

5

# Harnessing Financial Resources

The University is the pillar on which social and economic development rests, and there is need for a new financing model for this pillar, in which private and public sector partnerships play a key role.

## TOWARDS FINANCIAL SUSTAINABILITY

### Financial Standing

Gross revenue for the Mona Campus declined by 3% from its 2016 financial year peak of \$18.76b, to \$18.21b. A review of our revenue sources shows mixed results. There was a 1% increase (\$56m) in Government subventions, and tuition income increased by \$123m or 4.9%. This was as a result of the increase in student registration, coupled with a modest increase in tuition fees. Over the last several years, we directly operated the Sutherland Call Centre under a business model that provided a robust and reliable income stream. However, those arrangements ended in September 2016, resulting in \$1.1b less in revenue.

Operating expenses (excluding finance charge, depreciation and exchange losses) also decreased by 5% or \$735m. The bulk of the operating expense reduction arose from our giving up direct management of the Call Centre.

There was an operating surplus of \$2.31b, an increase of 7% over that earned in the 2016 financial year. After exchange differences, finance costs, depreciation and post-employment benefits the surplus was \$371m, much larger than the previous year's surplus of \$79m. Changes to actuarial assumptions for pension and post-employment medical benefits resulted in the recognition of additional costs of \$641m. The comparative costs recognised in 2016 was \$219m.

For 2017, we generated a net cash surplus of \$267m. Since the financial year 2012, the average net cash flow has remained close to nil. This speaks to the very challenging environment in which we currently operate, as it leaves us with little room to manoeuvre to deal with unexpected expenses.

How have we been dealing with this challenge?

The Campus maintains good relationships with its vendors and seeks the most favourable credit terms when doing business.

Concurrently, we worked at reducing the age of student receivables. To this end, we engaged the services of a debt collector and have been sharing information with a credit bureau.

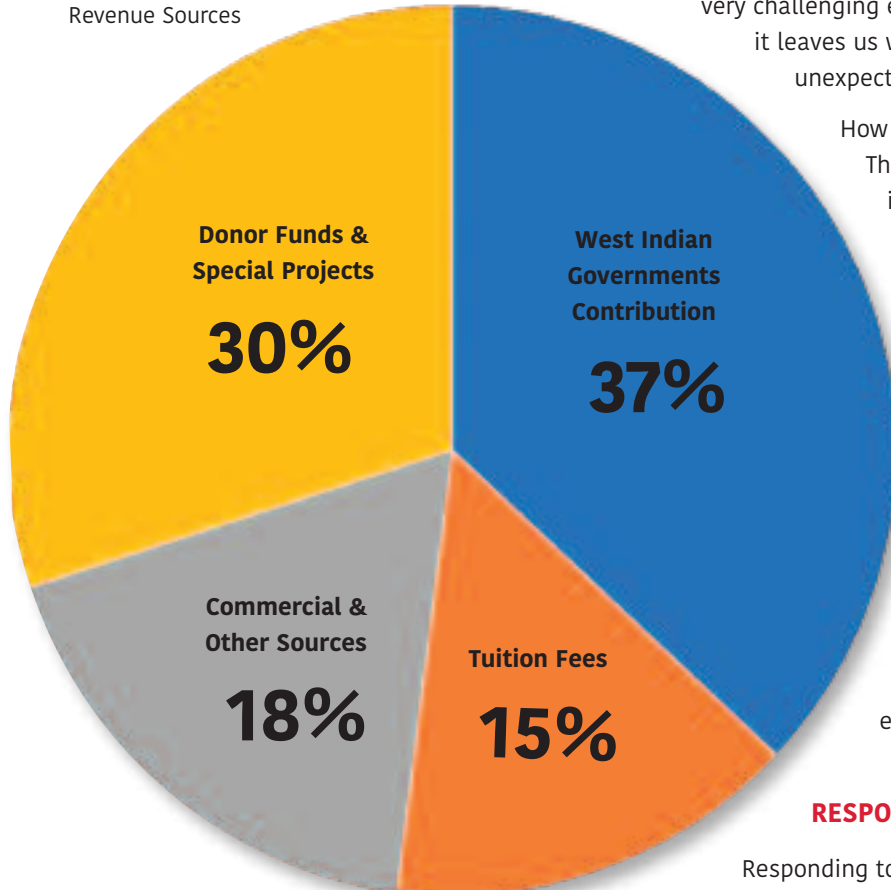
In the 2018 financial year, our financial position will be negatively affected by the results of a dispute between The UWI and the unions over rates used to determine the pension supplementation obligations. This will challenge us further to find more innovative ways to run the enterprise.

