August 2016, students should only be funded for one undergraduate programme. Continuing students should be allowed to complete undergraduate programmes for which funding had previously been approved.*

### **Adjustment to HELP**

As noted earlier in this report, approximately 2,000 students (less than 5% of the student population) access funding under the HELP annually. However, with the introduction of the cost-sharing model, it is expected that there would be an increase in the number of students seeking loans and it is proposed that the ceiling on HELP be adjusted. A review of the current loan portfolio suggests that adjustment may only be required for students who are studying at local institutions at this time. It is proposed that the ceiling be increased from \$25,000 to \$35,000 annually. Discussions are on-going with the trustee, First Citizens Trustee Services Limited, the participating commercial banks and the Ministry of Education. The Task Force determined that other adjustments may also be required to HELP in the long term in respect of GoRTT's guarantee on loans and the level of subsidy on interest.

### Recommendation

*Effective August 2016, the loan ceiling for students at local institutions should be raised to \$35,000 annually, with the ceiling for students at regional institutions to remain at \$75,000 annually. In the long term, GoRTT should review its policies in respect of being the sole guarantor of loans and the subsidisation of interest.*

### **Introduction of an age limit for access to funding**

Currently, there is no age limit for accessing GATE funding. The Task Force is of the view that in this period of resource scarcity, where hard choices have to be made, preference for funding should be given to younger persons who can contribute to national development over a longer period. At this time, policy implemented at the SATD applies an age limit of 50 years and the Task Force is recommending that this limit be applied to GATE funding as well.

### Recommendation

*Effective August 2016, persons over the age of 50 years should be no longer eligible for GATE funding. Continuing students over the age of 50 enrolled in undergraduate programmes should be granted funding to complete their programmes.*

### **Implementation of new criteria for programme eligibility**

Currently, only institutions that are registered with ACTT and are Centre approved by the NTA, are eligible for GATE funding. Some institutions that are registered with the ACTT have acquired accreditation status. Accredited institutions account for over two-thirds of overall funding via the GATE Programme.

There are several Level II TVET programmes currently funded via the GATE Programme. However, many of these Level II programmes are already provided by publicly funded institutions such as Metal Industries Company Ltd (MIC) and Youth Training and Employment Partnership Programme (YTEPP).

#### Recommendations

*Effective August 2016, the status quo in respect of eligibility of programme and institutions should be maintained with the exception of postgraduate programmes.*

*Effective August 2017, Level II TVET programmes should not be funded.*

*Effective August 2017, only programmes offered at institutions accredited by ACTT should be funded. Exceptions should be made for postgraduate, undergraduate and TVET programmes that meet national needs.*

### **Instituting a cap on tuition for non-medical programmes at regional UWI campuses**

The Task Force also noted that students are funded at the regional campuses of the UWI for non-medical programmes that are offered at the UWI, St. Augustine campus. In all instances, these programmes are more expensive than the same programmes offered at the St. Augustine campus.

#### Recommendation

*Effective August 2017, students enrolled in non-medical programmes at regional campuses of UWI that are offered at the UWI, St. Augustine campus, should only be funded to the equivalent level of funding at St. Augustine campus.*

## **Revision of policy on funding for medical training**

The Minister of Education requested that the Task Force review the report of a previous Task Force that was established “.....*to conduct a comprehensive analysis of the training of medical students for the academic year 2016/2017 and beyond....*”

In reviewing the report, the following facts were considered to be relevant:

- From the inception of the GATE Programme in 2004, medical students have been funded under the GATE Programme. The overall expenditure for the training of medical students is in excess of one billion dollars or 18% of the GATE expenditure during the period 2004 to 2015.
- GoRTT pays significantly higher tuition fees for students enrolled at the other campuses of UWI and at the St. George’s University, Grenada, with SGU being the highest.
- There are currently 670 medical students funded via scholarships offered by SATD. The majority of the medical students (70.75%) are enrolled at the Mt. Hope campus.
- The annual average number of students funded for medical programmes under the GATE Programme is 1,090.
- The total projected demand for House Officers is approximately **1,329** over the next five (5) years.

### *Recommendation*

***Effective August 2016, GoRTT should discontinue the funding for new students in the medical programme at SGU.***

***In order to meet the expectations of the public seeking training as medical doctors, GoRTT should continue to fund students at the regional campuses of UWI at Mona and Cave Hill. New and continuing students should be required to pay their share of the cost of tuition. Continuing students (over the age of 25) should be allowed the option of means testing since their portion of tuition could range from \$70,000 to \$75,000.***

## **Strengthening the Administrative Capacity at FGAD**

The Task Force noted that there were some areas of operations that have not been adequately addressed at FGAD due to resource constraints. Some of these areas include:

- Monitoring of Student Obligatory Service
- Tracer studies

The introduction of means testing will place a further burden on the FGAD and there would be a need for augmentation of staff and other resources.

### Recommendation

***Additional resources should be provided to FGAD to effectively manage its increased responsibilities.***

### **Consideration of alternative funding arrangements**

In the medium to long term, consideration should be given to cost-sharing and self-financing mechanisms which would require students or their families to contribute to the cost of tertiary education. The following mechanisms for cost-sharing are proposed:

- Education Savings Plan
- Education Savings Bonds
- Insurance Savings Plans

#### Education Savings Plan

The Education Savings Plan is a mechanism that would generate long term savings to fund tertiary educational expenses. The premise is that GoRTT would deposit the initial sum of TT\$500 into an Education Savings Plan for each child at birth and that the fund would be maintained by the parent/guardian through periodic contributions. The fund, which would offer the flexibility for deposits to be made at any time, would mature between the age of sixteen and eighteen. At maturity, the accumulated sum (capital plus interest) can be used for tuition and other educational expenses. If the funds are not to be used for education, then the Government's initial investment is returned. This is modelled after a similar plan in operation in Canada. The Unit Trust Corporation (UTC) provided assistance to the Task Force by conducting its own market research for product development purposes and generated a few scenarios based on a high level Net Present Value model that sought to calculate the future estimated value of tertiary education costs and therefore what value of payments would be required today by contributors. The scenarios reflect various interest rate possibilities. The results of the simulation show that even in the absence of a Government contribution, a significant portion of a student's educational expenses would be covered at fund maturity. (*Appendix VII* refers).

#### Education Savings Bonds

The intent of the proposed "Education Savings Bonds" is to promote savings by individuals, towards the future educational pursuits of beneficiaries. The matter for active consideration would be whether the proposed "Education Savings Bonds" could be issued under the existing general provisions of the Government Savings Bonds Act, or whether, as in the case of the Tax Free

Housing Bonds, special amendments would have to be made to the legislation to cater specifically for the Education Savings Bonds.

