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CITY OF SAINT PAUL

HUMAN RIGHTS & EQUAL ECONOMIC OPPORTUNITY (HREEO)

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Serving Saint Paul residents and businesses by advancing justice and equity through education, advocacy, and enforcement.

- Contract Compliance & Business Development
- Procurement (Contract & Analysis Services)
- Human Rights, Including ADA, LEP, & PCIARC
- Labor Standards Enforcement & Education

Accommodations available upon request for ALL services



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Labor Standards Advisory Committee (LSAC)

- The LSAC was created by the Mayor and Council as a resource for HREEO and for the City as a whole to help guide the future of our labor standards work.
(Admin. Code Sec. 11.04, 8/14/2019)
- LSAC is comprised of representatives from business, workers, and unions.
- LSAC discussed major issues and elevated areas of focus. They heard from outside experts, talked with stakeholders, and worked with staff to research the issues that were elevated. Also took staff feedback from investigations.
- 2023/2024 Priorities
 1. Aligning the City's ESST ordinance with the State's bill.
 2. Wage theft is the second priority.

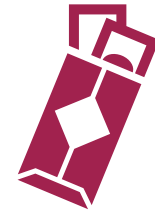


Saint Paul Labor Standards Ordinances



Earned Sick & Safe Time

Creates access to paid time off from work for employees who perform work in Saint Paul Chapter 233



Minimum Wage

Local hourly minimum wage standard for employees who perform work in the city of Saint Paul Chapter 224



Chapter 224 A: Civil Wage Theft

We have always fielded wage theft complaints. The number of inquiries has increased tremendously in recent months.

MN already has a wage theft law--but we cannot investigate it in the City. Our proposal is to mirror the State's bill and pass a local ordinance so the City can also support workers and businesses in fighting back against wage theft.

HREEO has 5 labor standards investigators. The Council invested in HREEO in 2023 and funded 2 additional investigators. We held these positions until 2024. We do not need additional funding to do this work.

We are ready to be a part of the solution with your partnership.



Why Wage Theft?

Wage theft occurs any time employers fail to pay wages employees are legally entitled to, including paying below minimum wage, not paying overtime, requiring work without pay, denying legal breaks, misclassification, withholding tips, and illegal deductions.

Wage theft is considered the #1 form of theft in America today.

Workers should be paid for an honest day's work.

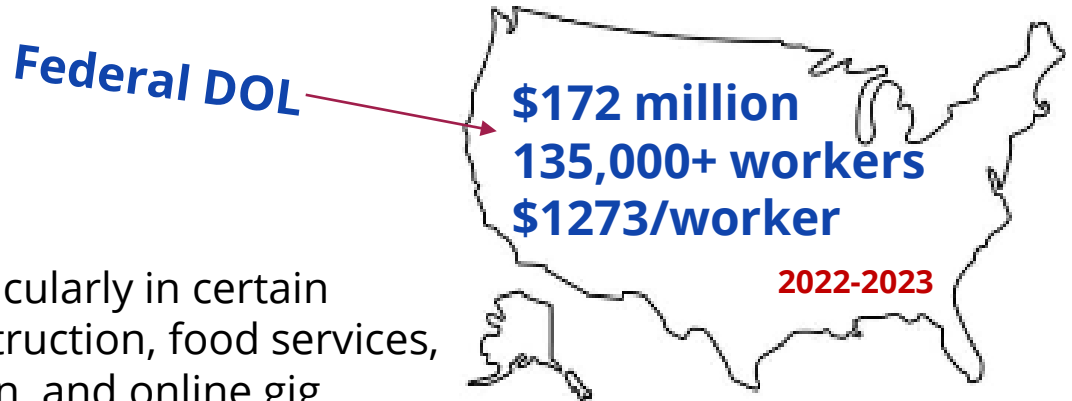
Wage theft creates unfair economic advantage.

These businesses undercut the competition and pay less than their share of taxes.



Why Wage Theft?

- Wage theft is widespread particularly in certain low-wage industries such as construction, food services, retail, health care, accommodation, and online gig industries. (Rutgers School of Management and Labor Relations)
- Wage theft is especially common among women, BIPOC, undocumented workers and workers who are low-wage. (Cooper & Kroeger)
- Workers in 10 states lost an average of \$64 a week and \$3,300 annually due to wage theft. (Cooper & Kroeger)





Why Wage Theft?