### RESPONDING TO OUR FINANCIAL CHALLENGES

Responding to, and indeed anticipating the financial challenges in operating the Campus in the reporting year, we

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Revenue Sources



Income (JMD '000) – Five Year Summary					
Sources	2016/17	2015/16	2014/15	2013/14	2012/13
West Indian Governments Contribution	6,607,022	6,500,530	5,269,419	5,323,810	5,626,110
Tuition Fees	2,624,341	2,501,361	2,738,467	2,455,477	2,427,826
Donor Funds & Special Projects	5,478,257	5,078,322	4,804,945	4,790,109	3,128,161
Commercial & Other Sources	3,161,632	4,361,570	3,442,656	3,070,463	2,058,454
<b>Total</b>	<b>17,871,252</b>	<b>18,441,783</b>	<b>16,255,487</b>	<b>15,639,859</b>	<b>13,240,551</b>

employed a five-pronged approach: We leveraged the benefits of information communication technology in the administrative processes to reduce costs, grew our commercial operations, increased the number of self-financing programmes and pursued more collaborations/partnerships with public and private partners and international organisations to ensure delivery of our world-class academic programming.

### Reducing costs

Through the use of Private Public Partnerships (PPPs) we aimed to make our cost profile more sustainable. Our partnership with North Star Development to switch our source of potable water supply from the National Water Commission to our own well resulted in a savings of approximately \$16m, or 40%, monthly on our water bills. Projects like these will continue during the 2018 financial year when construction will begin on a co-generation plant that will be fuelled by LNG. That will also be a PPP-led project and the expected outcome will be a significant reduction in electricity costs.

### Growing commercial operations

Individual Faculties and units made sizable contributions to our income through their commercial operations. A case in point is the Human Resource Development Graduate Programmes Unit in the Faculty of Social Sciences which successfully staged their Assessment Centre by practically demonstrating a battery of psychometric tests, one-to-one career counselling and polygraph testing. As a result of this activity, the unit secured four commercial clients who have requested psychometric testing services as part of their recruitment process for senior staff. Earnings from this initiative will be used towards the building of a permanent assessment facility on the Mona Campus.

The newly established “Caribbean Centre for Educational Planning” in the School of Education, is now poised to bid for projects in the areas of educational planning and policy formulation. The year under review saw the relocated Reprographic Services Unit (RESU) of the Library generating \$7,542,743, an increase of 83% over the period last year.

One of the mandates of Mona-Tech, the commercial arm of the Mona School of Engineering, is to provide expert engineering support services to the

**THROUGH THE USE OF PRIVATE PUBLIC PARTNERSHIPS (PPPS) WE AIMED TO MAKE OUR COST PROFILE MORE SUSTAINABLE. OUR PARTNERSHIP WITH NORTH STAR DEVELOPMENT TO SWITCH OUR SOURCE OF POTABLE WATER SUPPLY FROM THE NATIONAL WATER COMMISSION TO OUR OWN WELL RESULTED IN A SAVINGS OF APPROXIMATELY \$16M, OR 40%, MONTHLY ON OUR WATER BILLS**

Mona Campus, Jamaica and the Caribbean region. The implementation of its proposal to complete the development of the Combined Heat and Power (CHP) Co-Generation plant (mentioned above) will generate cost savings to the Campus in excess of \$258m per year. The MSE realised income from commercial operations in excess of \$68m.