### Insurance Savings Plan

The potential for using insurance savings for education expenses comes from the savings options which are included as Cash Surrender Value in many full life and term life insurance products. Numerous studies and analyses in the North American tertiary education market advise that life insurance is not a preferred option for investing for education. This is generally because a significant portion of one's investment must cover the expense of the coverage while a smaller portion is invested as savings under the policy. However, the insurance option is still viewed as beneficial under certain circumstances as a second tier of investment, when combined with savings as part of the portfolio.

Insurance may offer targeted coverage of some aspect of cost of education and guarantee continued coverage in case of unexpected adversity. Life insurance products may also include a major medical option which can be used to provide coverage for all children for major medical expenses.

Similar products can be developed by credit unions and other types of cooperatives.

### Recommendations

***GoRTT should consider offering Education Savings Bonds.***

***GoRTT should establish a National Education Savings Fund. (Private sector organisations should also be encouraged by tax incentives to make fund contributions on behalf of the children of their employees or to engage in other philanthropic initiatives that build the fund).***

***GoRTT should consider fiscal incentives to encourage insurance companies and credit unions to invest in the development of education savings products.***

## Summary of Recommendations

The above recommendations are summarised below for ease of reference:

1. **The adoption of cost-sharing for undergraduate programmes**

*Effective August 2016, all students (continuing and new) enrolled in undergraduate programmes should be required to pay a portion of tuition fees (approximately 1/3).*

2. **Re-introduction of means testing**

*Effective August 2016, only students who are 25 years and under should be eligible for means testing. Exceptions should be made for vulnerable students including the differently abled. Medical students over the age of 25 years who are enrolled at the Cave Hill or Mona campuses should also be eligible given the high cost of tuition.*

3. **Discontinuation of funding of some postgraduate programmes**

*Effective August 2016, funding for all postgraduate programmes should be discontinued. Effective August 2017, funding may be provided to students pursuing research degrees which are aligned to the national priority areas.*

4. **Limitation of funding to one undergraduate degree programme only**

*Effective August 2016, students should only be funded for one undergraduate programme. Continuing students should be allowed to complete undergraduate programmes for which funding had previously been approved.*

5. **Adjustment to HELP**

*Effective August 2016, the loan ceiling for students at local institutions should be raised to \$35,000 annually, with the ceiling for students at regional institutions to remain at \$75,000 annually. In the long term, GoRTT should review its policies in respect of being the sole guarantor of loans and the subsidisation of interest.*

6. **Introduction of an age limit for access to funding**

*Effective August 2016, persons over the age of 50 years should be no longer eligible for GATE funding. Continuing students over the age of 50 enrolled in undergraduate programmes should be granted funding to complete their programmes.*

7. **Implementation of new criteria for programme eligibility**

*Effective August 2016, the status quo in respect of eligibility of programme and institutions should be maintained with the exception of postgraduate programmes.*

*Effective August 2017, Level II TVET Programmes should not be funded.*

*Effective August 2017, only programmes offered at institutions accredited by ACTT should be funded.*

*Exceptions should be made for postgraduate, undergraduate and TVET programmes that meet national needs.*

**8. Instituting a cap on tuition for non-medical programmes at regional UWI campuses**

*Effective August 2017, students enrolled in non-medical programmes at regional campuses of UWI that are offered at the UWI, St. Augustine campus, should only be funded to the equivalent level of funding at St. Augustine campus.*

**9. Revision of policy on funding for medical training**

*Effective August 2016, GoRTT should discontinue the funding for new students in the medical programme at SGU.*

*GoRTT should continue to fund students at the regional campuses of UWI at Mona and Cave Hill. New and continuing students should be required to pay their share of the cost of tuition. Continuing students (over the age of 25) should be allowed the option of means testing since their portion of tuition could range from \$70,000 to \$75,000.*

**10. Strengthening the Administrative Capacity at FGAD**

*Additional resources should be provided to FGAD to effectively manage its increased responsibilities.*

**11. Consideration of alternative funding arrangements**

*GoRTT should consider offering Education Savings Bonds.*

*GoRTT should establish a National Education Savings Fund. (Private sector organisations should also be encouraged by tax incentives to make fund contributions on behalf of the children of their employees or to engage in other philanthropic initiatives that build the fund).*

*GoRTT should consider fiscal incentives to encourage insurance companies and credit unions to invest in the development of education savings products.*

## Financial Impact of the Recommended Changes

### Financial impact of proposed changes

The recommended policy changes were detailed in the preceding section. The projected financial impact of these changes is now examined. In so doing, the 2014/2015 expenditure and enrolment data will be used. This is the last year for which complete information is available and, as can be seen from **Table 3**, the data for this year are representative of the situation that obtains for the last four years.

#### 1. Discontinuation of funding for postgraduate studies

It was shown earlier (**Table 7** refers) that the expenditure on postgraduate studies was approximately **\$68mn**. Thus, if the recommendation to discontinue funding for postgraduate studies in the 2016/2017 academic year is adopted, the entire amount could be saved. However, in subsequent years the savings could be less if there is a decision to fund research degrees on a selective basis, in keeping with national development needs. The savings should still be substantial as it was determined earlier that most of the expenditure on postgraduate studies is in fact on taught programmes as opposed to research degrees.

#### 2. Discontinuation of funding of persons fifty years and over

In 2014-2015, there were 1,380 persons in the age cohort and the associated expenditure was approximately **\$28mn** (**Table 8** refers). However, if continuing students in undergraduate programmes are to be funded, and given the proposed requirements where students pay  $\frac{1}{3}$  of tuition fees, it is expected that **\$16mn will be saved in 2016/17**. This estimate is based on the assumption that persons are pursuing three-year degrees.

#### 3. The reintroduction of cost-sharing

It is proposed that all students who will be continued to be funded be required to pay  $\frac{1}{3}$  of their tuition fees commencing in August 2016/2017.

It was earlier noted that expenditure on the GATE Programme was approximately \$695mn (**Table 3**); \$68mn of this amount was for postgraduate studies. A further sum of \$9mn is projected to be saved from the cessation of funding for new students who are 50 years of age and older. When these amounts are subtracted from the \$695mn, the aggregated tuition amount for funded students is projected to be \$618mn. Thus, *a savings of \$206mn* could be realised in 2016/2017, if the recommendation that students are required to pay  $\frac{1}{3}$  of their tuition fees is adopted.

Should it be decided that students are required to pay 50% of their tuition fees, savings are projected to be **\$309mn**.

Further to the proposal to re-introduce means testing, it is expected that the projected savings shown above may be slightly reduced.

#### 4. Cessation of funding of new students at St George’s University

Data provided by the FGAD reveal that approximately 40 students enter SGU per year to study medicine and the annual tuition fee averages \$318,000. If the recommendation to discontinue funding for new students at SGU is adopted, then savings in the order of **\$12.7mn** could be realised in 2016/17.

#### Summary of Financial Impact

In summary, an adoption of the measures proposed should result in *savings of at least \$302.7 mn* in 2016-2017 (**Table 11** refers).

**Table 11**  
**Summary of Financial Impact 2016/17**

<b>Recommendation</b>	<b>Financial Impact 2016/17</b>
Discontinuation of funding for postgraduate studies	\$68 mn
Discontinuation of funding of persons fifty years and over	\$16 mn
The reintroduction of cost-sharing	\$206 mn
Cessation of funding of new students at SGU	\$12.7 mn
<b>TOTAL</b>	<b>\$302.70 mn</b>

It is to be noted that additional savings (which cannot be determined at this time) should be realised if the following recommendations are also adopted:

- No funding for more than one programme
- Instituting a cap on tuition for non-medical programmes at regional UWI campuses
- No funding for non-accredited institutions and programmes in 2017/18

## CONCLUSION & THE WAY FORWARD

The analyses carried out make it abundantly clear that given the current economic constraints that the country faces, the GATE Programme, as presently configured and operated, is simply unsustainable and that drastic changes are required. Accordingly, the Task Force proffered a number of recommendations designed to achieve, among other things, a reduction in the level of expenditure and a streamlining of the operations of the Programme. These recommendations were detailed in the chapter entitled *Recommended Policy Changes* and are summarised in the *Executive Summary*.

The Task Force is of the view that, in addition to the changes recommended, there are a number of other issues which need to be addressed in order for the GATE Programme to realise its objective of effectively contributing to national development. Foremost among these other issues, is the need for a change in the mind-set of a large number of persons in the society who see GATE funding as a right and not a privilege. This mind-set is seen to underpin most of the abuse from which the Programme suffers. A concerted communication effort is suggested, aimed at reminding citizens that whilst the State will facilitate their educational endeavours, it is they who have the main responsibility for financing their tertiary education. The current level of taxation in Trinidad and Tobago simply does not permit for the State to continue to assume full financial responsibility for all tertiary level educational pursuits of citizens.

Another issue that needs to be addressed relates to the monitoring of the obligatory service requirement of the GATE Programme. Currently, this is an area that has not received much attention due to resource constraints at the FGAD. Given the world-wide brain drain phenomenon that this and other developing countries suffer, it is important that the obligatory service aspect of the GATE Programme be monitored and GoRTT should ensure that FGAD is equipped to so do.

In this period of budgetary contraction, the private sector should be encouraged to make a greater contribution to the pursuit of tertiary level education by the citizenry. This is particularly relevant in the area of postgraduate studies where bursaries and scholarships can be quite effective. The participation of the private sector will ensure that such studies are more focused and in-keeping with the needs of private enterprise. Accordingly, it is recommended that more incentives be provided to the sector to encourage their greater involvement.

There is a need to conduct tracer studies to measure the effectiveness of the outcomes of the GATE Programme. To date, this has not been done and it is recommended that the FGAD be equipped to enable it to carry out this critical function. It is only then GoRTT would be assured that the GATE Programme is addressing the priority needs of the country.

Finally, consideration needs to be given to reactivating the Standing Committee on the GATE Programme, with revised terms and conditions.

# APPENDICES

## Appendix I - OECD Expenditure on Education as percentage of GDP

**Table B2.3. Expenditure on educational institutions as a percentage of GDP, by source of funding and level of education (2012)**

*From public and private sources of funds*

	Primary, secondary and post-secondary non-tertiary			Tertiary			Primary to tertiary (including undistributed programmes)		
	Public <sup>1</sup>	Private <sup>2</sup>	Total	Public <sup>1</sup>	Private <sup>2</sup>	Total	Public <sup>1</sup>	Private <sup>2</sup>	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>OECD</b>									
Australia	3.4	0.6	4.0	0.9	0.7	1.6	4.3	1.3	5.6
Austria	3.1	0.0	3.1	1.7	0.0	1.7	4.9	0.0	4.9
Belgium	4.3	0.0	4.3	1.4	0.0	1.4	5.9	0.0	5.9
Canada <sup>3, 4</sup>	3.2 <sup>d</sup>	0.3 <sup>d</sup>	3.6 <sup>d</sup>	1.5	1.0	2.5	4.7	1.3	6.0
Chile <sup>5</sup>	2.8	0.8	3.6	1.0	1.5	2.5	3.9	2.2	6.1
Czech Republic	2.6	0.2	2.8	1.2	0.2	1.4	4.0	0.4	4.4
Denmark	4.7	0.0	4.7	m	m	m	m	m	m
Estonia	3.2	0.0	3.2	1.4	0.2	1.6	4.7	0.1	4.9
Finland	3.9	0.0	3.9	1.8	0.1	1.8	5.7	0.1	5.8
France	3.6	0.2	3.8	1.3	0.2	1.4	4.9	0.4	5.3
Germany	2.9	0.2	3.1	1.2	0.0	1.2	4.3	0.1	4.4
Greece	m	m	m	m	m	m	m	m	m
Hungary	2.6	0.1	2.6	0.8	0.4	1.2	3.6	0.5	4.1
Iceland	4.5	0.2	4.7	1.1	0.1	1.2	5.9	0.5	6.4
Ireland	4.2	0.2	4.4	1.0	0.2	1.3	5.2	0.4	5.6
Israel	4.0	0.4	4.4	0.9	0.7	1.6	5.1	1.3	6.5
Italy <sup>6</sup>	2.9	0.1	3.0	0.8	0.1	0.9	3.7	0.2	3.9
Japan <sup>4</sup>	2.7	0.2	2.9	0.5	1.0	1.5	3.5	1.5	5.0
Korea	3.2	0.5	3.7	0.8	1.5	2.3	4.7	2.0	6.7
Luxembourg	3.3	0.0	3.3	0.4	0.0	0.4	3.7	0.0	3.7
Mexico	3.4	0.5	3.9	1.0	0.4	1.3	4.6	0.8	5.4
Netherlands	3.5	0.3	3.8	1.4	0.3	1.7	4.9	0.6	5.5
New Zealand	4.2	0.8	5.0	1.2	0.7	1.9	5.4	1.5	6.9
Norway <sup>4</sup>	4.6	0.0	4.6	1.6	0.0	1.6	6.5	0.0	6.5
Poland	3.2	0.2	3.4	1.2	0.1	1.3	4.4	0.4	4.8
Portugal <sup>4</sup>	3.9	0.5	4.5	0.9	0.4	1.3	5.0	0.9	5.9
Slovak Republic <sup>4</sup>	2.5	0.2	2.7	1.0	0.1	1.0	3.5	0.3	3.8
Slovenia	3.5	0.2	3.7	1.2	0.0	1.2	4.7	0.2	4.9
Spain	2.8	0.3	3.1	1.0	0.2	1.2	3.8	0.5	4.3
Sweden	3.7	0.0	3.7	1.5	0.2	1.7	5.2	0.2	5.4
Switzerland	3.5	0.0	3.5	1.2	0.0	1.2	4.9	0.0	4.9
Turkey	2.6	0.4	3.0	1.2	0.2	1.4	3.8	0.6	4.4
United Kingdom	4.0	0.5	4.5	1.2	0.6	1.8	5.2	1.0	6.3
United States <sup>4</sup>	3.3	0.3	3.6	1.4	1.4	2.8	4.7	1.7	6.4
OECD average	3.5	0.2	3.7	1.2	0.4	1.5	4.7	0.7	5.3
EU21 average	3.4	0.2	3.6	1.2	0.2	1.4	4.6	0.3	4.9
<b>Partners</b>									
Argentina	m	m	m	m	m	m	m	m	m
Brazil	4.6	0.0	4.6	0.9	0.0	0.9	5.6	0.0	5.6
China	m	m	m	m	m	m	m	m	m
Colombia <sup>5</sup>	3.6	0.9	4.5	0.9	1.0	1.9	4.9	1.9	6.8
India	m	m	m	m	m	m	m	m	m
Indonesia <sup>5</sup>	2.3	0.2	2.5	0.6	0.2	0.8	3.3	0.4	3.7
Latvia	2.9	0.0	2.8	1.0	0.3	1.4	3.9	0.3	4.2
Russian Federation	2.2	0.1	2.3	0.9	0.5	1.4	3.4	0.6	4.0
Saudi Arabia	m	m	m	m	m	m	m	m	m
South Africa	4.7	m	m	0.7	m	m	6.0	m	m
G20 average	m	m	m	m	m	m	m	m	m

1. Including public subsidies to households attributable for educational institutions, and direct expenditure on educational institutions from international sources.

2. Net of public subsidies attributable for educational institutions.

3. Year of reference 2011.

4. Some levels of education are included with others. Refer to "x" code in Table B1.1a for details.

5. Year of reference 2013.

6. Excludes short-cycle tertiary programmes.

Source: OECD, Argentina, China, Colombia, India, Indonesia, Saudi Arabia, South Africa: UNESCO Institute for Statistics. Latvia: Eurostat. See Annex 3 for notes ([www.oecd.org/education/education-at-a-glance-19991487.htm](http://www.oecd.org/education/education-at-a-glance-19991487.htm)).

Please refer to the Reader's Guide for information concerning symbols for missing data and abbreviations.

StatLink  <http://dx.doi.org/10.1787/888933285443>

## Appendix II - Key Cabinet Decisions Governing Operations of the FGAD

1. Cabinet Minute No. 229 dated January 22, 2004
2. Cabinet Minute No. 876 dated April 1, 2004
3. Cabinet Minute No. 3317 dated December 30, 2005
4. Cabinet Minute No. 165 dated January 19, 2006
5. Cabinet Minute No. 1330 dated June 1st 2006
6. Cabinet Minute No. 1924 dated August 3, 2006
7. Cabinet Minute No. 2740 dated October 11, 2007
8. Cabinet Minute No. 1752 dated July 12, 2007
9. Cabinet Minute No. 868 dated April 10, 2008
10. Cabinet Minute No. 2702 dated September 25, 2008
11. Cabinet Minute No. 1427 dated June 4, 2009
12. Cabinet Minute No. 1436 dated June 4, 2009
13. Cabinet Minute No. 1844 dated July 9, 2009
14. Cabinet Minute No. 1931 dated July 23, 2009
15. Cabinet Minute No. 2278 dated August 20, 2009
16. Cabinet Minute No. 3090 dated November 12, 2009
17. Cabinet Minute No. 3098 dated November 12, 2009
18. Cabinet Minute No. 3216 dated December 3, 2009
19. Cabinet Minute No. 456 dated March 4, 2010
20. Cabinet Minute No. 523 dated March 11, 2010
21. Cabinet Minute No. 454 dated February 17, 2011
22. Cabinet Minute No. 576 dated March 3, 2011
23. Cabinet Minute No. 1938 dated July 10, 2014
24. Cabinet Minute No. 360 dated February 12, 2015
25. Cabinet Minute No. 1706 dated July 9, 2015
26. Cabinet Minute No. 332 (2<sup>nd</sup> session) dated November 19, 2015
27. Cabinet Minute No. 392 (2<sup>nd</sup> session) dated December 3, 2015
28. Cabinet Minute No. 309 dated March 3, 2016

## Appendix III - Students' Terms and Conditions for Tertiary Tuition Funded by GATE

1. In consideration of the Government of the Republic of Trinidad and Tobago (the Government) agreeing to finance the tuition fees of the Student for the abovementioned programme of study, the Student agrees to:
  - (i) submit to the discipline, supervision and control of the Institution;
  - (ii) apply himself/herself diligently to his/her studies throughout his/her entire programme with a view to obtaining the specified qualification and thus maintaining minimum performance standards;
  - (iii) authorize the relevant institution of study to release to the Ministry of Tertiary Education and Skills Training (the Ministry) information relating to his/her progress during the tenure of the funding; and
  - (iv) comply with any professional standards applicable to his/her programme
2. The student agrees to apply for GATE funding for only **one** programme at a time,
3. The Student shall seek and obtain the approval of the Ministry in writing, in the event that the student:
  - (i) abandons his/her programme;
  - (ii) proceeds on a leave of absence from his/her programme of study.
4. The Student agrees in the event that he/she withdraws, is suspended or is granted an approved leave of absence from the programme or institution, that he/she will inform the Ministry in writing within one (1) week, in order to access further funding under the GATE Programme.
5. The Student shall inform the Ministry if he/she intends to terminate or suspend the programme of study at the Institution. All financial assistance by the Government will cease until such time as the Student will obtain the approval by the Ministry to continue the GATE funding from the Ministry.
6. The Student shall inform the Ministry forthwith on the successful completion of his/her programme and to accept employment within the Republic of Trinidad and Tobago, in either the public or private sector, for the undermentioned prescribed period. The Student also agrees to inform the Ministry of the details of his/her employment and his/her period of service shall be related to the cost of the funding and shall be determined as indicated hereunder:

COST OF AWARD	PERIOD OF OBLIGATORY SERVICE
Up to \$100,000.00	One (1) year
Over \$100,001.00 and up to \$300,000.00	Two (2) years
Over \$300,001.00 and up to \$400,000.00	Three (3) years
Over \$400,001.00 and up to \$600,000.00	Four (4) years
Over \$600,001.00	Five (5) years

7. All monies expended on his/her programme shall be a loan from the Government to the Student and shall be repaid to the Government with interest, provided that if the Student serves the Republic of Trinidad and Tobago for the prescribed period as indicated or if the Student is released from the obligation to serve the Republic of Trinidad and Tobago, the repayment of such loan shall be waived.

8. In the event of the Student :

- a. abandons his/her course; or
- b. fails to obtain the qualification where such failure is due to the Student not applying himself/herself diligently to his/her studies; or
- c. fails to accept employment in the public or the private sector in the Republic of Trinidad and Tobago after the conclusion or termination of the said programme for the specified period of time,

the Student binds himself/herself and agrees that he/she shall be liable immediately to refund to the Government the total amount of the loan made to him/her.

