
Wage Trust Fund & Nonprofit Support Ordinance

Expanding Partnerships to Address Wage Theft in Denver

Councilwoman Jamie Torres & Councilwoman Stacie Gilmore
Finance & Governance Committee
May 20, 2025

Agenda

The Wage Theft Crisis in Denver

Proposed Ordinance Overview

- Wage Trust Fund SRF
- Establishing Support for Nonprofits

Existing State & City Models

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Questions & Discussion

"Every dollar stolen is a resource taken from workers and their families.

- It means less food on the table to feed hungry children, less heat in the home to keep winter's wrath at bay."

— Joe Mayle, Denver City Council Public Hearing January 9th, 2023

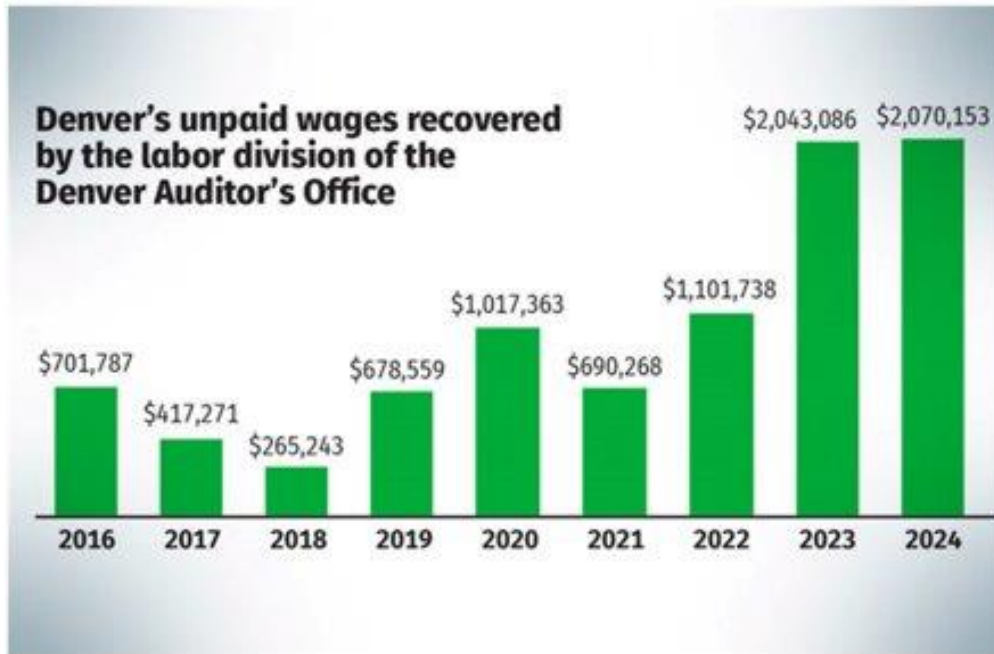
The Wage Theft Crisis in Denver

- 45,000 workers underpaid annually in Denver metro
- 30,000 in the city alone
- Only 6.1% (1,850) had wages recovered in 2023
- \$136M in wages lost each year
- Disproportionately affects women, immigrants, and people of color

"Without any enforcement to go after employers or keep agents up the chain accountable, workers turn up empty handed even after spending more time navigating the courts and various legal processes, even after facing great risk of retaliation including their immigration status or even their jobs."

— Dr. Rebecca Galembo, Associate Professor, University of Denver
Denver City Council Public Hearing January 9th, 2023

The Wage Theft Crisis in Denver



Since Denver City Council passed the **Civil Wage Theft Ordinance** on **January 9, 2023**, Denver Labor has recovered over **\$4 million** in wages for Denver workers.

And yet, this is only the tip of the iceberg, and in the coming years, especially as **immigrant residents** become **greater targets for predatory practices**, information and education by trusted partners is needed now more than ever.

Proposed Ordinance Overview

This ordinance updates **Chapter 58** of the Denver Revised Municipal Code to:

1. **Renaming the Trust Fund:** The existing “**Minimum Wage Special Trust Fund**” Special Revenue Fund (SRF) is renamed the **Wage Trust Fund**. This fund will now cover **both minimum wage and wage theft violations** and will be used to **repay workers** who are owed wages or damages.
2. **Support for Labor Nonprofits:** The ordinance expands the **City Auditor’s duties** and **grants authority to provide funding to nonprofit organizations** that educate workers and employers about wage theft. This ensures that trusted community partners can play a greater role in **preventing wage theft** and helping workers access the pay they’ve earned.



