

BACKGROUND:

On April 23, 2025, Virginia Department of Social Service Commissioner, James Williams, sent a letter to City Manager, James Parajon, announcing a new initiative to recognize and reward Local Departments of Social Services and those employees who consistently exceed expectations in processing Medical Assistance Renewals while also maintaining high-quality standards. The Virginia Department of Social Services is implementing a performance-based bonus structure designed to incentivize efficiency and accuracy in reducing Medical Assistance Renewals backlogs.

In order for the Virginia Department of Social Services VDSS to distribute these bonuses, and pursuant to Virginia Code Section 15.2-1508, each locality must have an ordinance in place authorizing payment of bonuses. The City of Alexandria does not have the requisite ordinance in place to authorize these payments in accordance with state requirements. The Alexandria Department of Community and Human Services requests that the City Council consider the proposed ordinance on first reading and schedule it for a public hearing, second reading and final passage on Saturday July 1, 2025.

FISCAL IMPACT: The Governor's proposed budget for SFY 2026 includes funding for a one-time bonus payment to eligible full-time employees equal to 1.5 percent of base salary to be issued on July 1, 2025. These bonuses do not require a local funding match; therefore, the City of Alexandria FY 2026 budget will not be impacted.

ATTACHMENTS:

Attachment 1: Letter from James Williams, Commissioner for the Virginia Department of Social Services.

Attachment 2: Proposed Ordinance

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