MN

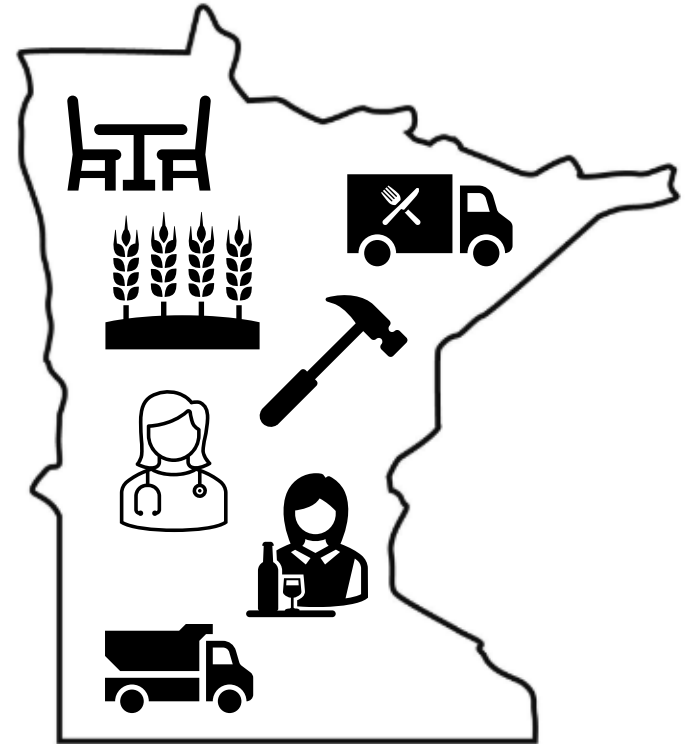
More than 39,000 workers experience wage theft each year.

MN

More than \$11.9 million in wages are not paid each year.

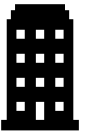
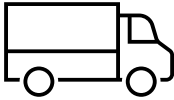
MN

As much as 10% of a low-wage worker's annual earnings are stolen each year.



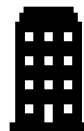
In Saint Paul – Recent Inquiries

- A community housing employee was terminated by their employer. The employer never sent the employee their last paycheck. The employee struggled to make rent due to the employer not sending the last paycheck.
- A single mother in the healthcare field called the Department about wage theft because, as far as she could tell, she had not been paid up to 30 hours that she worked. The worker discussed how hard it is being a single parent and trying to make end's meet.
- Bartenders and servers were not paid their full wages because they were forced to pay out for customers that did not pay their full bills. The employees had to pay out of their tips to make up for things not under their control.
- A truck driver was not paid their final paycheck of \$800.



In Saint Paul – Recent Inquiries

- An employer promised to pay out holidays and sick time to an employee. The employer went back on their promise and did not pay out any holidays or sick time.
- A former employer sent an employee a W-2 form stating that the employee had been paid wages when they had not actually been paid.
- A housekeeper and their partner put in long hours cleaning for an employer. Their employer refused to pay them for 30 hours of work.





No New Law! Proposal to Align with MN's Wage Theft Law

- ✓ No new requirements/obstacles for businesses!
- ✓ Wage theft is so prevalent that DLI staff hold “there are always going to be more instances of wage theft than there are resources to address it.”
- ✓ Passing a wage theft ordinance in Saint Paul would merely allow City staff to drive toward solutions—and faster! AG and DLI are already overburdened. DOL targeting 10 states with highest violations.
- ✓ Wage theft has a domino effect on communities. Workers whose wages are stolen cannot participate in the local economy—which hurts all businesses. The people who need this support cannot wait. Low wage workers often live paycheck to paycheck and do not have the capacity to wait up to a year for resolution.



Next Steps & Questions

Next steps

- 10/23 Public hearing
- 11/6 Council vote
- 11/7 Rulemaking period
- 12/30 Rules final and published
- 1/1/2025 Ordinance effective date

**If you think you may be experiencing wage theft, contact the HREEO department to talk with a Labor Standards Investigator. Call 651/266-8966 or email laborstandards@ci.stpaul.mn.us.
Online complaint form at stpaul.gov/hreeo.**