9. Any breach of this Agreement or withdrawal from the programme by failure on his/her part to attain the required performance standard as established in respect of the specified programme, will deny the Student further eligibility for funding by the Government unless approved by the Ministry.

10. If the Student serves the Republic of Trinidad and Tobago for only a part of the specified period he/she shall be required to refund the Government only such proportion of the total sum loaned together with interest due thereon as the unexpired period of service bears to the total period in Clause 6 above. Such sums shall be a debt by the Student and shall be recoverable by the Government.

11. The Terms of this Agreement constitutes the complete contract between the Government and the Student and no oral statement or promises will be recognized. This Agreement may not be amended or any of its provisions waived except in writing signed by the Parties to this Agreement. This Agreement is a legally binding instrument when signed by the Student and the signatures to the front indicate that the Student has read understood and agreed to the terms herein.

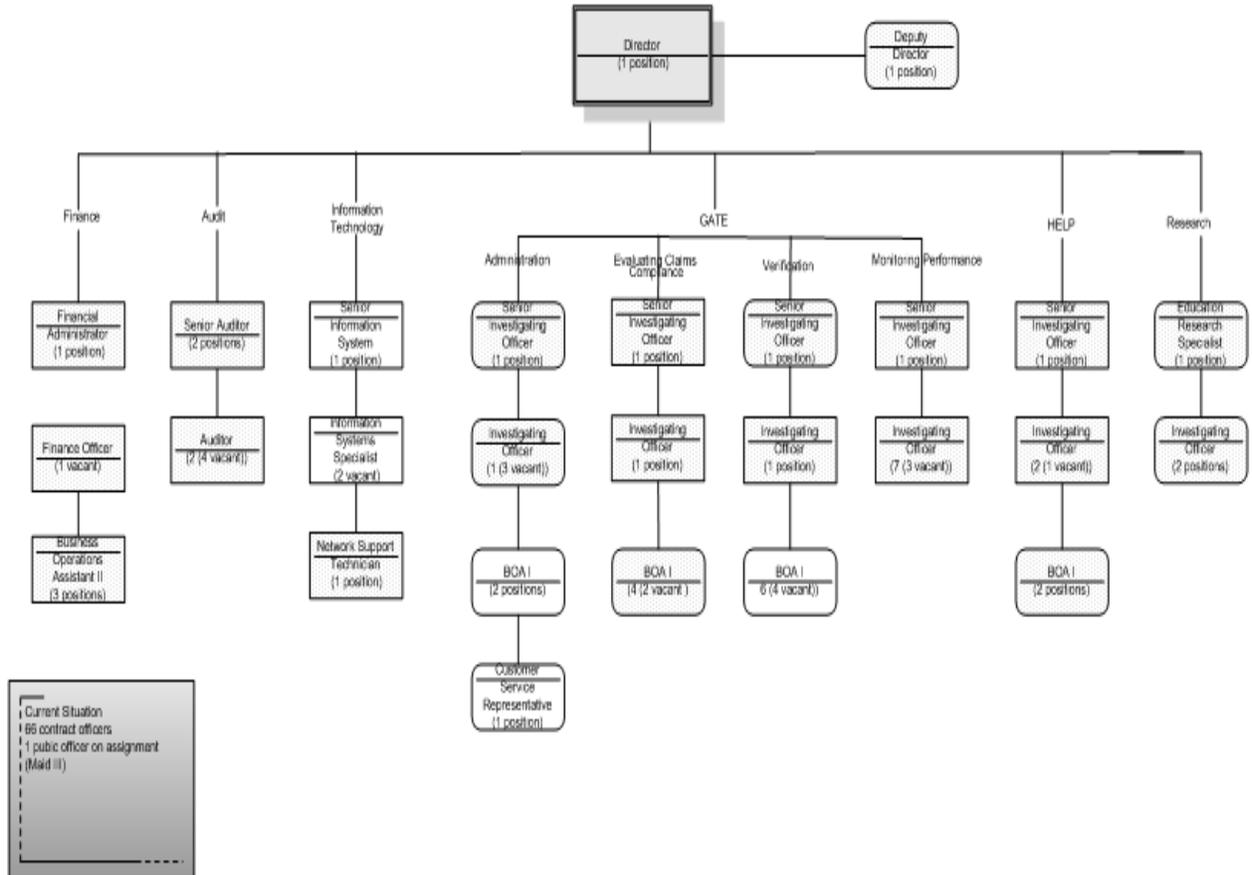
## Appendix IV - Utilization of GATE Programme by Income Group

**Table 3 Comparison of Household Expenditure and Access to GATE by Income Group of Head and Household Income Group**

Income Group (TT\$)	Average Size of Household by Income Group of Head (IGH)	% Distribution of households by Household Income Group (HIG)	% Accessing GATE Funding by IGH	Average Monthly Savings per household by HIG	Per capita Monthly Household Income by HIG	Average Consumption Expenditure per household by HIG	% of Income Spent on Education by HIG
All Income Groups	3.4	100.0	0.9	\$1033.60	\$2744.20	\$7223.40	1.1
Less than 1,000	3.8	2.0	0.5	\$114.10	\$124.50	\$3713.40	1.3
1,000-2,999	3.1	10.4	0.2	\$298.50	\$929.80	\$2947.10	0.3
3,000-4,999	3.3	17.0	0.3	\$292.90	\$1466.90	\$4075.10	0.5
5,000-6,999	3.4	17.2	1	\$503.40	\$1943.40	\$5315.40	0.6
7,000-8,999	3.5	14.0	1.8	\$767.50	\$2299.60	\$6609.50	0.8
9,000-10,999	3.4	11.7	4.6	\$981.20	\$2696.50	\$8099.20	0.8
11,000-12,999	3.3	7.6	2.9	\$1389.50	\$3048.90	\$8989.40	1.1
13,000-14,999	3.3	5.2	5.5	\$1706.70	\$3447.20	\$10126.00	1.1
15,000-16,999	3.3	3.9	1.5	\$1894.40	\$3857.40	\$11209.80	1.3
17,000-18,999	3.3	2.9	7.9	\$2110.60	\$4525.40	\$12805.50	1.7
19,000-20,999	4.1	2.1	0	\$2256.80	\$4754.70	\$13616.60	1.5
21,000-22,999	4.1	1.5	0	\$3418.00	\$4917.20	\$14947.20	1.1
23,000-24,999	2.9	0.9	0	\$3293.80	\$5390.40	\$14867.50	1.8
25,000 and Over	3.2	3.6	5	\$5079.90	\$7910.60	\$19335.50	3.1

*Source: Trinidad and Tobago Household Budget Survey 2008/2009*

**FUNDING AND GRANTS ADMINISTRATION DIVISION  
ORGANIZATIONAL CHART**



## Appendix VI - Sample Means Testing Instrument

### Confidential Statement of Financial Circumstances

1. APPLICANT		
a	Full Name	
b	Date of Birth	
c.	Birth Certificate PIN	
d.	Institution Applied *	*Upload acceptance letter
e.	Programme of Study *	
f.	Term/Year of Entry *	

