



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Legislative Costing Note

This is an independent cost estimate of a budgetary measure contained in the federal government's Fall Economic Statement 2020 (FES 2020). A list of the PBO's cost estimates of components of the FES 2020 can be viewed on [its website](#).

Publication Date: 2021-02-09

Short Title: Financial support for training 4,000 personal support workers

Description: The Government of Canada proposes to spend \$38.5 million over 2 years to train 4,000 personal support workers through a 6-week accelerated online program and an accompanying 4-month internship.

Data Sources:	Variable	Source
	Development Costs	ESDC
	Staffing Costs	ESDC
	Operating and Administrative Expenses	ESDC
	Length of Program	ESDC
	Wage Subsidy Amount	ESDC
	Tuition Cost	PBO Estimates

Estimation and Projection Method: This program has three major expense types: (1) tuition expenses for the 6-week accelerated online training program, (2) an hourly wage subsidy paid throughout a 4-month internship and (3) fixed administration costs for developing and implementing the online training program, in addition to national harmonization of personal support worker standards. The PBO assumed that the program would achieve its goal of training 4,000 interns to completion.

Tuition expenses per trainee for the 6-week accelerated online program were estimated using a representative sample of existing Canadian personal support worker programs that will be offered in spring and fall of 2021. From these programs only tuition costs and relevant ancillary fees were taken to determine the cost of administering the federal program.

Employment and Social Development Canada (ESDC) provided the wage subsidy rate (\$7.50 per hour) to be paid to all participants throughout the 4-month internships. To calculate the total cost of the program's wage subsidy, PBO assumed all 4,000 interns would work 40-hours per week for the 16-week duration of the internship.

Fixed administration costs were estimated using information provided by ESDC. These included the cost to develop and implement the 6-week accelerated online program, plus predicted operating and administrative expenses. Operating and administrative expenses also included outlays intended to achieve national harmonization of standards for personal support workers. Fixed costs were taken as a given, as many of the listed expenses had already been incurred.



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PBO assumed that the monetary value of tuition and wage subsidies were taxable benefits, taxable at an average federal effective rate of 9%.

Sources of Uncertainty: Tuition was estimated using information taken from current personal support worker programs, which may differ from the cost to administer the federal program. Tuition and wage subsidy costs are dependent on the number of interns who progress through the program; should fewer than the targeted amount proceed with the program then these costs will be reduced. Cost recovery will also decline should less than the targeted number of interns be achieved. PBO assumes that the personal support workers trained in this program will be in addition to those who would have been trained in its absence.

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Cost of proposed measure

\$ millions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Total cost	1.3	20.3	11.9	-	-	-

Supplementary information

\$ millions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Tuition expenses	-	7.9	4.3	-	-	-
Wage subsidy	-	12.5	6.8	-	-	-
Fixed costs	1.3	1.8	1.8	-	-	-
Income tax on taxable benefits	-	-1.8	-1.0	-	-	-
Total net cost	1.3	20.3	11.9	-	-	-

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.