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## A jobs program that fails

Why does it cost more to retrain this injured worker to stock shelves than it would to send him to university for four years?

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David Bruser  
STAFF REPORTER

After Carlos Avilés maimed his hand fixing a machine for his boss, the provincial agency responsible for his rehabilitation came up with a bizarre scheme.

The Workplace Safety & Insurance Board decided Avilés would need months of costly but basic math and language training, even though he already had an Ontario high school diploma.

At a private learning centre where tuition costs as much per year as Canada's top law school, Avilés would prepare for life as a clerk earning near minimum wage.



Nelson Fachola developed severe asthma at the factory where he used to work. After 18 months of retraining at a cost of \$33,000, he is unemployed. "My English still poor. I don't know it helped."

MICHAEL STUPARYK/TORONTO STAR

"It was a waste of time," he said. "So much money wasted. It's all garbage. The training was inadequate. This is not real school. It's for kids. (But) I have to go there."

Avilés was caught up in a flawed WSIB program that is supposed to train injured workers to re-enter the workplace and restore their preinjury wage. It is known as Labour Market Re-Entry, or LMR.

But a *Toronto Star* investigation has found that the \$150 million program is running up increasingly high costs while failing to lead nearly half of its 5,000 participants to work. Participants like Avilés were sent to private schools charging high tuitions so that they could get menial jobs as cashiers, clerks and attendants.

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Who bears the cost? The WSIB, a collective liability insurance system funded by employer premiums, pays the bill. Under this system, a worker's retraining program affects the premium of the company where he or she was injured. The higher the cost of an LMR plan, the greater the likelihood an employer's premium will rise.

One CEO said the costs are "exorbitant" and implored the WSIB to rein in the expensive program.

Nelson Fachola's academic upgrading cost \$33,000 over 18 months, considerably more than tuition for a four-year undergraduate degree at the University of Toronto. It was hoped he would find work doing data entry and shelf stocking that paid \$11 an hour.

He sent out hundreds of resumés but found nothing. Now Fachola, described by one former employer as a "pleasure to work with," is out of a job.

"It's unfair. It's a big business," said Fachola, who developed severe asthma after inhaling wheat and rye at the tortilla factory where he worked. "I went over a year and a half. My English still poor. I don't know it helped."

Gladys Canelas pressed 800 shirts a day before both arms gave out to carpal tunnel syndrome. She was sent to a school that charged \$21,000 a year in the hopes she would become a "customer service clerk" earning \$10.50 an hour. That's the same wage she earned in her preinjury job that she held for seven years without this expensive training.

"Someone has to stop this stupid thing," said Canelas, who quit her program in frustration and is now unemployed. "Money, money, money for nothing."

In a response to the *Star's* findings, the WSIB acknowledges problems and said it is looking for cheaper, more efficient retraining alternatives.

"You've got three examples that seem somewhat egregious, and the amounts of money seem on their own to be outrageous," said WSIB chair Steve Mahoney, adding that the LMR program costs \$150 million a year to handle only 2 per cent of the WSIB's annual injury claims. "Given the new economic lens that we're all looking through, that's an extraordinary amount of money. Like, holy smokes."

Since 1998, the WSIB has outsourced the LMR program to claims management firms. Companies such as Crawford Healthcare Management, Sibley & Associates and NRCS Inc. are supposed to assess the worker's abilities, decide on a suitable job and the training needed to get that job. A typical program lasts 20 months.

Several injured workers said they had no choice about what school they attended and very little input into study plans, and that they were instructed to do as they were told or lose their WSIB benefits.

These workers attended school three or four hours every day, in some cases leading to tuition bills of more than \$25,000.

The claims management firms typically charge the WSIB an additional \$80 to \$90 an hour to monitor each student's progress, once or several times a month. The firms often charge another \$30 to \$45 an hour just to travel to meet with the student. None of the companies mentioned in this article would agree to an interview. In Gladys Canelas's LMR plan, those fees were expected to total \$9,500 over two years.

The WSIB said the three-year contracts with these firms expire shortly and the agency will consider changes. And Mahoney said he has spoken to heads of schools who question the value of the management firms. "Why, with an organization the size of the WSIB, with 4,400 employees ... can we not manage this kind of retraining internally?" Mahoney said.

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But while the costs mount – an estimated \$156 million last year, up 19 per cent from 2005 – the results are, at best, mixed. Of the 5,000 injured workers who begin LMR programs each year, 1,000 do not finish and another 1,400 finish but do not return to work in the field the program trained them for.

While injured workers attend these schools, they receive wage loss benefits from the WSIB. Shortly after the retraining is done, the WSIB assumes the worker is fit to find the designated job, and often significantly reduces or stops the benefits. Whether the worker finds a job does not matter. The same reduction can be triggered if a worker drops out of the program.

One of the private providers is Grade Expectations, a chain of 45 learning centres that provided English-as-a-second-language and other academic upgrading programs to Canelas, Avilés and other workers. (The company also teaches children and adults not in the LMR program.)