2. PARENT CONTACT DETAILS			
		Father/Step Father/Legal Guardian	Mother/Step Mother/Legal Guardian
a	Names		
b	Title		
c	Address		
d	Telephone number		
e	Mobile		
f	Fax		
g	E Mail Address		

<b>3. PARENTS' OCCUPATIONS</b>			
a	Employed (complete employer's address and phone number)*	#Upload Job Letter	
b	Self-employed (complete type of business) *	*Upload Registration of Business if available	
	Are you a Director or Shareholder or Proprietor of this Company or Business?	Yes / No	Yes / No
	If "YES" state proportion of Company or Business, you and/or your spouse/partner own		
c	Unemployed		
d	Retired*	*Upload confirmation of retirement	
<b>4. INCOME</b>			
<i>(Please enter below current earnings and expected income from all sources for this tax year)</i>			
		Father/Step Father/Partner	Mother/Step Mother/Partner
a	Gross Salary and other emoluments (including all taxable benefits & expenses)*	*Upload TD4 of last tax year	
b	Taxable profits of trade or profession for last two accounting periods*	a.* Upload evidence of Business Taxation payment. b.	a. b.
c	Contributions to Widows and Orphans Fund		
d	Gross investment income from:		
	• Bank and other investments		
	• Dividends and interest (other securities)		
e	Rental Income		
f	Social Benefits (including Government Assistance and NIS)		
g	Alimony/Maintenance		

h	Is there a Court Order/Separation Agreement? If yes, please state annual amount.	Yes/No	Yes/No
i.	Any other income or gains not included in (a) to (i) above eg: trust or estate income, gains on sale of capital assets, surrenders of life assurance policies etc		
j.	Please send a copy of your TD4 or Business Taxation Submission.		

<b>5. OUTGOINGS</b>			
a	Tax payable on Incomes declared above ( <i>including tax deducted at source</i> )		
b	National Insurance Contributions		
c	Contributions to a Deferred Annuity or Pension Plan		
d	Mortgage repayments		
e	Any other interest payable e.g. overdrafts, credit cards, loans, etc ( <i>please specify</i> )		
f	Annual landlord rent payable on principal residence		
g	Other commitments ( <i>please specify</i> )		

<b>6. CAPITAL ASSETS</b>			
		Father/Step Father/Partner	Mother/Step Mother/Partner
a	Approximate market value of all investments		
	<ul style="list-style-type: none"> <li>• Building Society/Bank deposits/savings accounts</li> </ul>		
	<ul style="list-style-type: none"> <li>• Equity investments, (shares, unit trusts, corporate bonds and other securities) and Government stocks</li> </ul>		

	<ul style="list-style-type: none"> <li>Life assurance bonds and policies including endowments</li> </ul>		
b	Approximate market value of principal residence ( <i>freehold or leasehold</i> )		
c	Approximate market value of any other properties including land and building		
d	Approximate market value of other possessions including house contents, car, collections, paintings, jewellery etc		
e	Cash at banks or elsewhere ( <i>current accounts only</i> )		
f	Approximate market value of any other assets ( <i>please specify and include the market value of any Insurance Policies maturing in this tax year or the last five years</i> )		
i	Net worth/value of any businesses which you own or share		
j	Approximate market value of your interest in any other property, land or buildings either at home or abroad		
k	Monies that are owed to you.		
l	Other assets not listed e.g. share options, trust interests/assets held on your behalf by a third party, assets likely to be received in the foreseeable future etc		
<b>7. CAPITAL LIABILITIES</b>			
		Father/Step Father/Partner	Mother/Step Mother/Partner
a	Mortgage Details		
	<ul style="list-style-type: none"> <li>amount outstanding on principal residence</li> <li>a final payment date</li> </ul>		
b	Other liabilities ( <i>please specify</i> )		

8. NET ASSETS			
	TOTAL ASSETS (6)		
	LIABILITIES (7)		
	NET ASSETS (6-7)		
	<i>Please explain any reasons why net assets cannot be converted or utilised to pay study expenses.</i>		

9. DEPENDENT OFFSPRING					
		1	2	3	4
a	Name				
b	Date of Birth				
		\$	\$	\$	\$
c	Annual expenses per dependant (including educational fees)				
d	<ul style="list-style-type: none"> <li>Annual income of son/daughter (if any)</li> </ul>				

10. OTHER DEPENDENT RELATIVES					
		1	2	3	4
a	Name				
b	Date of Birth				

		\$	\$	\$	\$
c	Annual expenses per dependant (including educational fees)				
d	<ul style="list-style-type: none"> <li>• Annual income of dependent <i>(if any)</i></li> </ul>				

<b>11. HOME VISIT</b>	
<p>The Ministry may wish to visit you at your home address to discuss your application for support. Please indicate whether you are consent to receive a visit from the Ministry's representative.</p>	<p>Yes / No</p> <p><i>Delete as appropriate.</i></p>

<b>12. ASSISTANCE FROM OTHER SOURCES</b>	
<p>In order to help the greatest number of applicants who need financial assistance, all those who apply for government assisted funding are asked first to enquire if they are eligible for assistance from any other source.</p> <p>Please state whether you have applied to trusts or foundations for a grant, and if so to which and with what result.</p>	<p>Yes / No</p> <p><i>Delete as appropriate.</i></p>

<p><b>13. ANY ADDITIONAL INFORMATION</b></p>
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**DECLARATION**

**14.**

After having read the attached notes, the following declaration should be signed by both parents/applicants:

We/I have read the notes and have made a complete and accurate declaration of our/my income and assets.

We/I understand that if we/I are/am offered government assisted funding for our/my son/daughter and accept a place for him/her at the institution, the following terms and conditions will apply as between ourselves/myself and the Government of the Republic of Trinidad and Tobago: -

- a) our/my son/daughter's fees account with the institution will be credited on a semester or term basis with the amount of the funding assistance for so long as the award remains in effect;
- b) any award of assistance is subject to annual review and we/I must complete an annual declaration of our/my financial circumstances on the form sent to us/me by the Ministry and supply all relevant supporting evidence by the return date indicated;
- c) we/I will report immediately any material change in the financial position declared;
- d) the funding assistance may be withdrawn or reduced if:
  - i) we/I act or our/my son/daughter acts in breach of the Terms and Conditions of the award of this grant;
  - ii) we/I have failed to return the annual declaration of our/my financial circumstances by the return date indicated;
  - iii) we/I have failed to produce any additional information required by the Ministry to evidence our/my financial circumstances;
  - iv) there is a material change in our/my financial circumstances;
  - v) the Government's resources are insufficient to maintain the level of award.
- e) the funding will be withdrawn and the value of any amount of the funding previously credited against our/my son/daughter's fee account will become repayable to the Government forthwith if we/I have fraudulently, knowingly or recklessly provided false information in relation to the award of the funding.

