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## **A dubious expanded Pittsburgh sick-leave policy**

By Colin McNickle

Questions surround Pittsburgh's amended Paid Sick Days Act set to go into effect at the beginning of 2026. But one thing is certain: It is a dubious public policy at best, according to researchers at the Allegheny Institute for Public Policy.

"This is another significant detriment to achieving the goals of growing jobs, population and economic activity in the city," say Eric Montarti, the think tank's research director, and Alex Sodini, a research associate there (*in Policy Brief Vol. 25, No. 26*).

The new ordinance says employees subject to the act will need fewer hours to earn an hour of paid sick leave and will have a higher maximum number of hours of paid sick time per calendar year.

Independent contractors, federal and state workers, those in a construction union covered by collective bargaining and seasonal employees are exempt from the act, Montarti and Sodini note.

Businesses subject to the amended act will face additional compliance costs through requirements such as posting new notices and becoming familiar with the changes, along with making their own decisions on pay, benefits and staffing.

While it is difficult to determine how businesses have reacted to the original requirement to provide paid sick time or how they will respond to the more costly provisions of the act when it goes into effect in 2026, a public policy perversion in the new act is not lost on the researchers.

"A sponsor of the ordinance mentioned in a news article that grants or subsidies from the Urban Redevelopment Authority (URA) or private funders could be provided to offset the costs of paid time off, possibly tailored to 'mom and pop shops.'

“If the URA funds the effort, this is after the URA laid off some of its staff and is worried about funding cuts.

“And what fairness is there if a business with four employees gets help when one with 10 might not?” the think tank scholars ask. “For that matter, what business do taxpayers have subsidizing such a dubious public policy for any size private employer?”

Another perversion in the amended act is a matter of not following the letter of the law, Montarti and Sodini find.

“It is ... difficult to determine what the fiscal impact on the city will be,” they say. “As noted in *Policy Brief Vol. 16, No. 21*, a fiscal impact statement is to accompany city ordinances, resolutions and executive orders,” a requirement codified after the act’s 2015 passage.

“But, curiously, no fiscal impact statement was provided with the new ordinance,” they say.

Indeed, “businesses that are negatively affected by the city’s paid sick-leave requirements, or may find the changes an additional burden, always have the option of relocating outside the city limits,” Montarti and Sodini say.

That, however, is not an option without its own onerous costs.

Allegheny County has paid sick-leave requirements applicable to businesses outside Pittsburgh with 26 or more employees. But the accrual rate and maximum allotment are less generous than the city’s 2026 changes.

In Pennsylvania, paid sick-leave ordinances are in effect in Pittsburgh, Allegheny County and Philadelphia.

“Although there were efforts in the General Assembly of specifically preempting local governments from enacting paid sick-leave policies, that ship appears to have sailed,” Montarti and Sodini say.

“For legislators concerned about the business climate, perhaps this would be an opportune time to revisit the issue,” the think tank researchers add.

“Failure to address these types of anti-growth, anti-business issues is unfortunate as there is never a shortage of efforts to enact new subsidies and incentives while not addressing policies that hold back growth,” Montarti and Sodini conclude.

*Colin McNickle is communications and marketing director at the Allegheny Institute for Public Policy ([cmcnickle@alleghenyinstitute.org](mailto:cmcnickle@alleghenyinstitute.org)).*

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Allegheny Institute for Public Policy  
305 Mt. Lebanon Blvd.\* Suite 208\* Pittsburgh PA 15234  
Phone (412) 440-0079  
E-mail: [aipp@alleghenyinstitute.org](mailto:aipp@alleghenyinstitute.org)  
Website: [www.alleghenyinstitute.org](http://www.alleghenyinstitute.org)  
X: [AlleghenyInsti1](#)