At the Estate Management Department (EMD) two financial initiatives were implemented in 2015 to build in-house capacity to provide services normally sourced externally. In academic year 2016/17, one of these, Motor City and Repairs, generated an operating income of over \$4.8m, resulting in a cumulative surplus of \$439,890.66.

Also, during the year, the EMD completed the construction of the horticultural shade house, and currently provides approximately 200 potted ornamental plants for daily rental to offices and plants. An additional 500 plants are in stock which are used for Graduation, Research Days and other events within the university, eliminating the need to rent plants externally. The existing market with external customers will be the focus for growth during the current academic year.

**The Mona Geoinformatics Ltd (MGI)** developed the GK General Insurance Online Insurance Platform, deployed both locally and regionally. It was the largest product release in the period for the company. This is a complete e-commerce solution developed for the client, including abilities to register and validate prospective clients and vehicles, but also provides quotes and makes payments, while ensuring compliance with local regulatory requirements in multiple territories.

#### **Increasing self-financing programmes and targeting international students**

As a result of our efforts to align new full-fee paying programmes to industry and global demands, income generated from these programmes has risen to \$3.6b. In the reporting year, we added a number of full-fee paying programmes, including the Bachelor of Arts in Librarianship; Bachelor of Arts in Information Studies; and Master of Arts in Archives and Record Management. The first-degree programme in Education, having been revised for multimodal delivery, was also added and is set to benefit from a scholarship scheme recently put in place by the government of Jamaica for practising teachers who have been required by the Ministry of Education to upgrade their professional qualifications.



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# International Recruitment

The Marketing and Communications Department (MaRComm) executed a Google Search Engine Marketing (SEM) AdWords campaign in December 2016 in response to the need to attract more international students into specific programmes within the Faculty of Medical Sciences (MBBS, Dentistry, etc.) The campaign aimed to:

- Increase the brand awareness of The UWI, Mona Campus
- Generate an interest from prospects primarily from USA and Canada

The department produced general institutional ads promoting The University, and six issues of the bi-monthly newsletter, UWIMONA NOW as inserts in the Sunday Gleaner which reaches between 508,000 and 800,000 readers, highlighting ground-breaking research and Campus and student achievements.

The online version of the newspaper continued to gain traction among key target audiences. For the 2016/17 academic year the average was approximately 22,000 hits per month. This is a vast improvement over the average 3,600 hits recorded monthly in 2012 when the newspaper was first placed online.



The Top 10 visitors from outside the region for the 2016/17 academic year were from China, the United States of America, France, Canada, Ukraine, India, Russian Federation, Great Britain, Brazil and Poland.

Unique visitors (persons who had never visited the website before)	50,772
Number of visits (total number of browsing sessions by all persons)	97,637
Page views (total number of pages viewed by all persons)	161, 899
Hits (number of files e.g. photos, articles, etc.) downloaded	284,672

# Growing Strong PARTNERSHIPS



While upholding and nourishing existing local and international partnerships and collaborations, the Campus also sought new relationships. Similar to our agreement with North Star Development for the construction and management of our well, saving us some 40% monthly on water bills, we entered into another PPP arrangement for our co-generation plant which will realise annual savings of some \$258m when completed.

Our academic programming was boosted by a number of successful collaborations during the 2016/17 academic year, among them:

- The MOU signed with Valdosa State University, Georgia, USA will allow both institutions to collaborate on matters such as joint teaching, research, exchange of faculty and students, and staff development.
- University of Lagos (UNILAG) in Nigeria signed a MOA with the UWI for collaboration in the joint establishment of an Institute of African and Diaspora Studies.
- Private sector sponsorships for Orientation 2016 with a total \$5.7m in cash and value, the highest sum attracted in recent history.
- The PSOJ and The UWI signed a MOU establishing an innovation committee of PSOJ and UWI members to collaborate on research to drive innovation within the private sector.
- The Grace Kennedy Foundation renewed funding for the Carlton S. Alexander Chair in Management Studies and the James Moss-Solomon Senior Chair in Environmental Management. Each chair is funded at a value of \$5.5m per annum.
- Phase 1 of The Faculty of Social Sciences' partnership with the National Commercial Bank (NCB) enabled under the project, "Applied Research in Corporate Transformation", valuing US\$503,000.