Signatures:

Parent/Guardian\*.....Date .....

Parent/Guardian\* .....Date.....

Applicant .....Date.....

## Appendix VII - Unit Trust Corporation - Simulations

### Introduction

Average annual costs of tuition and other study related expenses required to fund a child's education today and in 18 years' time (T+18) assuming the child is seeking to complete a bachelor's degree (4 year program) are detailed in **Table 7** below:

**Table 7 - Estimated University Program Costs**

<b>Item</b>	<b>Present Costs</b>	<b>T+18 Costs</b>
<b>Tuition Costs (avg. 4 year program)</b>	\$64,000.00	\$182,677.71
<b>Other Costs:</b>		
<b>Housing</b>	\$25,176.00	\$71,860.84
<b>Food/Living Expenses</b>	\$12,460.00	\$,565.07
<b>Books</b>	\$5,790.00	\$16,526.62
<b>Laptop/Computer</b>	\$4,133.00	\$11,796.98
<b>School</b>	\$2,571.00	\$7,338.51
<b>On ground Transport</b>	\$4,987.00	\$14,234.59
<b>Airfare</b>	\$5,638.00	\$16,092.76
<i>Total Other Costs</i>	<i>\$60,755.00</i>	<i>\$173,415.38</i>
<b>Total Tuition and Other Costs</b>	<b>\$124,755.00</b>	<b>\$356,093.08</b>

The value of each item in T+18 years' time was calculated using the average annual inflation rate from 2011 – 2015 of 6%.

Using Table 7 above, four (4) scenarios were identified to determine the amount of money a family would have to invest over an 18 year period to send a child to university (4 year programme). Each scenario assumes that the family will make **18 annual contributions and that each child will receive an initial investment of TT\$500 from the Government of Trinidad and Tobago:**

- **Scenario A:** Funding of a child's tuition expenses only at the end of 18 years
- **Scenario B:** Funding of a child's tuition expenses and 50% of total other costs at the end of 18 years
- **Scenario C:** Funding 100% of a child's total costs (tuition and other costs) at the end of 18 years
- **Scenario D:** Funding of a child's tuition expenses, on ground transport and books (the two items ranked 1st and 2<sup>nd</sup> in the survey as additional funding preferences)

To calculate a family's annual contribution, the following is required:

- The future value of each cost item- **Table 7:** T+18
- The initial GOTT contribution- TT\$500
- The number of years available for investment- 18
- Expected rate of return (ROR) on the investment- 7.20% and 6.74%<sup>1</sup>

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<sup>1</sup> The average annual rate of return on UTC's Growth and Income Fund for the period 1982-2015 (33 years) and 1998-2015 (18 years) respectively.

**Expected Annual Family Contribution**

Using the information above the estimated annual family contribution was calculated for each scenario and for the two expected rates of return, see **Table 8** below:

**Table 8 - Estimated Annual Contributions**

<b>Scenario</b>	<b>Future Value of Costs (T+18 Costs)</b>	<b>Estimated Annual Family Contribution (ROR: 7.20%)</b>	<b>Estimated Annual Family Contribution (ROR: 6.74%)</b>
<b>Scenario A</b>	\$182,677.71	\$5,220.23	\$5,459.88
<b>Scenario B</b>	\$269,385.39	\$7,721.94	\$8,074.56
<b>Scenario C</b>	\$356,093.08	\$10,223.65	\$10,689.23
<b>Scenario D</b>	\$213,438.92	\$6,107.76	\$6,387.49

For **Scenarios A, B, C and D with a rate of return of 7.20%**, the rate of return was compounded to determine the ending value of the investment for each year. **Tables 9 to 12** provide additional information on the ending value of the investments.

**(1) Scenario A**

The yearly value of the investment under **Scenario A with a rate of return of 7.20%** is detailed in **Table 9** below:

**Table 9 - Scenario A (Tuition Only) with 7.20% Rate of Return**

<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>1</b>	\$500.00	\$5,220.23	\$411.86	\$6,132.09
<b>2</b>	\$6,132.09	\$5,220.23	\$817.37	\$12,169.69
<b>3</b>	\$12,169.69	\$5,220.23	\$1,252.07	\$18,642.00
<b>4</b>	\$18,642.00	\$5,220.23	\$1,718.08	\$25,580.31
<b>5</b>	\$25,580.31	\$5,220.23	\$2,217.64	\$33,018.18
<b>6</b>	\$33,018.18	\$5,220.23	\$2,753.17	\$40,991.58
<b>7</b>	\$40,991.58	\$5,220.23	\$3,327.25	\$49,539.06
<b>8</b>	\$49,539.06	\$5,220.23	\$3,942.67	\$58,701.97
<b>9</b>	\$58,701.97	\$5,220.23	\$4,602.40	\$68,524.60
<b>10</b>	\$68,524.60	\$5,220.23	\$5,309.63	\$79,054.46
<b>11</b>	\$79,054.46	\$5,220.23	\$6,067.78	\$90,342.47
<b>12</b>	\$90,342.47	\$5,220.23	\$6,880.51	\$102,443.22
<b>13</b>	\$102,443.22	\$5,220.23	\$7,751.77	\$115,415.22

<b>14</b>	\$115,415.22	\$5,220.23	\$8,685.75	\$129,321.20
<b>15</b>	\$129,321.20	\$5,220.23	\$9,686.98	\$144,228.42
<b>16</b>	\$144,228.42	\$5,220.23	\$10,760.30	\$160,208.95
<b>17</b>	\$160,208.95	\$5,220.23	\$11,910.90	\$177,340.09
<b>18</b>	\$177,340.09	\$5,220.23	\$13,144.34	\$195,704.66

- **Table 9** analysis:

- Using Table 8 the estimated cost of tuition in T+18 years is TT\$182,677.71.
- Table 9 projects that with the initial GOTT investment of TT\$500, an annual family contribution of TT\$5,220.23 (monthly TT\$435.02) and a 7.20% rate of return, a family can save **TT\$195,704.66** at the end of 18 years.
- There is a **surplus amount of TT\$13,026.95** which can be used to fund other expenses or remain invested for future use.