Wage Trust Fund SRF (formerly “Minimum Wage Special Trust Fund”)

The **Wage Trust Fund** collects money from employers for **duty to locate and pay workers’ unpaid wages or damages**

When a Wage Order is Issued: Employers must pay the worker **within 30 days**.

If the worker can’t be found:

- Make a **good faith effort** to locate and pay them (must be documented).
- If unsuccessful, send payment to the **Wage Trust Fund within 45 days** total (30 days + 15 days).
- **\$5,000 fine** if employers fail to make a real attempt to find and pay the worker.

Civil Wage Theft Penalties:

Employers may be required to pay **12% annual interest** on unpaid wages, up to **3x the amount owed** in serious violations (treble damages)

Owed Workers:

- Can submit claims to the Auditor to get paid from this fund.
- File a claim for unpaid wages within **3 years**. If verified, the City pays from the fund. If no one claims the money within **1 year**, it goes to the city’s General Fund.

Unclaimed Wage List:

The Auditor must **maintain & update a public list** of unclaimed wages monthly.



General Fund: Funds from **employer penalties** for either wage theft or minimum wage will go to the General Fund, including:

- Notice Violations
- Wage theft (e.g. withheld wages, minimum wages, paid sick leave)
- Penalties for Retaliation Violations

Establishing Support for Nonprofits

This ordinance expands the duties of the City Auditor and grants the authority to fund community organizations that workers trust to provide education on how to recognize and report wage theft.

- Fund **nonprofits** that educate workers and employers about wage rights.
 - **Education & Awareness:** These partners will lead **educational campaigns and outreach efforts** to inform workers and employers about:
 - Wage laws and protections
 - How to report violations
 - Workers' rights under city, state, and federal law
- Proactive Enforcement: **Worksite visits** and collaboration with **Denver Labor** and the **Colorado Department of Labor** to identify and address wage theft. This proactive approach ensures that **hard-to-reach communities**, including immigrants and low-wage workers, are equipped with the knowledge to **identify and report wage theft**.
- The Auditor must **track all wage complaints, investigations, and penalties**, and publish a report to the City Council by **March 31 each year**.

Existing State & City Models

California: Garment Special Fund: *CA Labor Code (Division 2, Part 12, Chapter 1, Article 1, Sections 2670-2679)*

Funded by garment manufacturers' registration fees. Pays employees upfront for unpaid wages and benefits. After payment, the state recovers the funds from the employer to replenish the fund.

Maine: Wage Assurance Fund: *Maine Revised Statutes (Title 26, Chapter 7, Section 629)*

Pays up to two weeks of wages directly to workers when employers are bankrupt or asset-less. The fund is periodically replenished by the legislature, but it is not self-sustaining.

Oregon: Wage Security Fund: *Oregon Revised Statutes (Chapter 652, Section 685)*

Pays claims when employers cease business and cannot pay owed wages. The agency may sue for the amount paid and an additional 25% or \$200, whichever is greater. Recovered amounts go to the agency, not the fund itself.

Seattle, WA: Community Outreach and Education Fund: Certifies funding needed for outreach, investigations, and enforcement. Annual funding targets ensure successful case completion within 180 days. Annually distributes \$2 million.

Minneapolis, MN: Small Business Project: Educates small businesses while ensuring workers' rights are protected.

Impact

This ordinance **modernizes the Special Revenue Fund**, creating a more responsible and transparent system for managing wage recovery.

Partnering with local nonprofits strengthens outreach and education—filling trust and access gaps that Denver Labor staff may not always reach.

Community partners play a vital role in **educating workers on their rights** and how to safely report wage theft, especially in immigrant and low-wage communities.

As a **self-sustaining fund**, the Wage Trust Fund can **grow over time**, proactively preventing wage theft before it happens.

This ordinance **positions Denver as a national leader in wage justice**, ensuring that every worker—regardless of status—is **paid fairly and treated with dignity**.

“In today’s political climate, undocumented workers face growing risks when reporting wage theft, making it critical to invest in non-profit co-enforcement. The Worker Justice Fund ensures trusted community organizations can continue providing the education and protection workers need to come forward without fear.

Wage theft doesn’t just rob individuals—it destabilizes entire communities. By strengthening non-profit partnerships, we can safeguard the rights of all workers and hold bad actors accountable.

Now more than ever, Denver must stand firm in ensuring that every worker, regardless of status, is paid fairly for their labor.”

— Sofia Solano, Executive Director for Colorado Jobs with Justice (COJWJ)

Questions?