### The UWI Development Fund's sustained support

The University of the West Indies Development & Endowment Fund (UWIDEF) is located on the campus. A non-profit, approved charitable organisation, it is committed to supporting the advancement of The University and has been in operation for 27 years. Chaired by the Hon. Denis Lalor, the Fund acts as a “bridge” between The University and the wider community. The Fund provides monetary and other support for the university’s programmes to facilitate the unlocking of West Indian potential and ensure continued growth and development within Jamaica.

Over the past 27 years, UWIDEF has provided almost \$1b worth of assistance to the UWI, Mona. Support by UWIDEF to the UWI provides assistance for research, funding for scholarships and much needed equipment and capital improvement. In the reporting year, the Spanish-Jamaica Foundation renewed their gift of \$250,000 to UWIDEF for bursaries to assist students studying Spanish, making this the third gift of this kind since 2015, bringing the total received to date to \$750,000 over three years. In addition, United Way of Jamaica provided a grant of \$350,000.

In 2016, UWIDEF provided over \$30m in support to the Mona Campus to support a diverse range of projects summarised as under:

Mona View (digital signage)	2,396,388
Research	19,823,811
Scholarships & Bursaries	5,076,680
Food Grants	451,000
UWI Hospital	2,600,000
Equipment (Office of Student Financing)	135, 132
<b>Total</b>	<b>\$30,483,011</b>

In 2017, UWIDEF provided \$19m in support of research, specifically for the work being undertaken by the Solutions for Developing Countries (SODECO) project. In academic year 2016, a handing over ceremony was held at UWIDEF to present \$15m in support of SODECO’s work. Dr Terrence Forrester, Professor of Experimental Medicine, who accepted the grant on behalf of the UWI noted that, “UWI Solutions for Developing Countries (UWI SODECO) is a UWI Research Charity which engages in medical research and uses latest findings and technologies to improve treatments principally for people who have high risk of recurrent or incident cardiovascular disease. The research activities are currently housed temporarily on the Mona Campus, but refurbishing of dedicated space at the UHWI will allow better facilities to accomplish the unit’s tasks. The generous contributions towards this refurbishing made by UWIDEF are not only welcome but vital”.



Left to Right: Mr Karl Wright, Board Director and Finance Chairman, Dr Terrence Forrester, UWI Professor of Experimental Medicine, Mrs Carla Seaga, Executive Director, UWIDEF, the Hon. Marshall Hall, OJ, UWIDEF Director, at the UWIDEF office.

## THE WAY FORWARD

In accordance with its “Tripple A” strategy for “access, alignment and accountability” as conceived in The UWI 2017–2022 Strategic Plan, the Mona Campus will continue to aggressively seek ways to: increase enrolment to satisfy the national enrolment goal of 33% of the targeted population; generate income and reduce its costs; through innovations that align to the region’s development needs, widen its income base through private/public sector partnerships and commercial enterprises; and increase its self-financing programmes for the local, regional and international markets.

In addition to plans for significantly improving the IT infrastructure of the Campus, including commissioning new wireless network infrastructure that will increase the wireless network capacity of the Campus, there are extensive plans, through the tried and tested PPPs, to upgrade the physical facilities to dramatically improve the teaching and learning environment.