**(2) Scenario B**

The yearly value of the investment under **Scenario B with a rate of return of 7.20%** is detailed in **Table 10** below:

**Table 10 - Scenario B (tuition and 50% other costs) with 7.20% Rate of Return**

<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>1</b>	\$500.00	\$7,721.94	\$591.98	\$8,813.92
<b>2</b>	\$8,813.92	\$7,721.94	\$1,190.58	\$17,726.45
<b>3</b>	\$17,726.45	\$7,721.94	\$1,832.28	\$27,280.67
<b>4</b>	\$27,280.67	\$7,721.94	\$2,520.19	\$37,522.81
<b>5</b>	\$37,522.81	\$7,721.94	\$3,257.62	\$48,502.37
<b>6</b>	\$48,502.37	\$7,721.94	\$4,048.15	\$60,272.46
<b>7</b>	\$60,272.46	\$7,721.94	\$4,895.60	\$72,890.00
<b>8</b>	\$72,890.00	\$7,721.94	\$5,804.06	\$86,416.01
<b>9</b>	\$86,416.01	\$7,721.94	\$6,777.93	\$100,915.88
<b>10</b>	\$100,915.88	\$7,721.94	\$7,821.92	\$116,459.75
<b>11</b>	\$116,459.75	\$7,721.94	\$8,941.08	\$133,122.77
<b>12</b>	\$133,122.77	\$7,721.94	\$10,140.82	\$150,985.54
<b>13</b>	\$150,985.54	\$7,721.94	\$11,426.94	\$170,134.42

<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>14</b>	\$170,134.42	\$7,721.94	\$12,805.66	\$190,662.02
<b>15</b>	\$190,662.02	\$7,721.94	\$14,283.65	\$212,667.61
<b>16</b>	\$212,667.61	\$7,721.94	\$15,868.05	\$236,257.60
<b>17</b>	\$236,257.60	\$7,721.94	\$17,566.53	\$261,546.07
<b>18</b>	\$261,546.07	\$7,721.94	\$19,387.30	\$288,655.30

- **Table 10** analysis:
  - Using Table 8 the estimated cost of tuition and 50% of other costs in T+18 years is TT\$269,385.39.
  - Table 10 projects that with the initial GOTT investment of TT\$500, an annual family contribution of TT\$7,721.94 (monthly TT\$643.50) and a 7.20% rate of return, a family can save **TT\$288,655.30** at the end of 18 years.
  - There is a **surplus amount of TT\$19,269.91** which can be used to fund other expenses or remain invested for future use.

**(3) Scenario C**

The yearly value of the investment under **Scenario C with a rate of return of 7.20%** is detailed in **Table 11** below:

**Table 11 - Scenario C (tuition and 100% of other costs) with 7.20% Rate of Return**

<b>Yearly Investment Balance</b>				
<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>1</b>	\$500.00	\$10,223.65	\$772.10	\$11,495.76
<b>2</b>	\$11,495.76	\$10,223.65	\$1,563.80	\$23,283.21
<b>3</b>	\$23,283.21	\$10,223.65	\$2,412.49	\$35,919.35
<b>4</b>	\$35,919.35	\$10,223.65	\$3,322.30	\$49,465.30
<b>5</b>	\$49,465.30	\$10,223.65	\$4,297.60	\$63,986.56
<b>6</b>	\$63,986.56	\$10,223.65	\$5,343.14	\$79,553.35
<b>7</b>	\$79,553.35	\$10,223.65	\$6,463.94	\$96,240.94
<b>8</b>	\$96,240.94	\$10,223.65	\$7,665.45	\$114,130.05
<b>9</b>	\$114,130.05	\$10,223.65	\$8,953.47	\$133,307.17
<b>10</b>	\$133,307.17	\$10,223.65	\$10,334.22	\$153,865.04
<b>11</b>	\$153,865.04	\$10,223.65	\$11,814.39	\$175,903.08
<b>12</b>	\$175,903.08	\$10,223.65	\$13,401.12	\$199,527.86

*Appendix VII (Cont'd)*

<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>13</b>	\$199,527.86	\$10,223.65	\$15,102.11	\$224,853.62
<b>14</b>	\$224,853.62	\$10,223.65	\$16,925.56	\$252,002.83
<b>15</b>	\$252,002.83	\$10,223.65	\$18,880.31	\$281,106.79
<b>16</b>	\$281,106.79	\$10,223.65	\$20,975.79	\$312,306.24
<b>17</b>	\$312,306.24	\$10,223.65	\$23,222.15	\$345,752.04
<b>18</b>	\$345,752.04	\$10,223.65	\$25,630.25	\$381,605.95

- **Table 11** analysis:
  - Using Table 8 the estimated total costs of a university degree in T+18 years is TT\$356,093.08.
  - Table 11 projects that with the initial GOTT investment of TT\$500, an annual family contribution of TT\$10,223.65 (monthly TT\$851.97) and a 7.20% rate of return, a family can save **TT\$381,605.95** at the end of 18 years.
  - There is a **surplus amount of TT\$25,512.87** which can be used to fund other expenses or remain invested for future use.

## (4) Scenario D

The yearly value of the investment under **Scenario D with a rate of return of 7.20%** is detailed in **Table 12** below:

**Table 12 - Scenario D (tuition, books and trans. costs) with 7.20% Rate of Return**

<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>1</b>	\$500.00	\$6,107.76	\$475.76	\$7,083.52
<b>2</b>	\$7,083.52	\$6,107.76	\$949.77	\$14,141.06
<b>3</b>	\$14,141.06	\$6,107.76	\$1,457.91	\$21,706.73
<b>4</b>	\$21,706.73	\$6,107.76	\$2,002.64	\$29,817.14
<b>5</b>	\$29,817.14	\$6,107.76	\$2,586.59	\$38,511.49
<b>6</b>	\$38,511.49	\$6,107.76	\$3,212.59	\$47,831.84
<b>7</b>	\$47,831.84	\$6,107.76	\$3,883.65	\$57,823.26
<b>8</b>	\$57,823.26	\$6,107.76	\$4,603.03	\$68,534.05
<b>9</b>	\$68,534.05	\$6,107.76	\$5,374.21	\$80,016.03
<b>10</b>	\$80,016.03	\$6,107.76	\$6,200.91	\$92,324.70
<b>11</b>	\$92,324.70	\$6,107.76	\$7,087.14	\$105,519.60
<b>12</b>	\$105,519.60	\$6,107.76	\$8,037.17	\$119,664.53
<b>13</b>	\$119,664.53	\$6,107.76	\$9,055.61	\$134,827.90

*Appendix VII (Cont'd)*

<b>Year</b>	<b>Starting Balance</b>	<b>Annual Contributions</b>	<b>Interest</b>	<b>Year-End Balance</b>
<b>14</b>	\$134,827.90	\$6,107.76	\$10,147.37	\$151,083.03
<b>15</b>	\$151,083.03	\$6,107.76	\$11,317.74	\$168,508.53
<b>16</b>	\$168,508.53	\$6,107.76	\$12,572.37	\$187,188.67
<b>17</b>	\$187,188.67	\$6,107.76	\$13,917.34	\$207,213.77
<b>18</b>	\$207,213.77	\$6,107.76	\$15,359.15	\$228,680.68

- **Table 12** analysis:

- Using Table 8 the estimated cost of tuition in T+18 years is TT\$213,438.92.
- Table 12 projects that with the initial GOTT investment of TT\$500, an annual family contribution of TT\$6,107.76 (monthly TT\$508.98) and a 7.20% rate of return, a family can save **TT\$228,680.68** at the end of 18 years.
- There is a **surplus amount of TT\$15,241.76** which can be used to fund other expenses or remain invested for future use.

