



Statement by

the Honourable Minister for Education & Training on

the "Exceptional Circumstance" Transactions Incurred

During the 2025 Financial Year

Mister Speaker,

Pursuant to Section 11(6) of the Public Management and Finance Act (2020 Revision), I rise to make this Statement to Members of this Honourable House regarding the “exceptional circumstance” transactions approved by Cabinet for the Ministry of Education & Training during the 2025 financial year, in accordance with Section 11(5) of the Act.

Mister Speaker, I will briefly outline these transactions.

CCO 1 – Teaching of Tertiary Level, Professional and Vocational Programmes

1. As at 1 January 2025, the University College of the Cayman Islands (UCCI) had a staff complement of eighty (80), with fifteen (15) vacant posts. The 5% Cost of Living Adjustment (COLA), inclusive of pension increases, totalled \$366,598. This cost was not included in UCCI’s approved 2025 budget.

Accordingly, Cabinet approved supplementary funding of \$366,598 in January 2025 to cover these costs.

2. Mister Speaker, a one-off payment of \$750,000 was required to settle a legacy pension liability relating to four retired members of UCCI.

Accordingly, Cabinet approved supplementary funding of \$750,000 in March 2025.

3. To support UCCI’s continued operational stability and institutional strengthening, additional funding was required to address priority pressures.

These included aligning staff benefits in keeping with the intent of Section 47 of the Public Authorities Act (2020), strengthening governance and administrative capacity, and meeting essential operating requirements.

Accordingly, Cabinet approved supplementary funding of \$2,029,000 in March 2025.

NGS 34 – Grant to Private Schools

Mister Speaker, Triple C School and Wesleyan Christian Academy experienced unforeseen financial pressures during 2025 that required temporary assistance to ensure continuity of education for their students. Additionally, infrastructure improvements were necessary at one school to create a safe and nurturing learning environment.

Accordingly, Cabinet approved supplementary funding of \$900,000 in January 2025 and a further \$677,151.45 in August 2025, for a total of \$1,577,151.45.

TP 127 – Grant for Community Enrichment and Wellbeing

Mister Speaker, grant support was provided to two charitable organisations, the Church of God Chapel (West Bay) and the EGARS Members and Manna Foundation, following requests for assistance in support of the development of facilities intended to provide important services for the wider community.

In the case of the EGARS Members and Manna Foundation, the funding was intended to support the development of a multipurpose community facility designed to enhance the organisation's capacity to deliver a range of community-based services and programmes.

In the case of the Church of God Chapel (West Bay), the funding was intended to support the development of facilities that will strengthen community resilience and expand the availability of hurricane shelter capacity in West Bay.

Accordingly, Cabinet approved supplementary funding of \$1,650,000 in February 2025.

EI 12 – Ministry of Education & Training

Mister Speaker, several priority projects at public schools required urgent funding to address health and safety matters and operational needs affecting staff and students.

Accordingly, Cabinet approved supplementary funding of CI\$1,265,556 in February 2025.

TP 61 – Grant for Student Enrichment and Support Services

Mister Speaker, the Extended After School Programme provides after-school care to approximately 1,500 students, many of whom are vulnerable or at risk. The programme is delivered through the YMCA. However, during 2025, the

programme experienced an unexpected loss of private funding, resulting in a projected shortfall from June to December 2025.

Accordingly, Cabinet approved supplementary funding of \$214,000 in July 2025 to ensure continuity of the programme.

TP 30 – Local and Overseas Scholarships and Bursaries

Mister Speaker, demand for scholarships for Caymanian students pursuing further and tertiary education, both locally and overseas, exceeded the original 2025 budget allocation. This reflected a higher number of eligible applicants meeting established criteria.

Accordingly, Cabinet approved supplementary funding of \$6,395,300 in August 2025 to ensure qualifying students could continue to be supported.

EGA 2 – Employment Support Services and Scholarship Administration

Mister Speaker, following the post-election transfer of the National Training and Development Unit, updated financial projections confirmed that additional funding was required to support operations for the remainder of 2025.

Accordingly, Cabinet approved supplementary funding of \$250,000 in November 2025.

EI 46 – University College of the Cayman Islands

Mister Speaker, UCCI supports students of compulsory school age through its Dual Enrolment Programme. Increased demand created the need for additional accommodation space to ensure continued delivery in an appropriate learning environment.

Accordingly, Cabinet approved supplementary funding of \$100,000 in December 2025.

Further, as the country's premier tertiary institution, UCCI must continue to grow and modernise to meet current and future education and workforce needs. Funding was therefore required to support strategic development, including the proposed acquisition of adjoining land and the early stages of planned expansion. This will help ensure that, once secured, the institution has the space and flexibility needed to develop in an orderly and coherent manner, while strengthening its capacity to respond to national priorities and the evolving needs of the country.

Accordingly, Cabinet approved supplementary funding of \$9,000,000 in December 2025.

Internal Funding Identified

Mister Speaker, the Ministry identified equivalent savings totalling \$20,798,151 from various appropriations to offset these supplementary requirements and to provide support across the wider Cayman Islands Government, as follows:

1. Savings of \$100,000 under EGA 6 – Secondary Education Services due to reduced utility costs in 2025.
2. Savings of \$100,000 under EGA 8 – Facilities Maintenance and Operational School Support Services due to deferred routine maintenance activities.
3. Savings of \$429,000 under TP 83 – Scholarships (Medical Specialization) due to lower-than-anticipated grant uptake.
4. Savings of \$35,000 under OE 12 – University of the West Indies Membership Levy.
5. Savings of \$19,385,151 under EI 12 – Capital Works, primarily due to delayed expenditure on the West Bay High School project, which remains in early planning stages, and adjustments to the New Layman Scott High School project scope.
6. Funds of \$749,000 originally budgeted under EI 46 – Capital Works at UCCI for internal IT infrastructure were reclassified to operating expenditure following recommendations from external assurance bodies, making these funds available.

Impact on Financial Performance and Compliance with the Principles of Responsible Financial Management

Mister Speaker, these exceptional transactions resulted in a net increase in Operating Expenditure of \$12,568,049 and a net decrease in Capital Expenditure of \$9,768,595 within the Ministry.

As a portion of funding was received from the wider Cayman Islands Government, there was no adverse impact on Government cash reserves or compliance with the Principles of Responsible Financial Management.

As of today, the Government continues to report a surplus for the 2025 fiscal year.

Meeting the Definition of Exceptional Circumstance Transactions

Mister Speaker, these supplementary expenditures meet the definition of “exceptional circumstances” under Section 11(5) of the Act because:

1. The expenditures were not known at the time the 2025 Budget was prepared in December 2023, arose after budget approval, and could not reasonably have been anticipated.
2. Failure to fund these matters could have compromised the Ministry’s mandates under the Strategic Policy Statement 2024–2026 and exposed Government to operational and reputational risks.
3. It was impractical to seek Parliament’s prior approval under Section 12 of the Act.

Mister Speaker,

In conclusion, I thank you for the opportunity to present this Statement on the exceptional circumstance transactions approved by Cabinet for the Ministry of Education & Training during the 2025 financial year.

Thank you, Mister Speaker.