Over several days, the *Star* interviewed more injured workers during their coffee and cigarette breaks at a Grade Expectations on Dundas St. W. They refused to be identified for fear of being thrown out of the program and losing their wage loss benefits. One man said, "They are wasting money. It's a game." Another said, "What do you learn here? Nothing. I blame WSIB."

They, like Canelas and Avilés, complained that they were often left to work from exercise books with little instruction. Canelas, who attended the Dundas St. location, said teachers were often late.

Grade Expectations president Michael Bateman disputes the criticism, saying Canelas, Avilés and Avila gave positive reviews in exit surveys. But he would not show those documents or discuss those students any further, citing privacy concerns.

Canelas said she complained to the firm that sent her to the school, Crawford Healthcare, but nothing was done. A Crawford spokesperson declined to comment.

Bateman added that students routinely give his schools high marks in satisfaction surveys. "We're not making a ton of money off a classroom," he said of his rate of \$25 an hour per student. He said his 200 teachers are "board certified" and instruct students as well as assign homework.

So why is the WSIB sending workers to expensive, private schools?

It's a question that was asked 15 years ago, by then-MPP for Mississauga West, Steve Mahoney. Why, he asked during a debate at Queen's Park in 1994, are workers being sent to private schools at an "incredible cost" when the public system might be a better option. Mahoney also said workers complained of poor instruction and were ordered to participate or lose their benefits. He called for the provincial auditor to investigate "this mess."

Since his appointment to head the WSIB in 2006, Mahoney has been working on improvements to the program, he said.

Recently, the *Star* also found academic upgrading courses at publicly funded institutions, such as George Brown and Sheridan colleges, where courses approved by the province are half the cost.

Bateman and the WSIB say private tutoring services offer smaller class sizes (three students for every teacher) and continuous enrolment (courses start whenever it is convenient for the worker). Bateman also said the course work is tailored to each student's needs.

Management firms turn to Grade Expectations because they have found public offerings "were not costing ... much money but they weren't getting the outcomes," Bateman said. "Students weren't completing their courses, they weren't succeeding."

Nevertheless, the WSIB says it is in talks with provincial education officials to see if it can send more injured workers to public schools that could add features such as continuous

enrolment. The WSIB is also asking unions if apprenticeship programs would be better than academic upgrading for some. Meanwhile, the head of one for-profit school agrees that the program needs to become more practical.

At Career Essentials, which has 30 locations serving 220 injured workers, president Kate Bird says she has grown concerned that her courses were not adequately serving injured workers. She says she is changing her approach to ensure each worker gets the essential skills to hold an entry-level job instead of "teaching geometry to people who are going to be office clerks."

She wonders why the WSIB does not set standards that schools like hers must meet. In Nova Scotia, she adds, the workplace insurance system requires she submit a proposal for approval.

"If the WSIB said that you need to register with us in some way, and you had to demonstrate with us that you have X, Y and Z in place, I would encourage that. I would be first in line."

Mahoney said he will consider Bird's idea.

**TWO DAYS AFTER** he travelled from his home in Ecuador to the Jane and Finch neighbourhood in 1975, Carlos Avilés went to work. First as a spot-welder, then 13 years in a window factory, followed by a stint in a sewer pipe plant that paid \$16 an hour.

In 2000, trying to improve his prospects, Avilés attended an adult learning centre in a high school in Toronto's north end. He earned a diploma and an honour roll certificate that he keeps preserved in manila envelopes.

So he was surprised when, after crushing his hand while trying to fix a machine that makes glass syringes, the WSIB asked him to attend Grade Expectations to learn old material.

The course work was to be part of a \$48,000 plan for Avilés that also included job-search training, computer tutoring at another training facility and an internship. All so he could find a job paying \$10.65 – 15 per cent less than what he took home at Interglass. A case manager from the firm Sibley & Associates would monitor his progress at the rate of \$85 per hour.

"I asked Sibley: Why did you send me to that place?" said Avilés. "I have my diploma. Why not put me in college? Why not Humber or Seneca?" They said, 'You are not in that position.'

A Sibley executive did not comment, citing confidentiality concerns.

Avilés said he floundered at his internship as an auto parts clerk, unable to understand the technical lingo. His internship attendance was poor and he sputtered to the end of his LMR program. Once finished, he saw a substantial loss of his WSIB benefits.

Avilés is unemployed though he says he is looking for work. In the meantime, he has been using credit cards to cover his monthly expenses. A for-sale sign sticks out of his lawn.

His cellphone, sitting on the table, lights up with a call. Avilés picks it up, looks the call display. Another collection call. Avilés groans. "All day long," he says. "What am I going to do? I'm broke."

Still on pain pills for his hand and antidepressants for the anxiety he says was caused by the WSIB, Avilés remains upset at how much money schools like Grade Expectations and firms like Sibley have made from the workplace insurance system.

"A lot of people benefit from us," he said. "We get left in the dark. Injured workers, we need help."

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