Not least among the needed facility improvements are a Health Centre that holistically addresses the health and wellness needs of the campus community. Similarly, in an academy where a large percentage of our faculty are recruited outside of Jamaica, the Campus’s residential

*Architect’s impressions of the proposed buildings: (L–R) Faculty housing, Post Office entry way and Campus Centre*





accommodation requires attention. Therefore, plans are afoot to redevelop the **College Commons** to afford our faculty and senior administrative staff modern accommodation.

The growing demand for nurses in the region also requires expansion of the existing **School of Nursing facility** to accommodate additional teaching and staff spaces such as classrooms, offices, bathrooms, lounges and conference rooms.

In keeping with the university's initiative to upgrade existing buildings and infrastructure to match global standards and maintain regional dominance, plans are afoot to construct a new seven-storey building to ease the chronic shortage of classrooms and offices for academic staff in the **Faculty of Social Sciences**.

The Campus Master Plan proposes that campus boundaries and edges be strengthened. Plans are afoot to reconfigure the '**Post Office**' entryway to handle the present and anticipated pedestrian/traffic volume and pattern as the main point of entry for visitors to the campus, and to enhance its attractiveness to users.

The Students Union has long outlived its usefulness to students of this 70 year-old institution. The Campus plans to develop a **Student Centre** that will cater to all student needs, with a strong focus on student



*Architect's impression of the proposed Social Sciences building*





Architect's impressions of the proposed buildings: (L-R) Student Centre, Confucius Institute, Hartmont property (Western Jamaica) and UWI Mona Athletics Stadium

centeredness, including unhindered access for the physically challenged, internationalisation and cultural diversity within the student population. The facility will integrate and encourage educational, social, recreational and cultural interactions. The development will include eateries and a supermarket, meeting rooms, access to internet, commuting student lounge, general student lounge, administrative offices, a multi-purpose amphitheatre, satellite location for essential student services, parking, and circulation for buses.

For some years, we have been proposing the development of a Campus Centre. Currently we are in discussions with private sector partners to develop this critically needed centre. The **Campus Centre** will be centrally located and is geared towards providing approximately 10,000 square metres of centralised, flexible common spaces, offering a mix of cultural, recreational and civic experiences to students, faculty, staff and visitors. The major features of this project are: Grand Foyer / Hall; Administrative Offices; Multipurpose Centre for Convocation/Graduation/Conventions /Conferences/ Sporting Events; Concession Spaces; Multipurpose Rooms; Changing/Dressing Rooms for Teams/ Entertainment Events; VIP Rooms; Venue Operating Centre; General amenities – restrooms, parking, landscaping, security post.

With the fallout in the partnership arrangement to construct state-of-the-art Campus sites at the **Barnett estate** and **Hartmont property** in Montego Bay to revolutionise tertiary education service delivery in the Western region, The UWI Mona Campus continues to aggressively negotiate with prospective investors to ensure commencement of this initiative in the current academic year.



In keeping with our plans to serve the region's dynamic Sports sector, the Campus plans to develop the **Mona Bowl** into a first-class sporting facility that will be renamed "The Mona Bowl for Sporting Excellence". It will cater to high-performance and student athletes, and external clients. It is envisioned that this centre will incorporate a multipurpose stadium to support the running track, along with other developments which would include the construction of an Indoor Sports Arena, Sports Medicine Unit and the complete refurbishment of the Sir Frank Worrell Cricket Ground to include a new pavilion and seating, and the swimming pool.

The Campus is the beneficiary of an agreement between the Government of Jamaica and People's Republic of China whereby our existing **Confucius Institute** will be relocated and expanded to facilitate increased demand for learning Chinese language and culture.

#### **Private- and public-sector partnerships**

As the prime minister of Jamaica and other members of Government have advocated, the university is the pillar on which social and economic development rests, and there is need for a new financing model for this pillar in which private- and public-sector partnerships play a key role. The UWI, Mona Campus demonstrated over the last four years how this developmental model redounds to the benefit of all partners and stakeholders. In the immediate years ahead, we shall be working towards cultivating more of these partnerships towards harnessing the region's capital for social and economic growth.

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