

Legislative Costing Note

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Short title: Mandatory Isolation Support for Temporary Foreign Workers Program (MISTFWP)

Description: The Mandatory Isolation Support for Temporary Foreign Workers Program (MISTFWP) is a subsidy for employers that hire temporary foreign workers (TFW) to work in occupations related to the food supply chain, such as agriculture, fishing, food production, and processing. The program reimburses employers for costs associated with the mandatory 14-day isolation period for temporary foreign workers after entering Canada.

Employers are reimbursed for expenses incurred after March 25th, 2020 up to a maximum of \$1,500 per TFW.

Data sources:

<u>Variable</u>	<u>Source</u>
Number of TFW by occupation, province/territory, and date of effective work permit	Open Government - Temporary Residents: Temporary Foreign Worker Program (TFWP) Work Permit Holders – Monthly IRCC Updates
List of occupations eligible for TFW subsidy	Agriculture and Agri-food Canada
Percentage reduction in TFW coming to Canada in April 2020 relative to April 2019	Minister of Agriculture and Agri-food Testimony at the Standing Committee on Agriculture and Agri-food (May 12, 2020)

Estimation and projection method: PBO used the number of TFW whose work permits became effective between April 1st, 2019 and December 31st, 2019, and who worked in occupations that are eligible for the subsidy, to estimate the number of TFW who would have been eligible for the program had it been in place in 2019. The percentage decline in TFW who entered Canada in April 2020 relative to April 2019 (14%) was then applied to this estimate to approximate the number of TFW in the eligible occupations who will enter Canada between April 1st, 2020 and December 31st, 2020.

The total cost of this program was then calculated by multiplying the projected number of eligible TFW by the maximum \$1,500 subsidy per worker.

Aggregate Results: PBO estimates 39,689 workers will be eligible for the program and the program will have a total cost of \$59.5 million in 2020-2021.

Source of Uncertainty: The estimate is sensitive to the number of TFW who will enter Canada this year, which is highly uncertain due to COVID-19. The historical data that was used contains information on when TFW work permits become effective. If there is a lag between work permits becoming effective and workers entering Canada, it could be a source of error in the cost estimate.

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Cost of proposed measure

\$ millions	2019-2020	2020-2021
Total cost	-	59.5

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost